

## The role of government

Ours is a world of abundance. A good society ensures that we all share in this abundance fairly. The needs of the many must always come before the wants of those who have more than enough.

We acknowledge the unique place held by Aboriginal and Torres Strait Islander peoples as the First Peoples of our nation.

A decent society relies on good government. Government is the chief means by which people come together to achieve what they cannot achieve individually, for the collective good.

Society is more than a collection of individuals. Good societies are made by collective endeavour. A good society celebrates diversity, is sustainable and creative, just and secure. It gives all kids a fair chance in life. A good society does not humiliate any of its people. People are humiliated when they are denied the essentials of life - a place to live, a place to work and a place to learn.

What should government do?

The essential roles of democratic government are to narrow inequality, manage risk and build capability for the long term.

Prosperity must have a purpose. A thriving, sustainable economy cannot be built on widening inequality. We cannot build a strong economy by forcing people into poverty. The truly serious deficit confronting Australia is a 'public goods' deficit, and unless we address the issue of revenue, this deficit will worsen.

In fighting inequality the role of government encompasses:

- ensuring the delivery of public goods which create a good society - health, education, housing, justice, security, public transport, natural environment and heritage and social protection. Government also creates regulation to protect people, including the regulation of decent work.
- collecting and distributing revenue, in order to fairly deliver a sustainable, inclusive and prosperous society. By international comparison, Australia is a low tax country. But our needs are increasing. A tiny minority of the population continues to benefit unfairly from generous tax breaks and concessions. To address the public goods deficit, fight inequality and build prosperity, Australia needs to collect government revenue through a fair and progressive tax system.

Governments have a critical role in managing and mitigating risk, especially for people who are vulnerable, at certain moments of the life cycle, and for specific events - for example, when caring responsibilities are intense; in the event of job loss, injury, sickness, disability and old age; and in responding to natural disasters.

The role of government in building capability for the long term includes investing in research, skills and education; infrastructure provision; and planning for future generations as well as protecting the environment.

A good government acts a good global citizen: it does not build its prosperity at the expense of others.

Australia boasts a broad and diverse civil society: clubs, community organisations, unions, charities and faith communities thrive alongside each other and do much good. But government should never walk away from its obligation to make sure that no one is left out or denied dignity. Markets provide an array of choices for those who have the buying power, but when it comes to the essentials of life - public goods - government must do what markets cannot.