Australia Report

Sustainable Governance Indicators 2024

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SGI Sustainable Governance Indicators

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Executive Summary

Australia brings significant strengths to the challenge of sustainable governance. Many of these strengths derive from its political system, which has a deep grounding in democratic processes, as reflected by invariably free and fair elections and a robust commitment to the rule of law. Australia's political parties, operating in a system of compulsory voting, have been successful in bringing the issues, concerns and problems in society into the political realm for public debate and action. A lively civil society and social movement sector has been responsible for rousing public attention on critical issues such as the environment, Indigenous affairs and gender inequality.

These political foundations provide the conditions for an active democracy in which citizens generally have opportunities to participate, and the institutions of government are responsive (to a significant extent) to the changing requirements of good governance across a wide range of sectors. The capacity of governments is greatly enhanced by an effective bureaucracy that takes seriously its commitment to the public good and displays zero toleration of corruption. Australian governments and bureaucracies regularly show their capacity to coordinate large, complex projects, including those that have transformative effects. Furthermore, there are well-established formal and informal processes through which expertise in universities and civil society can be tapped and feed into the policymaking and implementation processes. Governments can be held to account by legislatures, though, in practice, the bigger constraints on what government leaders feel able to do comes from their perceptions of the electorate's priorities and fears and the demands from within the ranks of their political party. There are also other important checks on the exercise of power in Australia, including independent audit and oversight mechanisms and freedom of information legislation.

The election of the center-left Labor Party to government in May 2022 represented a significant turning point after nine years of center-right Liberal-National Coalition government. Environmental sustainability, and especially the commitment to reducing carbon emissions, immediately became high priorities at the national level. Policy actions have followed, although it is not clear they are sufficient to deliver on the promised reductions. Access to health, education and housing by disadvantaged members of the community has also been given heightened priority, although materially impactful policies

have to date been somewhat limited. This is, however, unsurprising in the context of an overheating economy with excessive demand-driven inflation, which has constrained the implementation of fiscally stimulatory policies. Commitments to improve the availability of government data to researchers and to more rigorously evaluate policies are further positive developments under the Labor government.

More broadly, and over the longer term, the structures and operations of the Australian system of governance have generated significant economic dynamism, as shown by the consistently high rates of economic growth that the country has been able to maintain for decades (albeit somewhat lower in the most recent decade). However, despite these successes with the Australian model of governance, it continues to struggle with some serious challenges. These include the difficulties that the country has had in advancing the decarbonization of its energy production and the economic activity that it supports. There remain historic injustices and inequalities in relation to the Indigenous community that remain unresolved. A referendum seeking to create an Indigenous "voice" in parliament in September 2023 was unsuccessful, although it is in any case unclear it would have delivered tangible progress for Indigenous Australians. Gender and ethnic diversity inequalities highlight structural problems in the political system. Additionally, the treatment of refugees and humanitarian entrants is inconsistent with the country's high democratic aspirations.

Key Challenges

The environment, encompassing issues such as pollution reduction, energy transition, and biodiversity maintenance, is a long-standing concern that is becoming increasingly urgent. Australian governments have shown a reluctance to consider policy changes in this area that might jeopardize the economy in any way, even when environmental management dividends would be significant. Equally problematic is their unwillingness to commit substantial effort to developing sustainable growth mechanisms. At the heart of the challenge is the country's economically large and politically powerful resources industry. Energy and mining are major components of the economy, and these sectors have been politically active to the extent that campaigns by the energy industry have been critical to the removal and replacement of Australian prime ministers who dared to propose what were construed as "radical" environmental measures. Somewhat ironically, Australia is rich in renewable resources and is well-positioned to benefit from a global shift to

clean energy. However, the lack of a sufficiently powerful incumbent renewable energy industry to counter the arguments of fossil fuel industry lobbyists has likely been a barrier to progress.

Recent years have seen a significant shift in the Australian government's approach to environmental issues. Climate and the environment were prominent topics in the 2022 election, and the new Labor government has expressed much stronger commitments to environmental concerns, adopting a range of new measures to improve Australia's environmental sustainability. However, this remains an area of relative weakness in the country's overall sustainable governance performance. Decarbonization continues to be a politically challenging issue due to the political strength of the energy industry. This challenge underscores the need for measures to create a more favorable climate for environmental policymaking. Such measures might include reforms to political finance and lobbying to shield policymakers from the influence of energy sector agents, or the development of new, more collaborative mechanisms for establishing and maintaining stronger environmental commitments.

While Australia's systems of governance perform strongly in many respects and generally retain high legitimacy, these social resources cannot be taken for granted. Steadily declining trust in political elites and institutions indicates that many Australians have diminishing faith in their governance processes as a means of representation and achieving meaningful policy reform. The strong evidence of marginalization and inequality based on geography (urban versus rural), gender, and ethnic/racial identity further illustrates a political system that is not delivering satisfaction across the board. Addressing these democratic deficits will require new modes of inclusion, activism, and deliberation to enable established institutions to listen and respond more effectively to groups of citizens – and non-citizens – whose interests have generally been neglected in Australian political discourse. Additionally, there is an urgent need for policies to materially improve the lives of those at the margins, including policies to boost housing affordability and facilitate economic opportunities beyond major cities.

Another pressing challenge facing Australia, like many other democracies, is the rise of disinformation, fueled by the internet and social media. Disinformation prominently featured in the recent constitutional referendum campaign for a Voice to Parliament, influencing many Australians' perceptions of the likely effects of creating the new body. This episode demonstrated the potential for disinformation to impact major political events, in this case, the most significant debate in decades about the future of Indigenous affairs in the country. Two Australian subnational jurisdictions –

South Australia and the Australian Capital Territory – have introduced truth in political advertising regulations. The government is currently developing a set of rules in this area to apply to political communication at the federal level, a move which current polling suggests would be welcomed by most citizens (Karp 2023).

Australia also faces significant uncertainties in its geopolitical context. Its relations with China – the country's biggest economic trading partner but also a geopolitical competitor – have become increasingly complex. Navigating Australia's dependence on Chinese markets alongside the oftentimes sharp differences between the countries' political values is, and will continue to be, a major diplomatic challenge that will shape the geopolitical landscape for Australia and influence the dynamics of the Asia-Pacific region. Connected with the Australia-China relationship is Australia's relationship with the United States and traditional European allies, especially Britain, which it has historically relied on for security. Increasingly, Australia is having to engage more closely with countries in its region (e.g., India) and interpret its interests in line with the requirements of its geography. Therefore, Australia's priorities may not always align with those of the United States and Britain, even if they often will.

Democratic Government

I. Vertical Accountability

Elections

Elections in Australia are fundamentally competitive. The major parties, Labor and the Liberal-Nationals, contend on a relatively balanced playing field. This should be seen as the outcome of long-term processes of bargaining, anticipation and risk mitigation by the major parties.

While barriers to effective political competition are low, some do exist. A significant example is political financing, where minor parties face disadvantages both formally and informally. The primary instrument of electoral regulation, the Commonwealth Electoral Act 1918, has undergone several amendments, the latest in 2019. This act provides registered political parties with public funding at each election (see Australian Electoral Commission 2023). Parties and candidates who secure 4% of first-preference votes in an electorate are eligible for a fixed-sum payment, set at AUD10,656 in the 2022 federal election. Parties and candidates can also receive substantial top-up payments beyond that based on the number of votes they receive. The rate is set by legislation (Commonwealth Electoral Act, Section 321) and indexed every six months. For the 2022 federal election, this rate was AUD2.914 per eligible vote.

Overall, competitive conditions are more challenging for minor parties and independent candidates, who face higher formal and informal hurdles in areas like political financing and media exposure compared to major parties and their candidates. The increase in the number of independents at the 2019 federal election indicates that long-standing assumptions about party competition and its regulation in Australia are evolving. Reforms reflecting the growing significance of these minor players are actively debated. Currently, the Restoring Trust Bill, under discussion in the federal parliament, proposes substantial reforms to the electoral landscape, particularly regarding political

financing. Proposed changes include lowering the disclosure threshold (the donation amount that must be publicly declared), introducing real-time donation disclosures, banning donations from government contractors, and limiting taxpayer-funded government advertising before elections (Orr 2023). According to Kate Chaney, Independent Member for Curtin, these reforms will "improve transparency, reduce financial influence and level the playing field in Australia's elections" (Chaney 2023).

In addition to the balance of competition between major and minor parties, other challenges include transparency issues (such as high national-level disclosure thresholds) and difficulties in combating disinformation during election campaigns (Zhang and Johnson 2023). The political finance bill under consideration in the federal parliament aims to address these and other outstanding issues.

While the ongoing debate has focused on national conditions, the states have been relatively innovative. Political finance disclosure laws are more stringent at the federal level than in any subnational jurisdiction. South Australia has pioneered truth in political advertising laws to tackle disinformation in election campaigns.

Free and Fair Elections
Score: 9

However, there is noteworthy variation in turnout across the country. Lower turnout rates in regional areas with large Indigenous populations are of particular concern (Central Land Council 2022). Contributing factors to this disparity include lower information penetration, lower levels of educational literacy, and inadequate interpreter and translation services in these regions. Post-election analyses also show higher rates of informal voting – when a vote is submitted but not counted due to errors in ballot completion – in Indigenous communities compared to other areas.

The homeless population also exhibits low levels of electoral participation (Coram et al. 2019). This demographic faces difficulties enrolling to vote and maintaining their enrollment due to frequent changes in accommodation.

Certain minority communities encounter barriers to participation, often related to English language proficiency. For instance, while the rate of informal voting was around 3% nationwide in the 2022 federal election, it was significantly higher in multicultural communities. In the electorate of Fowler in western Sydney, which has large Vietnamese and Chinese populations, the informal vote rate exceeded 10% (Jakubowicz 2023). Additionally, non-citizen permanent residents are not eligible to vote.

Individuals with cognitive disabilities represent another marginalized group. Thousands of Australians have been removed from the electoral roll under the "soundness of mind" clause (Ramcharan et al. 2023). There has been little systematic effort by government agencies to increase the inclusion of people with cognitive disabilities, and there is no requirement for political parties and candidates to provide campaign information in cognitively accessible ways.

Prisoners serving sentences of less than three years, those on early release, or those on parole are entitled to vote via postal vote or prison mobile polling teams, provided they satisfy other voting requirements (Australian Electoral Commission 2023).

Quality of Parties and Candidates

Socially Rooted
Party System
Score: 7

The wide range of views presented by the parties in the Australian party system facilitates effective social integration, supported by preferential voting. However, the low and declining membership of parties indicates weakening societal penetration and relevance.

The Australian party system comprises two major parties/coalitions, Labor and the Liberal-National coalition, alongside several minor parties (with the Greens being the largest) and an increasing number of independent MPs and Senators. At the national level, the Liberal-National coalition, which had governed continuously since 2013, was defeated in the 2022 federal election, resulting in a Labor majority. Various competitive arrangements exist at the state level, such as in Victoria and Queensland, where Labor has been dominant for extended periods.

Labor is traditionally associated with left-wing politics, combining economic priorities with social and cultural policies. The Liberal-National coalition advocates conservative policies across economic, social, and cultural matters. Although the Liberals and Nationals are independent parties, they do not compete against each other in elections and generally operate as a cohesive coalition. The National party primarily draws support from regional and rural voters, making Australia unique internationally for having a significant agrarian party. Smaller parties and independents cater to niche electoral markets, including environmentalism, nativism, and integrity.

A wide range of ideological positions and manifestos are presented to voters at election time. For example, significant differences between the major parties were apparent in the 2022 federal election regarding aged care policy, corruption and the federal integrity commission, childcare policy, climate

change policy, housing policy, the Voice and Indigenous recognition, and health policy (Guardian staff 2022).

The preferential voting system used in Australian elections allows voters to rank-order parties/candidates, enabling them to express complex preferences. Left-leaning supporters often give their first preference vote to Labor or the Greens and their second preference to the other left-leaning party. Right-leaning voters may distribute their preferences between the Liberal-National Coalition and right-leaning minor parties like One Nation. To capitalize on preferential voting, parties issue 'how to vote' cards to guide their supporters on allocating preferences.

While natural affinities exist between parties on the same side of the ideological spectrum, conflicts can arise among these 'ideological friends.' For example, relations between Labor and the Greens have been strained over their disagreement on addressing the housing affordability crisis (Speers 2023). Labor proposed a housing fund to build 30,000 social and affordable homes over three years, while the Greens called for more urgent action, including a rent freeze. Similar tensions have occurred on the right. During the 2022 federal election, the Liberal-National Coalition placed One Nation below Jacquie Lambie on its how-to-vote card for the Tasmanian senate elections. One Nation responded by directing its supporters to preference Labor ahead of the Liberal-National Coalition in five seats (Karp and Hinchliffe 2022).

Although parties present a wide range of positions, there has been some weakening of the connection between these positions and the demands and preferences of ordinary citizens. One reason may be the low and declining levels of party membership across the system (Oliver 2014), as party members traditionally played a key role in conveying grassroots views to party elites. The tenor of political discourse, in parliament and the media, may also have accelerated disillusionment and disengagement.

Effective Cross-Party Cooperation
Score: 4

There is general acceptance of liberal democratic values and institutions among the major political parties, with significant evidence of their commitment to sustaining these values. Major-party leaders and candidates typically frame critiques of political institutions around improving democratic integrity. However, commitment to democratic values is weaker among some minor parties, as evidenced by their willingness to transgress parliamentary conventions and other norms.

The major parties' competitiveness can produce tribalism, hindering cooperation on important policy matters. However, the majoritarian nature of the Australian political system means that cross-party cooperation is generally

less crucial than in proportional representation systems. The ruling party typically has a majority in the lower house and requires only a handful of votes from independents or minor parties to pass legislation through the upper house..

Access to Official Information

Transparent
Government
Score: 5

Australia has well-respected Freedom of Information (FOI) rules, enabling public and media access to information influencing public debates. However, there are significant loopholes, such as cabinet deliberations being exempt from FOI, creating incentives for important discussions to be channeled through cabinet processes to avoid FOI requirements. There is also evidence of decreasing resources for servicing FOI requests, leading to longer wait times for information releases. For example, approximately 30% of FOI requests were not dealt with within the required 30 days (Australia Institute 2023). Additionally, there is increasing rejection of FOI requests and more extensive redaction of released material (Knaus and Bassano 2019). Consequently, public support for the FOI system is declining, with only one in five Australians highly confident that the FOI system provides access to all government information they are entitled to (Australia Institute 2023).

II. Diagonal Accountability

Media Freedom and Pluralism

Free Media
Score: 7

Australia has traditionally had a lively media landscape, with internet platforms and social media greatly expanding the number and range of broadcasters (BBC 2023). Private operators maintain significant independence from government, while public operators rely on public funding but are operationally independent.

Governments occasionally attempt to pressure the influential ABC into slanting agendas in their favor, but such moves are strongly resisted by the organization, bolstered by its high public standing (Muller 2019). Media experts suggest that reforms to make the appointment of the ABC Board and its funding stream less manipulable by governments would reinforce its independence.

Various pieces of recently passed legislation impinge on media freedom. The Anti-Terrorism Act 2005 allows for control orders to restrict freedom of speech for individuals and the media (Murphy 2019). The National Security Legislation Amendment Bill 2014 restricts the ability of journalists to report on secret intelligence operations, allowing for up to 10 years of jail for exposing errors made by security agencies. In addition, the Data Retention Act makes it almost impossible for journalists to protect government sources. The Foreign Fighters Act potentially criminalizes media reports covering militant extremists, and the most recently passed measure, the Foreign Interference and Espionage Act, significantly broadens the scope of information defined as "classified." Federal police raids on journalists' homes and media offices have highlighted these issues, prompting a concerted campaign by journalists and media organizations for legislative changes to protect media and whistleblowers, with advocates arguing that the country's democratic functioning is at stake (Meade 2021). 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.

Despite these challenges, journalists generally work without significant government intimidation, and there is no evidence of censorship or self-censorship. Well-established norms of press freedom allow media platforms to criticize the government with legal protection. Threats to journalists (e.g., libel) are not uncommon but they are handled in a reasonably fair and peaceful manner through the legal process.

Pluralism of
Opinions
Score: 5

Australia's technologically advanced media system presents contrasting agendas and positions on many policy questions. However, heavy concentration in the media market poses significant obstacles to representing all relevant political perspectives. The influential public broadcasters, ABC and SBS, contribute significantly to the diversity of the media landscape. ABC raises and explores issues of general interest without advancing a partisan view, while SBS provides distinctive programming appealing to niche and minority interests based on taste, culture, or language.

A critical weakness in the media system is the heavy market concentration of the newspaper industry. News Corp controls nearly 60% of the market by circulation, raising concerns about its influence on elite politicians, political discourse, and access opportunities for other media outlets. Influential political actors, such as former Prime Minister Kevin Rudd, have called for measures to diversify media ownership.

In 2021, the government implemented a news media mandatory bargaining code requiring digital platforms, especially Google and Facebook, to pay news

media companies for content they link to or display (ACMA 2022). This promotes media plurality by increasing the viability of a broader number of news media outlets. However, critics argue that the code does little for small and regional news media operators (Fisher et al. 2021). The value of payments from Google and Facebook under the code remains unknown due to confidentiality agreements.

Civil Society

Free Civil
Society
Score: 7

Australia has a long history of civic activism, recently highlighted by the debate on The Voice referendum. Organized social movements have emerged on both sides of this debate, actively presenting their views, especially in urban areas.

The constitution and Australia's political norms protect the rights of civil society organizations (CSOs) to form and express their views publicly, provided these do not constitute hate speech. Recently, governments throughout the federation have strengthened laws against hate speech and minority vilification, aiming to secure the public space for legitimate debate within acceptable conduct bounds.

While there is tolerance for peaceful protests that do not incite hatred or violence, there has been increasing intolerance in some jurisdictions for protests that are merely "disruptive." For example, the South Australian government recently passed legislation significantly increasing the penalties for protests that cause traffic chaos (Prosser and Richards 2023). This law responded to pro-environment activism in Adelaide, increasing the maximum penalty for such protests from AUD 750 to AUD 50,000 or three-months' imprisonment.

Civicus, the civic space monitor, rated conditions in Australia as "narrowed" in its most recent report (Civicus 2023). In 2018, conditions were rated as "open." Concerns raised by Civicus include harsh treatment of whistleblowers, anti-protest laws clashing with international standards, and the willingness to arrest climate protesters (Civicus 2023).

Effective Civil
Society
Organizations
(Capital and
Labor)
Score: 6

The formal rules of the Australian political economy permit CSOs to build strength through membership and fundraising, using those resources to shape public policies. Individuals' registration and membership fees, and contributions to political parties and other CSOs, can be tax-deductible, incentivizing individuals to join and be active. Membership and activity levels fluctuate depending on the political agenda.

The political and policy influence of particular CSOs is highly dependent on the government's identity and who it chooses to listen to. Parliamentary processes, such as inquiries during the lawmaking process, have become important forums for CSO access and influence. The most influential CSOs can receive attention from decision-makers through contacts in the executive branch and party structures.

The record of CSO influence across major policy areas is mixed. For example, there is evidence of government consultation with CSOs in the integrity domain in crafting recent laws to create a federal anti-corruption commission. Government officials exchanged ideas with academic researchers, anti-corruption policy experts, journalists, and industry professionals at the 2023 National Integrity Summit hosted by Transparency International (Attorney-General's Department 2023).

However, the influence of CSOs in the contentious domains of asylum and immigration has been more muted, with both major political parties taking a hard line on these matters. Recently, the High Court struck down the law that allowed Australian governments to indefinitely detain immigrants who remained in Australia without a visa and could not be deported (Ghezelbash and Talbot 2023). Following this, the government swiftly introduced new legislation allowing for the detention of individuals deemed to be at "high risk" of committing serious offenses, imposing a test on non-citizens not applied to Australian citizens.

Regarding labor relations, trade unions have a long history of activism in Australian politics, policy, and society. However, their influence has waned as their membership base has continued to shrink over several decades (McAlpine and Roberts 2017). Factors contributing to this trend include changes in the economy's structure, such as the decline of the manufacturing sector, and changes to industrial relations laws reducing unions' capacity to recruit members and take workplace action. Notably, collective agreements reached by employers and unions apply to both union members and non-members, creating a free-rider problem where non-members benefit from union bargaining without incurring costs.

Effective Civil
Society
Organizations
(Social Welfare)
Score: 5

As noted for CSOs in capital and labor, the formal rules of the Australian political economy allow social welfare CSOs to build strength through membership and fundraising, using those resources to shape public policies.

The record of CSO influence across major policy areas is mixed. For example, there is evidence of government consultation with CSOs in the integrity

domain in crafting recent laws to create a federal anti-corruption commission. However, the influence of CSOs in the contentious domains of asylum and immigration has been more muted. Following the High Court's ruling against indefinite detention, the government passed new legislation in December 2023 allowing for the detention or "supervision" of immigrants convicted of serious violent or sexual offenses and deemed high-risk, a test not applied to Australian citizens.

Youth groups and multicultural societies have been influential, particularly in state policymaking, as shown by the development of several multiculturalism programs advancing the agendas of CSOs in this area (Jakubowicz 2023; Office for Youth 2022). However, many CSOs in this sector lack a strong and reliable funding base, relying on government grants to fund their operations and activities. This reliance on government grants constrains their capacity to advance their interests.

CSOs advocating for disadvantaged groups, such as the Australian Council of Social Service, are relatively prominent in public debates and have probably influenced policies in areas such as welfare payment levels.

Effective Civil Society Organizations (Environment)
Score: 7

The discussion regarding CSOs in labor, capital, and social welfare also applies to environmental CSOs. Major environmental CSOs are active, capable, and influential, but their influence is not consistent or guaranteed, depending on a favorable opportunity structure, particularly who is in power and how open or amenable they are to the CSO's activism.

Environmental activism has seen long-term growth in civil society participation (Gulliver 2022). The number of environmental CSOs has increased, and they have diversified their focus on specific environmental issues or representing particular communities. This movement has been crucial in shifting the mainstream view on the importance of climate change and the need for government action to combat human contributions to global warming. However, their effectiveness was limited under the previous center-right Coalition Government. Their influence has become more discernible since the center-left Labor Party came to power in 2022.

III. Horizontal Accountability

Independent Supervisory Bodies

Effective Public
Auditing
Score: 9

Australia has well-resourced audit offices at federal and state levels, ensuring effectiveness in this area. The Australian National Audit Office (ANAO), led by the Auditor-General, audits Commonwealth agencies' financial statements and conducts performance assessments. Parallel institutions exist at the state level to monitor state agencies' activities. While there is little evidence of corruption or extreme maladministration in the public sector, commentary suggests some areas of weakness, including procurement, cybersecurity, and grants administration (Macdonald 2022). Furthermore, it has been observed that on a few occasions there have been efforts by an Australian government to obstruct the oversight activities of the Auditor-General by resorting to the doctrine of cabinet confidentiality (Patrick 2023). However, this practice and line of argument is unusual.

Effective Data
Protection
Score: 9

The Office of the Australian Information Commissioner (OAIC) supports privacy regulation. The agency is independent and effective, despite challenges posed by recent high-profile data breaches highlighting weaknesses in the information protection architecture across private and public sector organizations (Tran 2023).

Rule of Law

Effective Judicial
Oversight
Score: 9

Australia has a well-established and highly effective judicial system, with the High Court of Australia (HCA) at its apex. Appointment processes are quite independent, with political considerations playing no more than a marginal role in determining who is appointed as judges. The norms of the Westminster system leave most "political" matters to the executive to define and determine, giving the executive significant discretion on controversial questions. That said, on matters that touch on the law, judicial independence from politics is widely accepted in both the legal and political communities, as evidenced by the reluctance of judges to make statements that would reveal any ideological or partisan preferences, and the deference that politicians show to the courts on legal questions.

Such deference is shown even when the courts reach judgments that are clearly opposed to government policies. A recent example is provided by the HCA's decision on 8 November 2023 to rule indefinite immigration detention unlawful, causing the collapse of a policy that both major parties had supported while in power. Although the government did act in accordance with the court's judgment by immediately freeing all those held in detention, it immediately prepared new legislation that would allow the government to re-detain a released individual by submitting to a court evidence that the person has been convicted (either in Australia or overseas) of a crime that carries a sentence of seven years or more, and the court agrees that the individual poses "an unacceptable risk of committing a serious violent or sexual offense" and there is "no less restrictive measure available" to keep the community safe (Peterie and Nethery 2023).

HCA jurisprudence is sophisticated, and it is supported by rich legal debate among legal practitioners and academics. Among the challenges facing the judiciary that have received attention in recent times are the struggles with achieving satisfactory levels of diversity among judicial officers, workload and well-being considerations, and difficulty with removing judges for consistently poor performance or misconduct.

Universal Civil Rights
Score: 6

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

Civil rights in areas such as speech, association, political participation, and privacy are generally respected and enforced. However, recent moves in some states to tighten protest laws may limit civil rights necessary for civil disobedience and social movement activism. The political rights of Indigenous Australians remain insufficiently protected, and these communities are overrepresented in prisons and the penal system (Amnesty International 2023). Refugees and migrants face political risks that citizens are protected from.

One of the factors (Factor 4) measured by The World Justice Project tracks the protection of fundamental rights, focusing on rights that are firmly established under the United National Universal Declaration of Human Rights. According to this indicator, Australia is a high performer, ranking 19 out of 140 countries tracked by The World Justice Project. However, the trendline for Australia has been downward since 2015. The fundamental rights protection score recorded

in 2023 is 0.78, but in 2020 that score was slightly higher at 0.79, and higher still in 2018 (0.81), and 2015 (0.82) (World Justice Project 2023).

Effective Corruption Prevention
Score: 7

Australia is a low-corruption country with evidence suggesting that instances of explicit corruption, such as bribery, are extremely rare. However, there is a widespread perception of corruption in public life, partly due to a lack of transparency or practices not conducive to the public interest. Political financing practices and government contract awarding processes raise concerns about favorable treatment and inappropriate personal gain.

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 2022 election.

In the past year, the federal government has established a new National Anticorruption Commission (NACC) with broad powers to investigate corruption across the Commonwealth public sector (Knaus 2023). ll states and territories have operated with integrity agencies for several decades, so the creation of this new body addresses a major gap in the country's integrity framework. It remains to be seen whether the new organization will have a positive impact not only on actual corruption, but also on perceptions of corruption in the community. Despite the new institution, there remain concerns that whistleblowers, who expose corruption, are inadequately protected across Australian jurisdictions (Transparency International 2023).

Legislature

Sufficient Legislative Resources
Score: 6

Legislators have a range of resources to monitor government activities and influence the lawmaking process, which tends to be dominated by the executive under Westminster-style principles. Parliaments have well-resourced libraries that undertake research and produce reports. Perhaps more significant are the activities of parliamentary committees, which can question ministers to ensure accountability and conduct inquiries drawing on expertise from the community, such as academics and civil society actors.

Parliamentarians also have access to advisers. However, after the 2022 election, the Labor government reduced the number of advisers for

independent members of parliament funded by the Commonwealth from four to one, and reduced funding for advisers to minor parties. This move met with fierce opposition from independents and minor parties, but the government argued that increased resourcing of the Parliamentary Library would ensure that parliamentarians continued to have sufficient resources.

Despite the significant resources at their disposal, Australian parliaments' capacities have declined relative to the executive's. Political scientists like James Walter identify a decades-long strengthening of the Prime Minister's Office, with greater focus on the leader and personal advisers at the expense of parliamentary influence (Walter 2021).

Effective Legislative Oversight
Score: 7

Parliamentary committees are critical to the Australian accountability architecture. These committees have the power to call witnesses and demand documents for review. While governments can attempt to stall committees' efforts, a bigger constraint is the executive's power to influence committee membership. The majority party has disproportionate influence in this process, posing problems for oversight committees. For example, the parliamentary committee overseeing the new National Anticorruption Commission was proposed to be chaired by a non-government politician, but this was rejected (Public Integrity 2022).

Effective Legislative Investigations
Score: 7

Parliamentary committees have considerable powers to call witnesses and demand documents. They are often well-resourced, enabling them to conduct in-depth probes of government action. A structural weakness is the executive's control over the appointment of chairs for key accountability committees. Governments can subtly influence the work of these committees, even though they are meant to be formally independent. For instance, the private office of then-premier of Victoria, Daniel Andrews, was accused of pressuring Labor members to curtail potentially embarrassing hearings of the Integrity and Oversight Committee in the Legislative Assembly (Love 2022). Moreover, just as important as its capacity to exert influence in the legislature is the government's considerably autonomy regarding its response to investigative/committee findings that are critical of the government or its proposals.

Legislative Capacity for Guiding Policy
Score: 7

Parliamentary committees are effectively organized to monitor executive activity. There is broad alignment of standing committees with executive functional areas, and select committees can be established to investigate important but non-enduring issues. The government retains significant influence over the chairmanship of important committees and decides which committee recommendations to incorporate into legislative plans or actions, meaning the oversight powers of committees are not always fully exercised.

This risk is greater in the House of Representatives than in the Senate. The House tends to have more seats allocated to the government and high party discipline, whereas the Senate has more minor-party and independent members of parliament, leading to more scrutiny of the government.

Committees benefit from being able to examine government activity in a small group. Generally, the small-group context supports mostly cordial and collegial relations in committees, even among politicians from rival parties. There are exceptions, however. For instance, the federal Parliamentary Joint Committee on Intelligence and Security (PJCIS) has attracted attention following the Labor government's proposal to expand the committee membership (from 11 to 13 members) and open up spaces on the committee to minor parties and independents. The Liberal-National Coalition has expressed its strong opposition to these moves, causing tension in this normally collegial committee (Grayson 2023).

Governing with Foresight

I. Coordination

Quality of Horizontal Coordination

Effective
Coordination
Mechanisms of
the GO/PMO
Score: 8

Significant coordination mechanisms exist between the center, prime minister, and line ministries in Australia. The cabinet is the principal forum for ensuring a whole-of-government approach. Although the Cabinet operates collectively with shared decision-making and responsibility, its processes provide the prime minister with unique resources for agenda setting and establishing decision-making rules. One risk of the Australian line management system is over-centralization, prioritizing coherence over the benefits of decentralization, checks and balances, and some autonomy for line ministries. This risk was evident during the COVID-19 pandemic when it was revealed that then-Prime Minister Scott Morrison secretly assumed direct control of five ministries without informing his cabinet colleagues.

However, the COVID-19 pandemic merely exacerbated trends that have been decades in the making. As political scientist James Walter (2021) points out, Australian prime ministers have built up resources around their office to enhance their autonomy and influence. The result is the creation of "retail" leaders who are primarily experts in delivering the message and "winning" what they see as a permanent campaign.

Effective
Coordination
Mechanisms
within the
Ministerial
Bureaucracy
Score: 9

Government agencies in Australia have well-established practices for creating working groups to foster inter-agency cooperation on cross-domain challenges, such as cybersecurity. These groups often include external actors for additional input. For example, recent cybersecurity reforms stress coordination involving multiple federal departments – Home Affairs, Defence, Australian Signals Directorate, Foreign Affairs, and Attorney General's – along with state governments and industry in a whole-of-nation effort to protect against cyber threats (Department of Home Affairs 2023). Regular movement across the public service, including secondments, facilitates

knowledge-sharing. Many departments send staff to common training programs at institutions like the Australia and New Zealand School of Government (ANZSOG), supporting a common perspective on policy approaches.

Complementary
Informal
Coordination
Score: 9

Regular informal meetings between agency staff at different levels (though especially at higher ranks), through a variety of forums, support interministerial cooperation. These activities do not undermine the formal coordination efforts within the bureaucracy or at ministerial level.

Quality of Vertical Coordination

Effectively
Setting and
Monitoring
National
(Minimum)
Standards
Score: 7

The federal government is committed to providing uniform national services and works to ensure consistent program delivery, particularly in health and education. This is complicated by differences in state sizes, population distribution, and resistance from state governments keen to preserve their independence. Variation in funding levels according to need, determined by the Commonwealth Grants Commission, helps ensure uniformity.

High-level coordination mechanisms, including the National Cabinet, provide a forum for governments of all jurisdictions to discuss mutual concerns. The federal bargain, enforced through constitutional law and the courts, grants states significant autonomy over service provision. The national government, with greater revenue-raising capacity, can incentivize certain services and act as a provider of last resort. However, states retain significant control over public service delivery in education, healthcare, public transport, and housing, resulting in policy divergence across jurisdictions.

The COVID-19 pandemic was a critical period in Australian federalism, leading to the institutionalization of the National Cabinet and a revival of state power. The Australian federal system contributed to the country's low mortality rate, as states could devise policies suited to their circumstances, with the National Cabinet smoothing potential clashes. However, the National Cabinet did not always ensure coherence, as shown by unilateral decisions to close/open state borders during and after the pandemic, which may have increased economic costs.

Effective
Multilevel
Cooperation
Score: 7

The National Cabinet, an elite body that serves as a forum for ministerial-level discussion, integrates different governments but does not directly represent local issues. Various state-level working groups include local governments, and the Australian Local Government Association (ALGA) represents local governments at the national level, engaging in advocacy on issues like road

infrastructure, aviation, airport construction, and renewable energy (ALGA 2023). Local government civil servants often have more grievances with state governments, which constrain their revenue-raising capacity and sometimes impose decisions over local objections. Nonetheless, there is significant cooperation between actors across different levels of government.

II. Consensus-Building

Recourse to Scientific Knowledge

Harnessing
Scientific
Knowledge
Effectively
Score: 8

Australian governments regularly draw on experts to inform policymaking through various mechanisms. Experts feature prominently in committee hearings preceding new legislation, providing detailed submissions. They may also work directly with government agencies, with departments like Foreign Affairs and Defence using grants programs to select qualified academic teams to conduct research on their behalf. Much interaction between government officials and academic experts occurs informally through person-to-person relationships.

The government funds national grants programs through research councils like the National Health and Medical Research Council and the Australian Research Council. The selection criteria for the projects funded by these councils typically include some consideration of a "national benefit" that aims to align funded research with the national priorities as determined by the government.

However, academic influence on government decision-making is limited, especially in economic and social policy domains, with technical advice more readily accepted. The Productivity Commission is an exception, drawing on expert advice for inquiries and reviews.

Although the government is able to draw on relevant expertise, recent years have seen the rise of populist pressures that have diminished the standing of and respect for experts in some sectors and among some influential figures in politics. For example, despite unanimity among experts on the desirability of a carbon tax, there is still no price on carbon in Australia.

A recent development promising increased scientific evidence in policy is the establishment of the Australian Centre for Evaluation within the Department of Treasury in late 2023. This center aims to enable high-quality policy

evaluation across federal government operations by providing advice and bringing together representatives from government departments with relevant experts.

Involvement of Civil Society in Policy Development

Effective Involvement of Civil Society Organizations (Capital and Labor)
Score: 6

There is limited institutionalized involvement of capital and labor in policymaking processes. Businesses and trade unions influence policy through informal means, such as meetings with government officials and the movement of individuals between government and private sector employment. In the case of unions, influence is to a considerable extent confined to periods when the Labor Party is in power, noting that unions have significant input into the preselection of Labor candidates. Otherwise, informal mechanisms include meetings between government officials and the leaders of these private sector organizations, and the movement of individuals between government employment and employment in private sector organizations. While the latter may have some beneficial impact in terms of knowledge transfer between sectors, there has been concern that such movement may undermine governance in the public interest (for instance, because it may mean that the private firms which frequently recruit government employees may be able to draw on the connections of these persons to advance their firm's interests). This phenomenon has been described as the problem of the "revolving door" between government and the private (and especially corporate) sector (Centre for Public Integrity 2023).

The relationships between government, trade unions and business depend on the political complexion of the government. In general, the Liberal-National Coalition is regarded as being more pro-business and, as noted, Labor is closely associated with the union movement. However, these generalizations mask a large degree of consensus and important parallels between governments of all stripes in the Australian context. Most importantly in this regard, the Labor Party has generally been a strong defender of the fundamentals of the market economy, and therefore is open to business in a political sense. More radical left-leaning critics claim that business has often preferred Labor to form government because it is more able to keep the unions in check, thereby reducing the costs of industrial action (De 2023).

Effective Involvement of Civil Society Organizations (Social Welfare)
Score: 7

Social welfare organizations are regularly consulted on social policy development through engagements with parliament and executive agencies. The effectiveness of this engagement varies, depending on factors like the governing party's manifesto and public opinion. The CSOs in this area frequently have so-called peak bodies that actively lobby governments in order

to highlight their concerns with government action (or inaction). Social welfare CSOs have been prominently involved in Royal Commissions, which are large resource-intensive investigative efforts that follow formal processes and normally yield extensive recommendations. Recent Royal Commissions in this area include the Royal Commission into the Violence, Abuse, Neglect and Exploitation of People with Disability, and the Royal Commission into Aged Care Quality and Safety.

Royal Commissions have been established to investigate major policy dilemmas and their conclusions and recommendations are usually taken seriously, informing the future debate and long-term development of policy in that area. These commissions provide social welfare CSOs with a significant opportunity to contribute their views as witnesses. Consider, for example, the Royal Commission into Aged Care Quality and Safety, which presented its final report, entitled "Care, Dignity and Respect'" in March, 2021. The commission received statements from more than 600 individuals and organizations, with many of these contributions coming from those involved in the aged care sector through CSOs (Royal Commissions 2023).

The issue of aged care had been a long-standing policy problem. However, the commission report helped keep the issue prioritized in the political agenda, with both parties issuing significant reform proposals in advance of the federal election in 2022 that were aligned with the commission recommendations. While the social welfare CSOs that actively participated in the influential Royal Commission were able to shape policy development through this mechanism, there have also been problems. To begin with, the Royal Commission has been criticized for giving insufficient weight to the views of the community sector. One such organization, Aged Care Crisis, which submitted a lengthy position paper to the Royal Commission, argued that the commission was too narrow in its approach to the sector's problem. In particular, it didn't give serious thought to challenging the dominance of private sector players in aged care provision (Aged Care Crisis 2023). This CSO believes that a community-sector-led approach is necessary to address some of the sector's fundamental problems.

CSO influence is further diluted when commission recommendations are translated into policy proposals by political parties. For instance, while the commission produced nearly 150 recommendations, the Labor Party presented a five-point plan for aged care during the election. Although Labor's commitments incorporated several of the Royal Commission's recommendations, their proposal fell short of the comprehensive vision advanced by the Royal Commission. Additionally, this vision itself did not fully meet the expectations of several CSOs in this sector. As one

commentator put, these "five points alone won't undo decades of neglect, nor will they encompass the sweeping changes the royal commission recommended" (Holland-Batt 2023).

Effective Involvement of Civil Society Organizations (Environment)
Score: 5

The environmental movement has grown and become more active in recent years, engaging with governments and influencing public opinion on climate change. This has pressured governments to address environmental issues, evidenced by the growing success of the Greens party. However, the fossil fuels industry's influence, including significant contributions to major parties, remains a barrier to decisive action.

It should be noted that the environmental movement is not a unified whole. There are significant divisions within it (Pearse 2023). Some segments such as the Australian Conservation Foundation (ACF), a large environmental charity, tend to adopt a relatively pragmatic and incremental approach to reform. They believe it is best to "take what you can get" as a step toward greater progress. Other actors in the environmental movement, including the Greens political party, believe more in transformative change and are inclined to reject what they perceive to be "weak" changes. These tensions have sometimes weakened the coherence and effectiveness of the environmental movement (Pearse 2023).

Tensions were apparent in the divisions within the environmental movement during the 2023 debate about the Labor government's environmental "safeguard" mechanism. The proposal included a commitment to require large industrial emitters to reduce the intensity of their emissions by 4.9% a year to achieve a reduction of 205 metric tons of greenhouse gas by 2030 (Karp 2023). While the ACF urged the Greens to accept the government's initial proposal, the Greens held out for a stronger measure that included a commitment to no new coal and gas power stations. The Greens eventually supported the bill following negotiations with the government, securing some compromises. Most notably, these include the introduction of a declining total cap on emissions, which will mean that the total emissions permitted under the scheme will decrease over time.

Openness of Government

Open Government
Score: 7

There is a large body of published data and information about government activities across various sectors. The government generally leads in developing and publishing these data sources. The plethora of data has led some governments, including Victoria's, to create centralized platforms that provide a one-stop shop for data across different government functional areas (Data

Vic 2023). Policymakers use this data to inform policy design and refinement processes, researchers to understand deep patterns in policymaking, and the media to ground their stories. It is also available for scrutiny by interested citizens.

Despite the generally high level of information provision, there are areas with critical weaknesses. For example, Australia follows strict rules about cabinet confidentiality, limiting information availability about important cabinet deliberations. Additionally, there are significant gaps in political finance transparency at the federal level. Political donations data is only released for relatively large donations, meaning the source of small- and medium-sized donations is usually unknown. Furthermore, this information is only available several months after the donation has been made, limiting its usefulness for citizens in making informed voting decisions and assessments of parties and candidates (Haines 2023).

III. Sensemaking

Preparedness

Capacity for Strategic Foresight and Anticipatory Innovation
Score: 6

Australian governments, both federal and state, have shown increasing interest in strategic foresight (BETA, 2023; DPC, 2023). Although still in early stages, new initiatives and training in this area are accelerating. The defense and intelligence communities have long appreciated strategic foresight in decision-making. Across the government, there is greater familiarity with behavioral economics, and specialized units have been created to spread knowledge of experimental and data-gathering approaches to ground policymaking rigorously.

A recent project by the Behavioral Economics Team of the Australian Government (BETA) involved investigating retention challenges in the National Disability Insurance Scheme (NDIS) workforce (BETA 2023). The advisory report noted high turnover rates (17%-25%) compared to similar organizations. The main reasons for leaving included high workload, concerns about service quality, and paperwork volume. BETA is designing and testing interventions to improve welfare and retention in the NDIS.

In summary, while attention to strategic foresight is increasing, the relevant institutions are still relatively new and not yet major players in policy circles.

Analytical Competence

Effective
Regulatory
Impact
Assessment
Score: 6

The Australian government provides a detailed framework for impact assessments and encourages its use, though it is not a legal requirement for new legislation. Regulatory impact statements (RIS) are notionally required 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, 75% to 85% of all Australian government proposals with "significant" impacts have been subject to a RIS. However, this proportion has been lower for proposals with "highly significant" impacts. Political considerations – including a party's policy commitments, the preferences of the relevant minister, the influence of interest groups, and public opinion – appear to matter at least as much, if not more, than strict evidence-based decision-making.

To support the performance and uptake of systematic regulatory impact assessments, the government has established the Office of Impact Analysis (OIA) within the Department of the Prime Minister and Cabinet (OIA 2023). The OIA supports departments to undertake evidence-based assessments of policy issues, providing support (including training) to help departments create rigorous impact assessments, and to efficiently implement the learnings from such reviews. As a hub for developing impact analysis practices, it also engages with international organizations like the OECD to develop best practices.

Effective
Sustainability
Checks
Score: 6

The Australian government has developed frameworks to account for environmental sustainability in regulatory impact statements. The Office of Impact Analysis (OIA) provides guidance on evaluating environmental assets, describing impacts, and accounting for uncertainty. In addition to these general frameworks, there are specific plans to preserve high-value environmental assets, like the Great Barrier Reef (DCCEEW 2023). Despite these frameworks, Australia's emissions have not significantly decreased, and some high-emitting industries have increased outputs. Some assessments of the sustainability assessments (and other regulatory measures) suggest that the framework is new and therefore it is too early to assess its impact on actual practice, while others point to emerging loopholes and weak implementation as emerging issues (Kraner-Tucci 2022).

Effective Ex Post
Evaluation
Score: 6

Government agencies often use evaluations by internal or external experts to understand the effectiveness of current practices and inform future improvements. The approach and rigor of these evaluations vary across government agencies and is not consistent within agencies. In other words, a lot depends on the sponsors of individual programs and their knowledge and appreciation of evaluation techniques.

High-quality evaluation needs to be embedded in policy design and implementation, which has not been the norm at any level of government. The establishment of the Australian Centre for Evaluation in October 2023 aims to mainstream high-quality evaluations and embed a culture of continuous improvement in public sector program development and implementation. The success of this initiative remains to be seen.

Sustainable Policymaking

I. Economic Sustainability

Circular Economy

The government has developed framework documents expressing Australia's commitment to developing a circular economy (CE) (DCCEW 2023). It has also led discussions with the private sector to support this objective. Thus, the official position and contributions are consistent with a strong commitment to transitioning to a CE. However, progress toward this goal has been slow, falling short of the aspirations outlined in the framework documents. A recent report (Ghafoor et al. 2023) provides evidence that the uptake of CE principles has been low. This can be attributed to a lack of incentives, specific regulations, and knowledge. These shortcomings highlight weaknesses not only in the dissemination of CE policies and ideas but also in the tools and mechanisms (i.e., incentives) introduced to support CE.

Viable Critical Infrastructure

For many years until the last decade, there was chronic underinvestment by Australian governments in critical infrastructure. Over the past decade, governments at both federal and state/territory levels have expressed strong commitments to increasing and updating infrastructure in fields such as transport and communication. Despite these efforts, infrastructure remains inadequate due to previous neglect. Additionally, financing these projects remains an ongoing challenge. Typically, the federal government partners with state governments and other stakeholders to fund major infrastructure projects. However, even these joint funding efforts have been insufficient to achieve the ambitious plans set forth by the governments. A recent independent review of over 250 major infrastructure projects nationwide, commissioned by the federal government, recommended that 82 of these projects be scrapped (Grattan 2023). The federal government has indicated it will follow the

review's recommendations. However, state governments, such as the Government of Western Australia, have suggested they may try to find ways to follow through on all their infrastructure commitments (WA Government 2023). A key driver for a comprehensive review has been the cost overruns of several large-scale projects, particularly in major cities like Sydney and Melbourne.

Decarbonized Energy System

The Australian government has committed to transitioning the economy to net-zero emissions by 2050. This plan emphasizes the critical role of technological breakthroughs and commits to investing in "priority technologies" that build on Australia's competitive advantages and significantly reduce emissions (Australian Government 2021). Central to the plan is the commitment to "ultra-low emissions electricity generation." Electricity generation, responsible for approximately 34% of the country's total emissions in 2019, is seen as key to environmental solutions for other sectors such as transport and buildings. According to government modeling, a substantial increase in renewable sources, driven by declining technology costs and substantial financial support, will drive down emissions in energy production to near-zero by 2050. Projections estimate that the share of energy production from renewables will rise from 23% in 2020 to 61% by 2030.

To address the challenge of reducing emissions to zero in some sectors, the plan identifies offset projects that involve investments in projects that draw carbon from the atmosphere and store it in vegetation and soil. The plan also aims to be adaptive and flexible, regularly refined in light of emerging technologies, changing practices, and the impact of the transition on various communities and regions.

In tandem to the new program, the Australian government has created the Climate Active partnership with Australian businesses to promote voluntary climate action. Climate Active issues certificates to businesses and other organizations (e.g., schools and universities) that reach net-zero emissions, providing incentives for these organizations to measure and reduce their emissions and informing their clients, customers, and stakeholders about their commitment to sustainability.

Critics of the plan point to its heavy reliance on technologies that are not yet widely available, suggesting that the net-zero commitment is not fully practical (Climate Council 2022). They argue that the pace of change needs to be faster, given the increasing frequency and intensity of climate crises in

Australia and the environmental challenges facing several countries in the Asia-Pacific region. Suggested actions to accelerate the transition include strengthening laws underpinning the transition to a zero-emission economy, ending government support for fossil fuel extraction, supporting the expansion of green jobs, and ending land clearing and restoring degraded forests.

Adaptive Labor Markets

Policies
Targeting an
Adaptive Labor
Market
Score: 7

The Australian government envisions a dynamic labor market providing good jobs (well-paid, safe, and secure) and responsive to a changing economy. Due to technology and policy settings, the current Australian labor market is more flexible than in the past. The government has identified several forces of change shaping labor market conditions: population aging, rising demand for quality care and support services, expanded use of digital technologies, climate change and the economic transformation it demands, and geopolitical risks. While policies have been developed to address these challenges, the government acknowledges that current labor market institutions are not fully aligned with the changing context's requirements (Australian Government 2023). For example, there are critical workforce shortages in care and support services, and particular challenges facing regional labor markets. Immigration of workers with critical skills has been an important aspect of labor market management, disrupted during the pandemic when the country closed its international borders. The economy is still recovering and realigning post-COVID, resulting in critical shortages in industries that rely heavily on immigrant workers (Read 2023).

An important feature of the Australian labor market is its minimum wages, which are set by an independent statutory authority, the Fair Work Commission. The national minimum wage is approximately 45% of the median full-time wage. More importantly, many industry- and occupation-specific minimum wages can be substantially higher than the national minimum wage. Minimum wages have been growing faster than average wages in recent years. For example, in July 2023, the minimum wage was increased by 8.6% to AUD 23.23 per hour, compared with average annual wage growth of 3.9%. Higher growth in minimum wages might constrain employment, although there is little evidence of this; as recently as December 2023, the unemployment rate remained below 4%

There are no broad-based government policies that explicitly seek to impact on reskilling or upskilling of workers. However, the country's public programs and subsidies for education and training arguably have a positive impact . Immigration policy arguably adversely impacts firm incentives to invest in

domestic worker training, as they can obtain workers with requisite skills via sponsoring immigrants through temporary and permanent skilled migration programs.

The existing institutional and regulatory environment does not help firms absorb short-term economic shocks through short-time work schemes, but at the same time there are few impediments to firms using these schemes. Employment agencies in Australia generally help facilitate worker mobility, but their impact is not large.

Policies
Targeting an
Inclusive Labor
Market
Score: 8

Australia has a set of labor market policies in areas such as unemployment, training, and childcare designed to sustain an inclusive and dynamic labor market (Productivity Commission 2023). Means-testing and mutual obligation are important principles in this framework, informed by economic principles that emphasize calibrating incentives. While the overall performance of the labor market, especially low unemployment figures, suggests a high degree of success, policy settings in several areas may not be optimally aligned with the goal of creating an inclusive and dynamic labor market. The cost of childcare is an issue for many families, particularly impacting women. For many second-income earners in a family, there is little financial incentive to enter the labor force given the cost of childcare, additional taxation, and loss of benefits. The significant number of long-term unemployed suggests weaknesses in measures to integrate and support this cohort to re-enter the labor force (Hare 2023).

Despite these weaknesses, Australia is among the OECD countries with the highest employment-population rates, while earnings inequality is relatively low (OECD 2023). Together, these empirical features imply Australia has a policy environment conducive to an inclusive labor market.

Policies
Targeting Labor
Market Risks
Score: 6

There is a strongly held belief among Australian policymakers that the best way to manage risk is to ensure a high level of employment, rather than developing policies to directly protect individuals against labor market risks. A low-unemployment economy benefits workers who would otherwise face high risks of joblessness, including young workers, those with relatively low levels of education, and those in manual jobs. Australian governments have been mostly successful in implementing this approach (AIHW 2023). However, there remains a significant number of people who receive benefits as part of the JobSeeker program. Although there was a sharp increase in JobSeeker recipients during the pandemic, the number has decreased rapidly since then. However, those on JobSeeker remain on the program for longer than in the past, indicating difficulty in finding work (Ballantyne and Coates 2022).

Australia does not have a national unemployment insurance system, and relatively few workers are protected by unemployment insurance in the event of job loss. A flat-rate unemployment benefit with stringent income and assets tests is the only protection provided by the state. This means most workers have almost no protection against labor market risks. Protections provided by trade unions are confined to a relatively small proportion of the workforce. The portability of social rights is limited to private retirement savings, which are fully portable.

Sustainable Taxation

Policies
Targeting
Adequate Tax
Revenue
Score: 6

Australian taxes as a proportion of GDP (29.5%) are relatively low compared to the OECD average (34.5%) (OECD 2023; Whiteford 2022). However, reliance on income taxes is relatively high, while consumption taxes are low, and wealth/land taxes are almost nonexistent. This over-reliance on income taxes is seen as a deficiency that results in inadequate revenue to meet expenditure needs and creates excessive disincentive effects for productive activity. This issue is increasingly exacerbated by a growing need to address policy challenges stemming from an aging population, climate change, and geopolitical risk.

The tax system is moderately effective in constraining global tax abuse. The Tax Justice Network (2023) estimates that approximately AUD 3.8 billion is lost in tax revenue every year due to tax abuse by corporations and individuals, equating to 0.9% of the country's tax revenue (or AUD 152 per capita of the Australian population). There is much debate about the efficiency and equity of Australia's tax profile, with commentators arguing that the country should consider raising more money by increasing taxes on mining and energy companies (Denniss 2022).

Policies
Targeting Tax
Equity
Score: 6

Australia raises a relatively high proportion of its taxation from income tax, and its income tax regime is more progressive than many other similar countries. Australia levies relatively low average and marginal tax rates at low income levels but relatively high marginal tax rates at high income levels (The Treasury 2023). Furthermore, while many other countries levy a social security contribution as effectively a flat-rate tax, Australia does not impose a separate social security contribution, with pensions funded from the main revenue stream, supplemented by private contributions. Compared to other resource-rich advanced economies, Australia imposes relatively low tax rates on its large and highly profitable mining and energy sector, which some commentators argue is inequitable because it results in a greater tax burden on other sectors (Denniss 2022).

Policies Aimed at
Minimizing
Compliance
Costs
Score: 7

Despite the considerable complexity of the income tax system, compliance costs are relatively low for most taxpayers due to the use of electronic filing, with income from most sources, including wages and salaries, interest, and dividends, now pre-populated. However, 70% of tax returns are still lodged by a tax agent, likely due to the range of available deductions and the difficulty for ordinary people to determine their entitled deductions.

There have also been concerns about compliance and transparency in the Australian tax system. The Tax Justice Network (2023) estimates that approximately AUD 3.8 billion is lost in tax revenue every year due to tax abuse by corporations and individuals, equating to 0.9% of the country's tax revenue (or AUD 152 per capita of the Australian population).

The Australian government recently passed a law to improve corporate tax transparency and compliance (Leigh 2023). Its measures include stronger rules requiring corporations to reveal where their assets and activities are domiciled for taxation purposes and greater alignment between corporations' activities and tax obligations.

In sum, while general levels of compliance are high, leakages are not trivial.

Policies Aimed at
Internalizing
Negative and
Positive
Externalities
Score: 3

The Australian taxation system has been criticized for its low taxation of the high-polluting mining and energy sectors (Denniss 2022). Furthermore, recent Australian governments have been reluctant to use the tax system to advance progress toward environmental goals, following a short-lived experiment with a carbon tax (2012-14) during the government led by Julia Gillard, which was immediately abandoned by her successor as prime minister, Tony Abbott. Recent research (Rajabi 2023) demonstrates that a carbon tax could be both economically and environmentally effective in Australia.

More broadly, there is relatively little built into the Australian taxation system to internalize externalities, with notable exceptions being excise taxes on tobacco, alcohol, and motor vehicle fuel. However, in the case of motor vehicle fuel, the rationale is raising revenue for road building and maintenance rather than addressing externalities, since farmers and miners using vehicles that do not use public roads are entitled to rebates on fuel excises. The exemption of fresh food, healthcare, and education from the goods and services tax, and large subsidies for health care and education, can also be interpreted as improving incentives to undertake activities with positive externalities.

Sustainable Budgeting

Sustainable
Budgeting
Policies
Score: 6

Australian governments have grappled with the benefits and disadvantages of budgeting rules versus flexibility (Di Francesco 2016). The previous Liberal-National Coalition Government adopted a 23.9% cap on federal tax revenue as a share of GDP, but this has not been maintained by the current Labor government. In practice, the health and sustainability of public budgets have depended critically on the underlying performance of the economy. In recent years, the national budget has been challenged by the Global Recession of 2008 and its aftermath and massive spending required to sustain economic (and other) organizations during the pandemic. In 2023, the Australian government forecast the nation's first balanced budget in 15 years but warned of pressures due to inflation (and other challenges) that would likely push the budget back into debt in the near future (Al Jazeera 2023).

One promising trend in public budgeting has been improvements in the transparency of Australian budgets, as measured by the Open Budget Survey (Stewart and Wong 2020). This survey focuses on the adequacy of oversight arrangements, public access to relevant information, and opportunities for citizen engagement, providing some sense of whether resources are effectively and accountably used. In the most recent survey, Australia scored 79 out of 100, an improvement on its performance two years ago when it scored 74. Australia ranks below New Zealand, Norway, and Sweden, but ahead of several economic peers, including the United States, United Kingdom, France, and Canada.

Also conducive to sustainable budgeting at the federal level is the requirement for the Treasury to produce Intergenerational Reports, which offer long-term projections of the economy and the commonwealth budget (Treasury 2023). The first report was produced in 2002, and a total of six reports have been published since then. Shortly after taking office in 2022, the Labor government increased the frequency of these reports to every two years.

At the state level, budget sustainability is more uneven, particularly over recent years when the impact of the COVID pandemic varied across states. Victoria, in particular, now faces a precarious fiscal position due to substantial debt incurred during the pandemic and commitments to expensive infrastructure projects (PBO 2023).

Sustainability-oriented Research and Innovation

Research and
Innovation Policy
Score: 4

The government has expressed its commitment to innovation to advance its climate goals, but this has not been matched by concrete policies and outcomes. Since 2021, the government has released Low Emissions Technology Statements (LETS) as part of a roadmap to achieve net-zero emissions by 2050 (Commonwealth of Australia 2021). The LETS is a key policy document in this effort, outlining the technology-reliant path to net zero and aligning with government funding plans while signaling to private sector investors. Five priority technologies were identified in the first LETS, released in 2020: clean hydrogen production, improvements in energy (electricity) storage, low emissions materials production (particularly steel and aluminum), reducing the cost of carbon capture and storage, and reducing the cost of soil carbon measurement. The most recent LETS, released in 2021, added ultra low-cost solar power to the list of technology priorities.

However, the LETS initiative's focus on technology highlights the multiple meanings of innovation in the Australian context. Some approaches emphasize technology, while others focus on culture. Commentators (Lewis and Mikolajczak 2023) argue that these diverse approaches indicate a lack of coherence in thinking and policymaking around innovation. Australia has cited innovation as key to reducing greenhouse gas emissions. While there has been progress in some sectors, reforming laws and incentives could stimulate greater innovation in support of Australia's net-zero target (Dean et al. 2023).

Stable Global Financial System

Global Financial
Policies
Score: 8

As a globally oriented country with a high degree of international economic and financial market integration, Australia has a strong interest in promoting a stable, efficient, and transparent international financial system. The government displays a strong commitment to preventing criminal financial activities, including tax evasion, through information-sharing arrangements with numerous countries (The Treasury 2023). Australia has also developed and implemented agreements to combat high-risk international financial activities posing systemic risks.

The country loses substantial potential tax revenues from abusive tax practices (see "Policies Targeting Adequate Tax Revenue" and "Policies Aimed at Minimizing Compliance Costs"). Recently, the government has introduced measures to tighten obligations around taxation transparency in corporate affairs (PWC 2023) and supports a proposal to levy a "global minimum tax" of

15% on large Australian or foreign-owned companies with subsidiaries in low- or no-tax countries (Sadiq and Krever 2023).

II. Social Sustainability

Sustainable Education System

Policies
Targeting Quality
Education
Score: 6

Australia has a high-quality tertiary education sector, though existing policies (e.g., fee structure) have posed challenges to quality and equity. Equity remains a serious and ongoing issue in schools.

Australian education has significant strengths, including progressive, student-centered pedagogies and well-resourced, high-performing universities (Debroy 2018). However, the higher education sector was heavily hit by the pandemic, which interrupted the flow of international students, traditionally a major revenue source (Norton 2023). The sector has had to adjust to a major change in the fee structure, doubling the price of some degrees while reducing others. The income-contingent loans system for higher education tuition, whereby repayments are made through the income tax system on a progressive scale, means the fee increases do not directly increase barriers to enrollment. However, they lead to increased student debts and effectively higher income tax rates for graduates for many more years. The sector has also been criticized for its high rates of casualization and other workforce issues impacting education quality.

Australian schools have seen a decline in student performance in international assessments, with commentators identifying inequality – especially geographical differences in school quality and gender differences (underperforming boys) – as major problems (Hare 2022). Inequity in access to quality education persists, with public schools chronically underfunded while well-resourced private schools receive considerable subsidies (Hare 2024). Progress on rectifying these inequities has been slow. Teacher pay is relatively low compared with other skilled professions, inhibiting the recruitment of high-quality educators. Staff well-being has also been a major concern in Australian schools.

The challenges and opportunities of artificial intelligence (AI) are a significant area of debate across both university and school sectors. The government has

recently endorsed AI use in public schools, publishing a new framework to guide its responsible and ethical use (Cassidy 2023). Priorities for the framework include ensuring AI supports teacher-student interactions rather than supplanting them and substantially upskilling teachers in AI competency. The Tertiary Education and Standards Authority (TEQSA) has adopted a similar stance for the higher education sector, developing principles and practices to incorporate AI into teaching (TEQSA 2023).

Policies
Targeting
Equitable Access
to Education
Score: 5

Australia's educational resources and opportunities are not equally available to all students.

In schools, significant geographical and gender disparities exist, with boys underperforming relative to girls (Hare 2022). Geographic disparities reflect broader inequities in resources available to government schools compared with non-government schools (Hare 2024).

Child care and early childhood development are mostly delivered by private providers. While heavily subsidized, fees remain a considerable barrier to uptake. State governments provide kindergarten for children aged 4, and in some states for children aged 3, typically under 16 hours per week. Fees vary across jurisdictions, and attendance is below 100% as kindergarten is not compulsory.

In the university sector, significant geographical divides persist, with urban youth more likely to attend university than rural counterparts (O'Shea 2023). Indigenous communities face significant educational disadvantages. However, the deferred-repayment system for levying tuition fees (the Higher Education Contribution Scheme and the Higher Education Loan Program) and the availability of income support for students in the form of Youth Allowance, Austudy and Abstudy, mean that barriers to attendance for disadvantaged students are relatively low (Norton 2023). The persistence of under-representation of students from disadvantaged backgrounds in higher education and other inequities, largely stem from sources unconnected to the higher education system itself, such as disparities in access to high-quality schooling.

There are multiple pathways to both vocational education and higher education, and mature-age entry into post-school education is common.

Sustainable Institutions Supporting Basic Human Needs

Policies
Targeting Equal
Access to
Essential Services
and Basic Income
Support
Score: 6

Essential public services, such as water, energy, and infrastructure, are generally available throughout Australia, but significant gaps remain. Notably, there are weaknesses in service provision in regional areas, particularly remote Aboriginal and Torres Strait Islander communities. Poor delivery of essential services affects 17.6% of Indigenous Australians in remote areas compared to 1.5% of non-Indigenous Australians (Infrastructure Partnerships Australia 2022). Similarly, approximately 11% of Australians are "highly excluded" from digital services, either because they lack access to affordable internet or don't know how to use it. This digitally excluded population is heavily concentrated in rural regions (Parke 2022).

Although urban area residents are well-serviced with regard to most essential services, they currently face a serious housing shortage, with demand causing rapid rises in prices and rental rates. Policymakers have historically neglected housing policy, resulting in insufficient accommodation in cities like Sydney, Melbourne, and Brisbane (Parsell et al. 2023). The stock of social housing has declined since the 1990s, falling from 6% to below 4% of total housing stock in cities. During the pandemic, governments committed substantial resources to ease renters' and the homeless's problems, viewing housing as a human right. Parsell et al. conclude that solutions are possible through government intervention, regulation and funding, integrated and innovative service delivery, private-sector support, and local community action.

Basic income support (e.g., unemployment benefits) is accessible to all permanent residents (excluding immigrants resident in Australia for less than four years), with payments not time-limited. Benefit levels are widely known and include concession cards for cheaper access to goods and services (including healthcare, energy, and public transport). Renters in the private market can receive Commonwealth Rent Assistance. However, income support payments are subject to strict income and assets tests, and benefit Levels, while indexed to inflation, are considered inadequate for achieving a minimum acceptable living standard despite significant real increases in 2021 and 2023 (Karp 2023).

Policies
Targeting Quality
of Essential
Services and
Basic Income
Support
Score: 6

Australia's sustained economic growth has generated high levels of public services for most of the population. However, gaps remain, especially in regional areas. Government safety net programs support zero/low-income families and individuals in obtaining essential services. Although the number of people requiring these services has decreased over time, those who do need them face a growing gap between their needs and what programs like

JobSeeker and Parent Payments provide (Phillips and Narayanan 2022).

Housing availability and affordability have been significant issues, particularly in urban areas. Governments at both national and state levels have recently taken steps to address these issues. Measures include agreements to align efforts of governments, the construction sector, and institutional investors to rapidly increase affordable homes within five years and boost amenities and services to support this housing stock (AIHW 2023).

Sustainable Health System

Australia has a high-performing health system, often regarded as among the best in the world for its quality and affordability. The OECD Health at a Glance (2023) indicators show that Australia performs above the OECD average in 93% of health status indicators, including life expectancy and preventable mortality rates. With an average life expectancy of 83.3 years, Australians generally live three years longer than the OECD average. Along similar lines, the preventable mortality rate was 97 per 100,000 as compared to the OECD average of 158. Australia also performs better than average in terms of indicators of healthcare quality (e.g., 30-day mortality after stroke is 4.8%, as compared with the OECD average of 7.8%) and healthcare access (e.g., the whole population is covered for a core set of service and 71% of people are satisfied with the availability of healthcare services, as compared with the OECD average of 67% of healthcare performance and access).

Despite this strong performance, the health system faces significant pressures from rising costs due to an aging population and increasing chronic diseases, uneven access to services based on income and geography, and gaps in workforce and infrastructure (Butler et al. 2019). The system is also challenged by changing demands, as consumers of health services expect not only cutting-edge treatments but also more personalized and integrated services. Moreover, dental care remains an important gap in the healthcare system, with little public provision and minimal subsidies for privately provided dental care, even for the most vulnerable in the community.

The government is addressing some challenges by investing heavily in medical technology and research through the Medical Research Future Fund (Australian Government 2019) and improving data integration in healthcare provision. There have also been advancements in data connections between different program and services to improve the integration of healthcare provision.

Digital innovations like My Health Record have improved health providers' ability to coordinate care, although the full potential for improved care and the identification of public health threats remains unrealized.

Policies Targeting High-Quality Healthcare
Score: 7

A well-organized and well-funded healthcare system supports high-quality outcomes. However, challenges remain, particularly in how costs are divided between the state and individual users, with some approaches leading to increased health inequality.

The healthcare system is designed to achieve high-quality care through effective structuring across different government levels and varying degrees of decentralization (Department of Health and Aged Care 2019). The national government is responsible for monitoring the quality, effectiveness, and efficiency of primary healthcare providers. It also collects and publishes health-related information and statistics and funds health and medical research. States, territories, and local governments manage public hospitals. Primary health networks coordinate health services in local areas and oversee health centers, GPs, nurses, specialists, and other health professionals. This division of responsibilities aims to leverage the unique resources and strengths of each entity involved in managing the healthcare system. Overlaying these divisions is a complex distribution of responsibilities between public and private health providers. While the system functions effectively, it faces challenges such as integration issues due to its complexity and rising costs, which are reflected in increasing out-of-pocket expenses for services and rising private health insurance premiums (Butler et al. 2019).

Policies Targeting Equitable Access To Healthcare
Score: 6

The Medicare system and the Pharmaceutical Benefits scheme together do a reasonably good job in promoting equitable access to high-quality healthcare. Nonetheless, there are important deficiencies (Butler et al. 2019). For those residing outside major cities, access to medical care is significantly less developed. This is primarily due to difficulties in attracting healthcare workers to these regions, despite efforts to encourage them. Additionally, there are substantial disparities in healthcare service provision and outcomes across socioeconomic groups and between Australia's Indigenous and non-Indigenous populations. Consequently, the burden of risk factors is unequally distributed. For instance, obesity (high body mass index) is the leading risk factor in the population. While 31% of Australians live with obesity, the figure rises to 43% among Indigenous people. (The Lancet Public Health 2023).

Gender Equality

Australian governments have made strong statements supporting gender equality, involving several agencies, including the Australian Human Rights Commission and the Fair Work Commission, in promoting this cause. Key government departments have developed strategies to advance gender equality, foremost among them being the National Strategy to Achieve Gender Equality. Sponsored by the prime minister and Cabinet and developed by the Office for Women, this strategy adopts a 'whole-of-community' perspective, incorporating the perspectives of women and girls from diverse communities. Currently in its consultation phase, the strategy has engaged with First Nations people, people living with disabilities, LGBTQ+ individuals, culturally and linguistically diverse people, migrant and refugee women, women in regional and remote areas, older women, and young women and girls (PMC 2023a).

Another significant initiative is the Women's Economic Equality Taskforce, established in September 2022 to guide the government on prioritizing actions to achieve gender equality in the economy. The Taskforce's 10-Year Plan recommends greater government leadership and accountability in embedding gender equity into policy design, implementation, and evaluation; investing in policies that highlight the social value of care work and support families with caring responsibilities; and using regulatory and spending powers to create and maintain safe, secure, flexible, and equitable workplaces to enable women's economic participation (PMC 2023b).

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Strong Families

The Australian government provides numerous programs and benefit schemes to support families (Department of Social Services 2024), including the family tax benefit, paid parental leave, and substantial childcare subsidies. However, commentators argue that more needs to be done to support families juggling

work and child-rearing commitments. For example, the Australian Human Rights Commission has argued that significant improvements can be made to make workplaces more family-friendly, such as flexible working arrangements and job re-design, and that existing policies do not adequately recognize unpaid caring work. Protections for people taking parental leave to ensure they can return to their job exist but are not comprehensive and can be circumvented by employers.

There have been some improvements in recent years, such as introduction and expansion of a government-funded paid parental leave scheme and increased childcare subsidies. However, family benefits like the Family Tax Benefit have become less generous and increasingly only available to low-income families. Despite increased childcare subsidies, out-of-pocket expenses remain high.

Policy settings do not promote dual caring for children, as the paid parental leave scheme is geared around one primary carer. Labor economist Barbara Broadway highlights issues in the relationship between the family benefits system and the tax system (Broadway 2023), showing that under current arrangements, a family with two working parents can be financially worse off than a family with one working parent, despite having the same total income. This inequity, caused by childcare costs and loss of benefits when a parent returns to work, disproportionately affects women, who are more likely to give up work. To address this issue and improve equity and women's labor market participation, reforms are needed in the tax and family benefits systems. One component of family benefits, Family Tax Benefit Part B, is based on individual circumstances rather than family circumstances. Moving the focus to families in benefit assessment and consolidating and simplifying the range of benefits would improve the family support system.

Sustainable Pension System

Policies Aimed at
Old-Age Poverty
Prevention
Score: 8

Australia's retirement income system consists of a means-tested age pension paid from general government revenue, mandatory employer contributions to private-sector superannuation accounts, and additional voluntary contributions from employers, employees, and the self-employed into these private sector plans. The Age Pension supports the basic living standards of older Australians and is targeted through the means test to those who need it most, with rates indexed to keep pace with price and wage increases. A recent Retirement Income Review found the system effective and broadly sustainable but noted areas for improvement, such as introducing a government

superannuation contribution for primary carers of young children (Superguide 2020). The private sector superannuation system is large and complex, with potential benefits from rationalization to reduce costs and simplify the system (Murray 2020).

For retirees reliant on the Age Pension, income is generally adequate for those who own their homes but insufficient for the approximately 20% of retirees renting in the private market. It is argued that Commonwealth Rent Assistance should be increased. The current Labor government increased CRA by 15% in July 2023, but this was widely regarded as insufficient.

Policies
Targeting
Intergenerational
Equity
Score: 8

Australia's superannuation system focuses on future sustainability, with around 17 million Australians collectively owning about AUD 3.5 trillion in assets, expected to grow significantly over the next 40 years, providing capital to fund an aging population (Commonwealth of Australia 2023). The retirement income system could better support unpaid care work, which has an important intergenerational dimension, as carers make occupational sacrifices to raise future generations.

The public pension (Age Pension) is available to all people aged 67 and over, subject to income and assets tests, while the private pension system (superannuation) is accessible from age 60. This can incentivize early retirement, with individuals drawing down their superannuation before moving to the Age Pension at 67. For individuals with limited work capability, this may be desirable. However, for higher-income individuals, the superannuation system, being mostly "defined contribution," incentivizes later retirement as superannuation balances and retirement living standards increase with later retirement. The average retirement age has been increasing over the last 20 years.

The superannuation system combined with the Age Pension generally provides adequate or better living standards in retirement for most retirees (The Treasury 2023). The economic well-being of retirees has improved substantially since the mid-1990s, reflecting increases in the generosity of the Age Pension and maturation of the superannuation system. However, retirees renting in the private market with limited work histories depend on the Age Pension and Commonwealth Rent Assistance, which do not provide adequate income.

Sustainable Inclusion of Migrants

Integration Policy
Score: 8

Australia has a large migrant population, with nearly one in four residents born overseas and half having an overseas-born parent. The largest source of permanent migrants is the government's skilled migration program, aiming to address workforce skills shortages and increase economically valuable skills. Approximately 60% of migrants to Australia since 2000 have arrived through the skilled migrants program, which tends to attract highly educated and economically valuable individuals with favorable labor market outcomes (AI Group 2023). About 81% of permanent skilled migrants over 15 are employed, compared with 62% of the rest of the Australian population, with a slightly higher unemployment rate of 3.8% compared to 3.3%, possibly due to issues with recognition of overseas qualifications.

Although migrants are not able to vote in Australian elections, there is a pathway to full citizenship open to them which would guarantee the right to vote alongside other political rights and responsibilities. Citizenship can be achieved within four years, subject to character standards, passing a citizenship test – which includes questions about Australian history and values – and other requirements. The government provides free English language learning support through its Adult Migrant English Programme (AMEP 2023) to improve integration.

The Migrant Integration Policy Index (MIPEX 2020) assesses countries on migrant integration policies across basic rights (e.g., migrants' rights to work, training, health and non-discrimination), equal opportunities (e.g., in education, health and political participation), and future prospects (i.e., can migrants secure their future in the country through family reunification, permanent residence and citizenship).

Assessed against these criteria, Australia ranks in the highest-scoring group of countries that adopt a "comprehensive integration" approach, aiming to secure equal rights, opportunities and security for immigrants. Australia scores below some other major destination countries, including Canada, New Zealand and the United States, but above the Western European countries. The index identifies Australia's weakest areas as migrant access to basic rights – where opportunities to participate politically are limited by the requirement that voters must be citizens – and labor market mobility, because migrants often face long delays before they can be employed under the same conditions as Australian citizens.

While there are good economic and integration opportunities for many groups of migrants, many migrants face significant hurdles to economic and political

integration, particularly those arriving through refugee and humanitarian channels (Hirsch 2017).

Family reunion is an explicit component of the permanent migration program but is limited relative to demand, mostly restricted to partners of Australian permanent residents and citizens. Over 140,000 people seek parent visas, but only 8,500 places are available annually under the current migration program (Kaul 2023).

Effective Capacity-Building for Global Poverty Reduction

Management of Development Cooperation by Partner Country
Score: 6

The Australian government develops strategies and roadmaps for building capacity in recipient countries (DFAT 2023). Areas of focus include state fragility, gender equality, political rights, fiscal sustainability, health and climate change adaptation/mitigation. Geographically, these efforts have been concentrated on countries in the Pacific region and Asia. The direction of development policy has been criticized for giving too much weight to Australia's geostrategic priorities and concerns.

A recent policy shift has placed greater emphasis on priorities central to development, but the lingering constraints of the old approach remain significant even in this new policy paradigm. The new policy has also been criticized for maintaining the overall size of the funding pot for development, even though there has been a downward trend in funding for development alongside a growing need for aid in recipient countries (Rajah 2023).

Critics of Australian development policies point out that while the rhetoric from ministers gives the impression of generosity, the country's development assistance contributions are among the lowest of any OECD country (as a percentage of GDP). Grant Wyeth (2023) explains that a key reason for the relatively low level of development assistance is the difficulty of justifying a large aid budget to the Australian public. However, there are under-exploited opportunities in linking aid with regional security, as Australia is one of the few per-capita wealthy countries in its region, and increased assistance that facilitates a shift from medium- to high-income levels could enhance trust with Pacific and Asian countries.

III. Environmental Sustainability

Effective Climate Action

Australia has made commitments to achieve net zero (climate neutrality) by 2050 (DCCEEW 2023). This plan is supported by sector-specific strategies in high-emission areas.

Australia has committed to achieving net-zero emissions by 2050, supported by sector-specific strategies in high-emission areas (DCCEEW 2023). For example, the transport sector, responsible for approximately 19% of emissions (with passenger cars and light Commercial vehicles Accounting for 60% of this figure), is projected to become the largest source of emissions by 2030. Electric vehicles (EVs) have emerged as the major solution to this problem – more EVs will reduce emissions if Australia is able to generate a large proportion of its energy from renewable sources (the target is 82% by 2030). However, EVs only made up about 8% of the market in 2023. To accelerate the uptake of EVs, the government has introduced a National Electric Vehicle Strategy, which includes discounts to make EVs cheaper and a fund to support transformation of infrastructure to roll out chargers at regular intervals on major highways.

Agriculture, contributing around 13% of emissions mainly from methane and fertilizers, receives government funding for research into new livestock feed and farming techniques. The government also created a new Net Zero Economy agency to coordinate economic transformation and maximize benefits (PMC 2023).

Despite these commitments and some progress, Australia has faced criticism for insufficient ambition and actions to ensure it achieves its climate goals. The commitments often lack detailed plans and rely heavily on unpredictable technological innovations.

Perhaps most significantly, as researchers for the Climate Change Performance Index (CCPI) observe, Australia continues to develop significant fossil fuel projects and infrastructure, with no plans to phase out fossil fuel extraction industries (CCPI 2023). The Climate Change Performance Index report notes that Australia remains one of nine countries responsible for 90% of global coal production and plans to increase coal and gas production by over 5% by 2030, incompatible with the global 1.5C target.

Effective Environmental Health Protection

Policy Efforts
and Commitment
to Minimizing
Environmental
Health Risks
Score: 7

There has been a growing awareness of the adverse health effects of environmental pollution. Recognized risks in the Australian context include increasing risk of floods and storm surges that can result in drownings, injuries and mental health problems, as well as growing risks of infectious diseases, harmful pollutants from fossil fuels, and bushfires (Doctors for the Environment Australia 2016). The government has introduced measures to curb emissions and protect against environmental crises, with regulations focusing on health consequences. National report standards for six common air pollutants are set, with state and territory governments required to report annually (Dean and Green 2017). These governments regulate air pollution through various policy tools, including pollution fee schemes, though their scope and strength vary across jurisdictions.

Commentators argue that the government could do more to protect environmental health, suggesting practical measures such as building a high-speed railway to connect cities on the east coast to reduce air traffic emissions and stronger restrictions on fossil fuel extraction. Additionally, better forecasting for bush burning could reduce adverse impacts (Dean and Green 2017).

Effective Ecosystem and Biodiversity Preservation

Policy Efforts
and Commitment
to Preserving
Ecosystems and
Protecting
Biodiversity
Score: 7

The government's rhetoric and action show a strong commitment to preserving ecosystems, but long-term economic and population pressures have negatively impacted biodiversity.

Australia is home to an enormous variety of animal and plant species. However, according to the recent State of the Environment report, over the past two centuries, the country has experienced high rates of species extinction as a result of introduced species and habitat loss (Commonwealth of Australia 2021). The pressures on biodiversity have increased in recent years, such that the number of threatened species has grown by 8% since 2016.

Biodiversity management in Australia involves governments, landholders, Indigenous communities, NGOs, industry, and volunteers. Government at local, state/territory and national levels implement a wide range of policies designed to tackle threats to biodiversity, including the management of protected areas, measures to limit threats to delicate ecosystems and to

promote their long-term recovery. Indigenous communities have played a critical role over many generations in environmental management. However, colonization and mismanagement of the environment have fed off each other, and existing approaches to ecological management continue to marginalize Indigenous people in a way that undermines them and the knowledge and participation they can bring to the tasks of environmental management.

Strengthening biodiversity is critically important in and of itself, but it also matters in significant ways for human welfare (Barraclough et al. 2023). For example, high-quality nutrition, food security and food prices depend on biodiversity that is being undermined by climate change and urban sprawl. Australia's biodiversity has also been an important resource in the making of medicines. Coral reefs are especially important in this respect, so the rapid degradation of the Great Barrier Reef has critical implications for disease prevention. Healthy biodiverse ecosystems also play a critical role in water management. They purify water and help to prevent flooding. However, drought and deforestation have reduced water availability, with implications for the future reliability of water supplies for agriculture and for consumption in Australia's growing cities.

Effective Contributions to Global Environmental Protection

Policy Efforts
and Commitment
to a Global
Environmental
Policy
Score: 5

Australian policy has moved toward more credible global environmental protection and cooperation strategies. However, the reluctance of Australian governments to demand or lead the decarbonization of the economy, which itself is a reflection of the economic and political power of the resources industry, has hindered progress in this area.

Domestic politics around climate change have been contentious, with environmental issues contributing to the downfall of several prime ministers. Internationally, Australia has been considered a laggard in global environmental sustainability due to high per capita emissions and resistance to ambitious targets for reducing emissions and transitioning to renewable energy. This reflects the traditional – and continued – importance of coal and gas production in the Australian economy, which makes decarbonization a more costly proposition than in many other countries.

The 2022 federal election, seen as a "climate change election," with environmental issues featuring prominently in the parties' manifestos and debates. Pro-environment parties and candidates fared well in the election, and the new prime minister, Anthony Albanese, promised a new approach to global environmental sustainability.

Australia has strengthened its emissions reduction target and enshrined this commitment in law. The government has also signed up to the Global Methane Pledge, joining 130 governments that have committed to a reduction of at least 30% in methane emissions by 2030 (IEA 2023). The government has also introduced a range of policies and strategies to accelerate the country's energy transition.

Despite such progress, Australia continues to hinder global sustainability efforts by not fully decarbonizing its power generation industry. Commentators argue that a comprehensive price on greenhouse gas emissions, as seen in the UK, Canada, and Scandinavia, would accelerate progress (Turnbull 2023).

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