

## The Role of Government

Governments perform roles that are poorly understood and undervalued. Australia needs a vigorous role for the state but the strong government needed is of a particular kind. It should neither be despotic nor over-bureaucratic. It should have a legal framework based on the rule of law and the protection of civil liberties. It should be supportive of civil society and its multiplicity of voices and activities. It should provide the economic framework and the essential infrastructure for public and private enterprise. It should be concerned with the wellbeing of all citizens. It should protect the physical environment. It should act to modify the negative impacts of the market place on individuals, groups and the environment.

### Australia's system of government

Australia is a constitutional monarchy with a system of government based on a tradition of liberal democracy. Democracies periodically hold elections during which citizens vote for their preferred candidates and parties to act as representatives in government. In Australia, the written constitution sets out the framework under which the Australian Government operates, determining the respective roles of the parliament, government and the courts, setting out the powers and responsibilities of the Commonwealth Government and those of the States, guaranteeing the protection of certain rights and freedoms, and placing constraints on the authority of government. The *Commonwealth of Australia Constitution Act 1901* also contains the important provision that only through a referendum can the Constitution be amended.

Under the Constitution, the legislature (the parliament) has the power to make laws, the executive (the government) has the power to implement the law and the judiciary (the legal system) has the power to interpret the law. Parliament comprises two popularly elected chambers: the Senate (the upper house of 76 senators, elected on state-wide constituencies) and the House of Representatives (the lower house of 150 members, elected from

single-member constituencies). The powers of the Queen as head of state are exercised through her representative, the Governor-General, who by convention acts, except in rare circumstances, on the advice of ministers. The party with the majority support in the House of Representatives forms Government, with its leader becoming the Prime Minister of Australia. Ministers appointed from the Senate and the House of Representatives form the 'executive' branch of government. Collective decision-making takes place in Cabinet meetings. In Australia, there are three major political parties, the Labor Party, the Liberal Party and the National Party and three minor parties the Greens, the Democrats and Family First. The Liberal/National Coalition Government led by John Howard held office from 1996 to 2007. In 2007 the Rudd Labor Government came to power promising to extend electoral terms from three to four years.

The High Court of Australia and the Federal Court of Australia interpret constitutional provisions and Commonwealth laws and the High Court acts as a final court of appeal.

Australia has a federal system within which power is divided between the Commonwealth and state governments. The state governments in Australia have their own constitutions, legislatures, bureaucracies, courts and police. The Constitution gives the Commonwealth powers such as foreign affairs and defence. The decisive power has, however, been the taxation power since it has given the Commonwealth the ability to raise large sums of money and to control its distribution. Recent High Court rulings related to the Trade and Commerce and Corporations powers have also greatly extended the powers of the Commonwealth.

### Critics of the role of the state

It is fashionable in some quarters today to argue that the more limited the role of the state, the greater the benefit for its citizens. This argument draws on a number of expe-

riences and bodies of ideas related to them. The first is the experience of totalitarian rule in the twentieth century, especially that of fascism and communism. The second concerns the dramatic growth of bureaucracy over the last hundred years. The third concerns some disappointments associated with the welfare state. The fourth is the emergence of economic rationalism (market fundamentalism in its extreme form), the economic doctrine based on the views of theorists and economists such as Friedrich Hayek and Milton Friedman.

## Responses to these criticisms

These criticisms need to be put in perspective. Totalitarian rule may be a concern for Australia's foreign policy but it is not a domestic issue for Australia. Of much greater concern is the erosion of democracy in Australia by small incremental steps (See Australian Collaboration's Democracy Watch.). Fifteen years ago there was an expectation that globalisation would force the dismantling of the welfare state but public expenditure on social security remains almost as high a proportion of national income in OECD countries now as it was then. The fastest growth in the developed world in recent decades has been in Ireland and Ireland's policies cannot be considered models of economic rationalist practice. The Nordic countries, Sweden, Norway, Finland and Denmark, have also achieved high economic growth together with impressive social and environmental performance with alternative economic policies. So economic rationalist policies and proposals for a minimalist state are widely debated and contested.

Second, there are some roles that only the state can play. Clearly a national government has to be responsible for the country's military forces and for its foreign policy and foreign relationships. Governments at every level have to be responsible for Australia's legal and political frameworks: parliaments, government, the bureaucracies and courts. They also have to be responsible for such matters as law and order, infrastructure, health services and education.

### **The economic framework that is needed for the effective operation of the market economy**

The market economy depends very significantly upon well-understood rules of behaviour. It needs laws such as those embodied in the Corporations Act and institutions such as the Australian Securities and Investments Commission

(ASIC) and the Australian Competition and Consumer Commission (ACCA) to monitor and regulate corporate behaviour. Without these rules of behaviour businesses would not know where they stand.

Government also has to take responsibility for the larger economic framework within which business operates. The state also needs to make corrections when the market fails to perform. The most effective drivers of economic development have been carefully judged combinations of private corporate activity and state supportive action such as the provision of infrastructure, investments in education and training, the regulatory framework and the system of incentives and taxation.

### **The infrastructure required for the functioning of the whole society**

A modern state needs a massive infrastructure to carry out its own functions and to provide essential services for business and other organisations and to support the household and individual activities of its citizens. Roads, railways and airports are needed. Electricity, gas and water have to be supplied to urban properties and waste water and sewage drained from them. Dams are needed to store water. Parks have to be supplied and maintained in the countryside. Hospitals, universities and schools need to be developed and supported. The list is nearly endless.

Under some circumstances it may be possible to get private consortia to build and manage some of these facilities but even when this is undertaken – and it is a contentious issue – the basic infrastructure will nearly always need to remain in public ownership.

### **The critical role of the state in moderating the influences of the market place**

Capitalist enterprises play very important functions in modern economies. They offer opportunities for innovation and enterprise and have been shown to be effective drivers of economic growth.

Much recent attention has been given to the concept of Corporate Social Responsibility but the reality is that it is always a secondary concern to profit and in many instances it is entirely ignored. The state has therefore the critically important responsibility of moderating the influence of business activity. Upon the state will depend the quality of life of its citizens, the fairness of the society and

the quality of the physical environment. Urgent social and environmental change will always depend, to a significant extent at least, on government leadership.

## The role of the state in raising taxes to fund infrastructure and services

Taxation is all too frequently portrayed as a societal evil and as an unnecessary and unwelcome burden on individuals and organisations. Taxation is, however, a prime social good since without taxation it would be impossible to provide the infrastructure and services on which all Australian citizens and organisations depend. Taxation is also the means whereby those who earn higher incomes make a larger contribution to the public purse and allow the state to help those in need. Only the state is in the position to impose taxes and raise money for public purposes.

What is needed to ensure a strong state capable of playing all these roles to maximum effect whilst minimising the failures attacked by its critics?

There are a number of key requirements needed to ensure that a state is able to play all these roles purposefully and appropriately. The first is an effective parliament with an upper house (Senate at the federal level) that acts as a genuine house of review and as the means by which long term issues are kept in the public gaze. The second is a strong and independent judicial system that is fiercely defended. The third is transparency of government decision-making whereby government behaviour is continuously subjected to independent review by auditors general, ombudsmen and parliamentary committees. Whistleblowers who draw attention to malpractice and inefficiency also need to be fully protected.

The fourth is an independent bureaucracy that is able to offer fearless advice to Ministers and the Government and which does not live in constant fear of reprisals for principled behaviour and outspoken comment. Such a bureaucracy should also be well trained in client services (there are outstanding models such as Australia Post). The fifth is the protection of the integrity of public institutions and appointments to them. In other countries, such as the UK, there are formal appointment systems to public offices to minimise political bias and ministerial whim. The sixth is support for civil society and non-profit organisations.

A final requirement is the protection of media diversity so that citizens have access to many different media opinions and so that the media plays the most effective part possible in supporting all the other facets of strong, effective and accountable government.

## Useful sources

Galligan, B. (1995). *A Federal Republic: Australia's Constitutional System of Government*, Melbourne: Cambridge University Press.

This book, by political scientist Brian Galligan, examines the Australian Constitution and considers the role of other democratic institutions in Australian society.

Krygier, M. (2005). *Civil Passions: Selected Writings*, Melbourne: Black Inc.

A collection of essays by law professor, Martin Krygier, examining ingredients for a good society. Note especially the essay "The good that governments do".

McLean, I., & McMillan, A. (Eds.) (2003). *The Concise Oxford Dictionary of Politics*, Oxford: Oxford University Press.

This is an authoritative dictionary of politics written by a range of experts.

Rhodes, R.A.W., Binder, S.A., & Rockman, B.A. (Eds.) (2006). *The Oxford Handbook of Political Institutions*, Oxford: Oxford University Press.

This volume provides a comprehensive survey of political institutions from a number of distinguished contributors.

Rosenblum, N.L., & Post, R.C. (Eds.). *Civil Society and Government*, Princeton, N.J.: Princeton University Press.

This book examines the complex relationship between civil society and the state.

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