

Democracy in Australia – An independent appointment system to public offices

Appointments to public offices

Individuals appointed to public office wield significant power and influence; only the best qualified should be appointed. Yet Australia currently lacks formal procedures to ensure appropriate and unbiased appointments to all 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 been involved in an eleven year dispute with the Australian Taxation Office over the use of tax havens. Gerard's appointment to the Reserve Bank in 2003 raised questions about the adequacy of the selection process for public office. At the time, then Prime Minister, John Howard said he was reluctant "to introduce yet another layer of regulation and inspection" for appointments, arguing that this would "end up dissuading people from being interested in appointments to public positions" (Wood). This is not, however, the view of other western democracies or the current government. Yet, legislation to ensure merit-based and transparent appointments to public office remains outstanding.

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).

The situation in Australia

In Australia, the lack of transparency for public sector appointments represents a threat to a strong democracy.

An independent appointment procedure for positions on the boards of the ABC and SBS has recently been legislated - the National Broadcasting Legislation Amendment Bill received assent in July 2012. This legislative amendment establishes a merit-based appointment process, ensuring that appointments are made through an independent, merit based appointment selection committee, according to published selection criteria.

This procedure introduces a valuable model for public appointments that should be extended to other public offices. Reform is required to establish merit-based, transparent appointment processes for *all* public sector boards and heads of agencies, including 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 loyalty, mutual benefit or shared political ideology, such a system should cover all public appointments (as it does in Britain, for example). Though the Rudd Government introduced a broad statement of policy for merit-based selection processes in 2008, legislation is required to support this appointment system, with the oversight of an independent commissioner appointed by statute.

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Last revised July 2013