

Democracy in Australia – An independent appointment system to public offices

Appointments to public offices

Australia lacks formal procedures to help ensure appropriate and unbiased appointments to public offices.

Privileged relationships can lead to inappropriate or politically motivated public office appointments. In late 2005, for example, businessman Robert Gerard resigned from the Reserve Bank board after it was revealed that he had had an eleven year dispute with the Australian Taxation Office over the use of tax havens. The approval of Gerard's appointment to the Reserve Bank in 2003 raised questions about the adequacy of the selection process for public office. When he was Prime Minister, John Howard said he was reluctant "to introduce yet another layer of regulation and inspection" for appointments, arguing that this will "end up dissuading people from being interested in appointments to public positions" (Wood, *The Australian*, 3 December 2005). This is not, however, the view of other western democracies.

International Comparisons

Many other countries have introduced formal measures to improve the quality and political neutrality of appointees to significant public offices. Under the so-called Nolan system in the UK, an independent Commissioner for Public Appointments regulates, monitors, reports and advises on appointments made by Ministers to the boards of over a thousand national and regional public bodies. Government departments are required to follow the Commissioner's principles and code of practice when making these public appointments. In Canada, all appointments for chief executives, directors and chairs of Crown corporations are subject to a merit-based system. Ministers make recommendations that are then subject to review by a parliamentary committee prior to the final appointment (Edwards, 2004). In Australia, the lack of transparency for public sector appointments represents a threat to a strong democracy.

Changes in Australia

The Rudd Government has developed guidelines for merit-based appointments to the boards of the ABS and SBS. Under these guidelines, vacancies are widely advertised and applications are assessed by an independent selection committee, according to published selection criteria. The independent selection committee provides a shortlist to the Minister. The Minister and Prime Minister may appoint an applicant not recommended by the selection committee but such an appointment requires the approval of the Governor General and an announcement to both houses of parliament. The first appointments have been made under this new system.

Minister Conroy announced that the Government intended to introduce legislation in 2009 that would entrench merit based selection. At October 2009, no such legislation has been introduced. Legislation is essential to ensure that independent appointment procedures survive changes of government.

Scope

The current guidelines and proposed legislation are limited to appointments to the boards of the ABC and SBS. Reform is also required to the appointment processes of all public sector boards. The transparency and independence of appointments under the new guidelines are also crucial to other appointments including to the board of the National Museum of Australia and the Reserve Bank.

To avoid undue Ministerial influence and the risk of the practice or perception of appointments made on the basis of

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loyalty, mutual benefit or shared political ideology, the current system needs to be extended to all public appointments as in Britain and Canada, there needs to be legislation to back the appointment system and there needs to be an independent Commissioner appointed by statute to oversee the system.

Sources

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