



New politics: Rebuilding public trust and depoliticising public office

Briefing pack

Grattan's *New politics* series lays the foundations for a new way of doing politics that safeguards the public interest over political interests

Federal and state governments are increasingly using public office to support their political interests

- Jobs for mates – public appointments are used to reward partisan loyalty
- Pork-barrelling – grant programs are used to 'buy votes' in marginal seats or reward the base
- Politicised advertising – taxpayer-funded advertising is used to deliver political messages

Politicising public office hurts the economy, society, and democracy

- Poor value for money
- Damaging to institutional culture and morale
- Promotes a culture of corruption
- Erodes public trust

Our democracy relies on politicians making decisions in the public interest

- We have historically relied on a combination of interlocking institutions, rules, and norms to diffuse power and reinforce the public interest – some of these norms are breaking down
- Integrity Commissions are important, but they are a last line of defence
- We need better checks and balances to promote decision-making in the public interest (before the damage is done)

Some politicians now brazenly defend politicising public office

‘It’s not unique to our government’ and ‘I don’t think it would be a surprise to anybody that we throw money at seats to keep them’

– Former NSW Premier Gladys Berejiklian (2021)

‘You want to call that pork barrelling, you want to call that buying votes, it’s what the elections are for’

– Former NSW Deputy Premier John Barilaro on the bushfire recovery grants (2021)

‘The Australian people had their chance and voted the Government back in at the last election’

– Former Federal Minister (now Shadow Minister) Simon Birmingham on the Commuter Car Park fund (2021)

‘I simply made sure that the successful applicants were aligned to the government’s policy intent’

– QLD Minister Mick de Brenni on the Female Facilities Program (2020)

‘I make no apology for exercising ministerial discretion. To do so was my prerogative, but more importantly, it was my responsibility’

– Former Federal Minister (now Shadow Minister) Bridget McKenzie on the Community Sport Infrastructure program (2020)

‘A feature of Australian democracy’

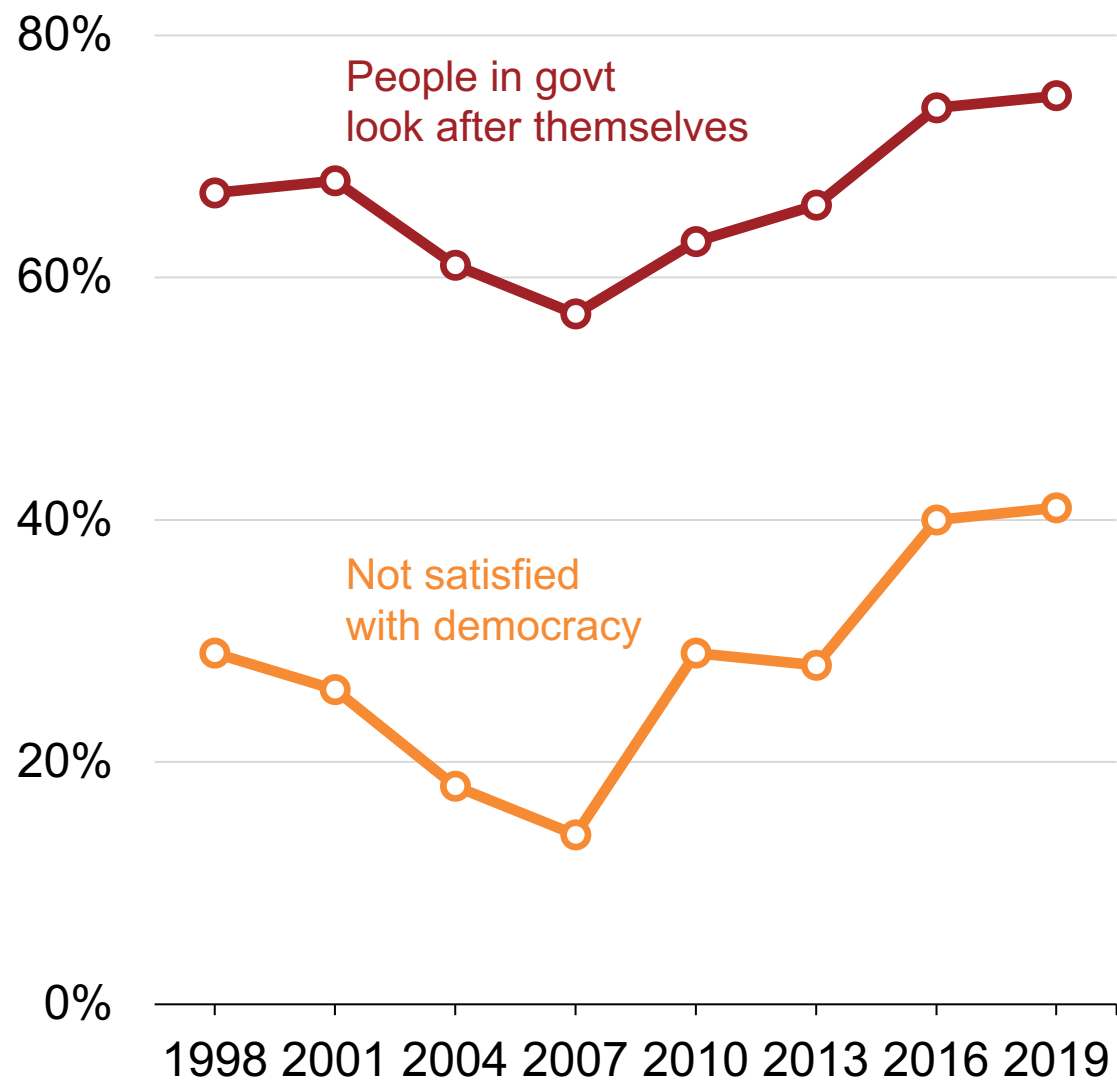
– WA Premier Mark McGowan defending mock cheques with the names and faces of Labor MPs handing out taxpayers’ money under the Local Projects, Local Jobs program (2018)

‘Government ministers have – and must have – the discretion to step outside bureaucratic recommendations... based on their political views, or on their compassion, and it might not subscribe to the purity of a business case’

– Former Deputy Prime Minister (now Shadow Minister) Barnaby Joyce in an opinion piece opposing a federal anti-corruption commission (2022)

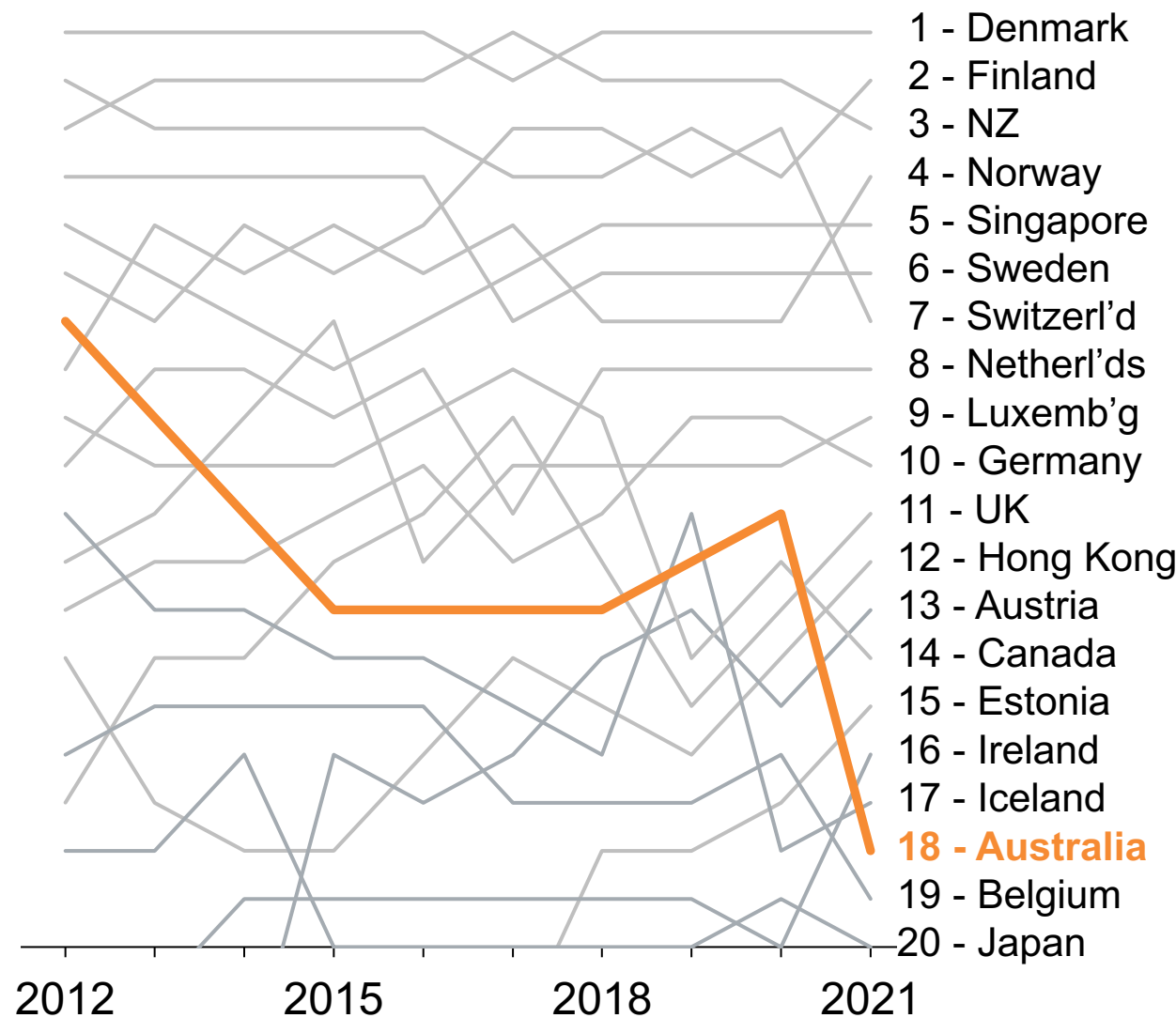
No wonder Australians are increasingly suspicious of government

Percentage of survey respondents who agree



Note and source: Australian Election Study, sample size in 2019 = 5,175.

Corruption Perceptions Index rank, top 20 in 2021



Source: Transparency International 2022.

Jobs for mates

How big a problem is it really?

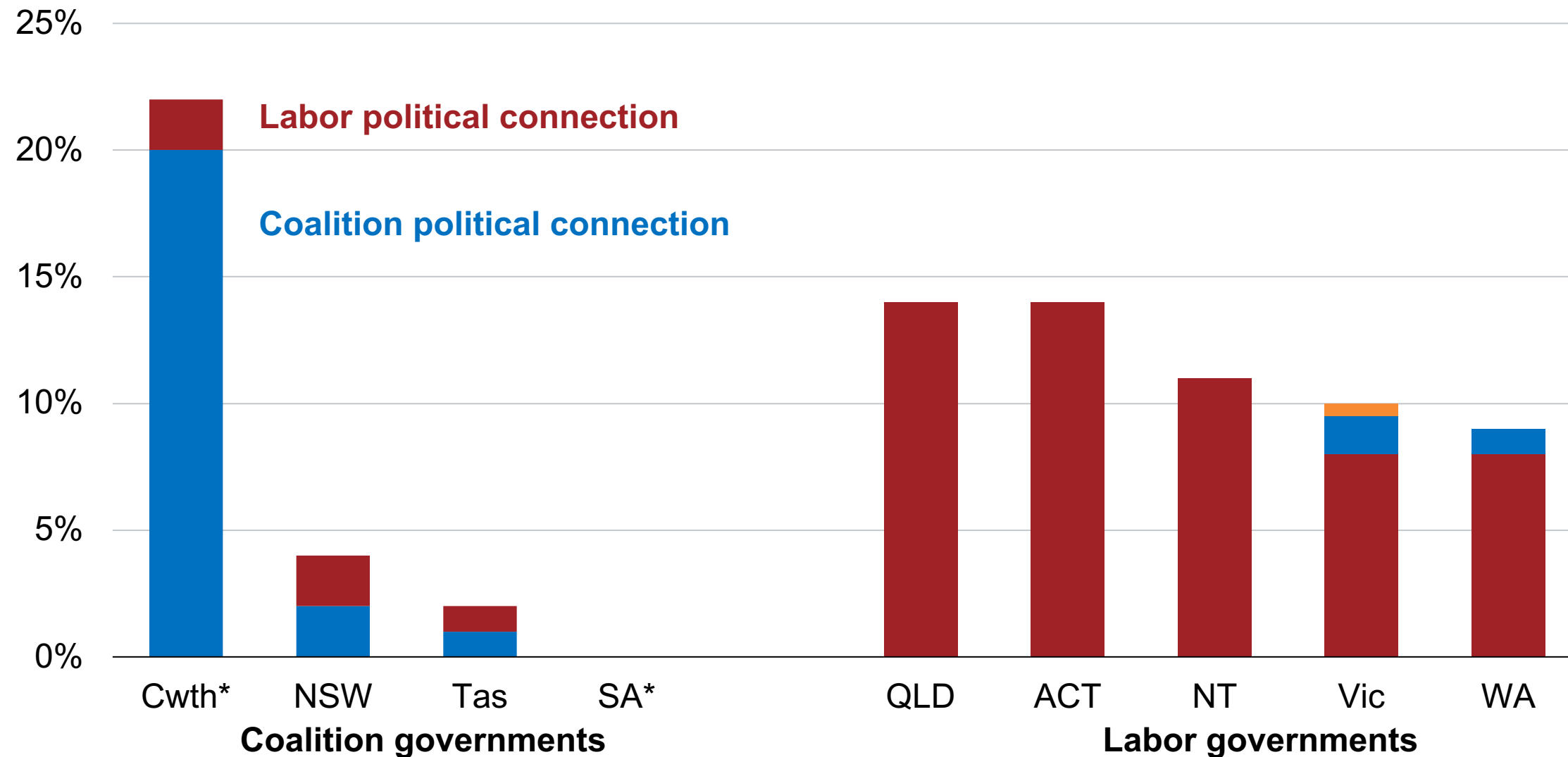
Of ~3,600 public appointments
about **7%** have a direct
political connection
(former politician, staffer,
or party official)



Among well-paid,
powerful, and
prestigious roles,
it's **21%**

Well-paid government business boards are often politicised

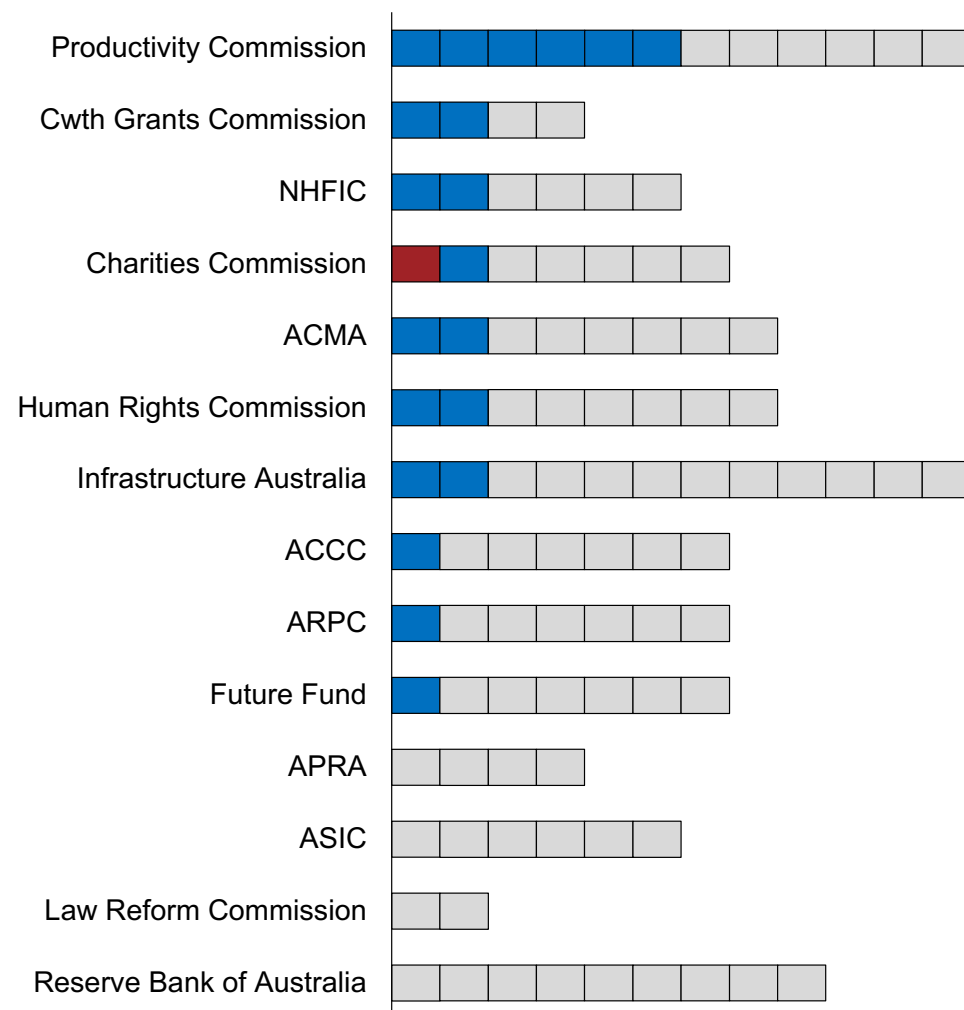
Proportion of Government Business Enterprise board members with political affiliations



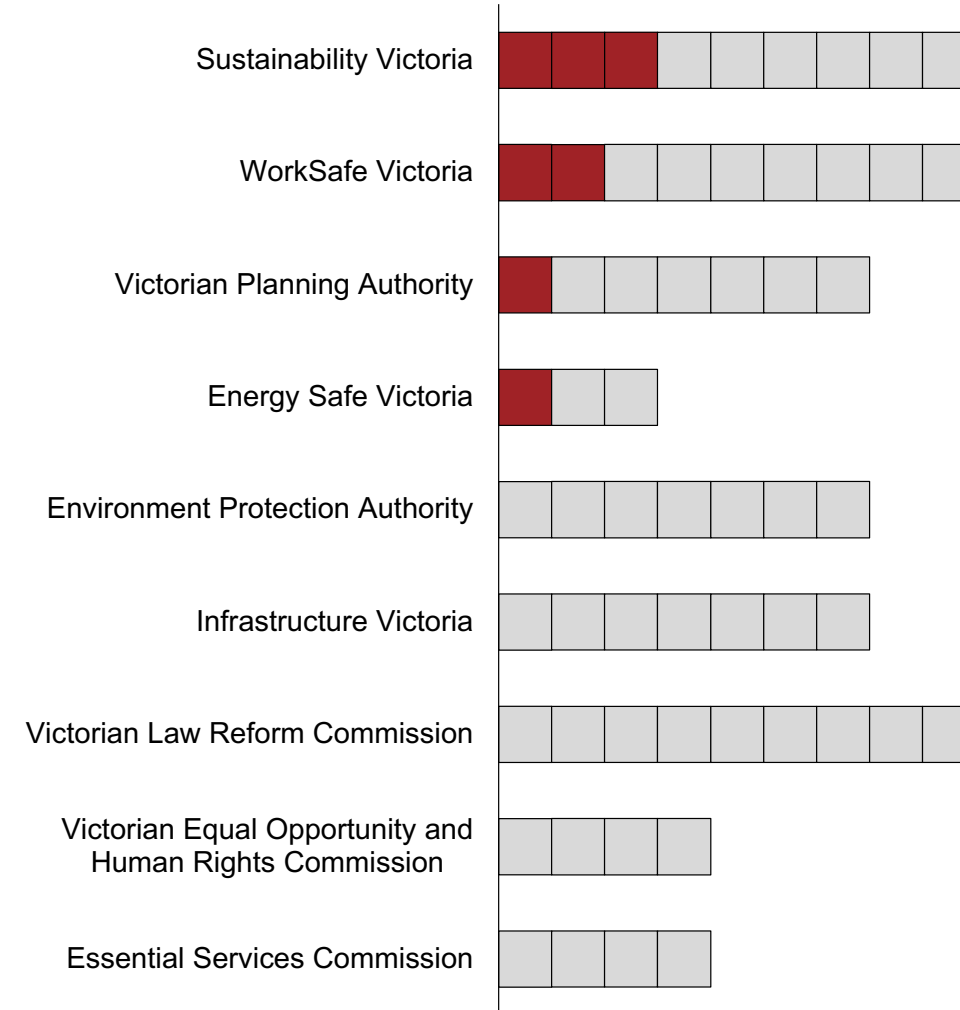
Notes: As at May 2022. Orange indicates a person with a political connection as an independent. *All Commonwealth and South Australian appointments were made by Coalition governments before Labor came to office in recent elections.

Powerful positions are often politicised

About 20% of federal government appointments to powerful boards have political connections



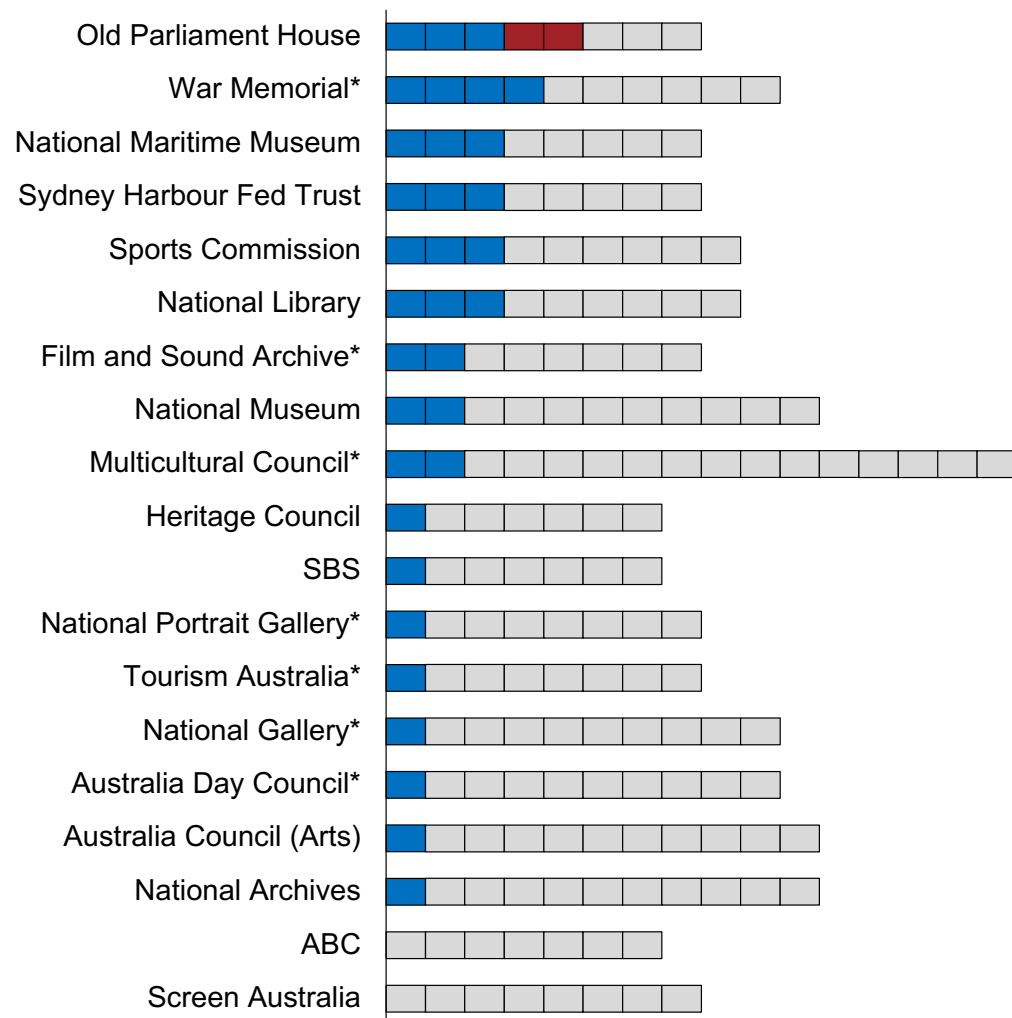
About 12% of Victorian government appointments to powerful boards have political connections



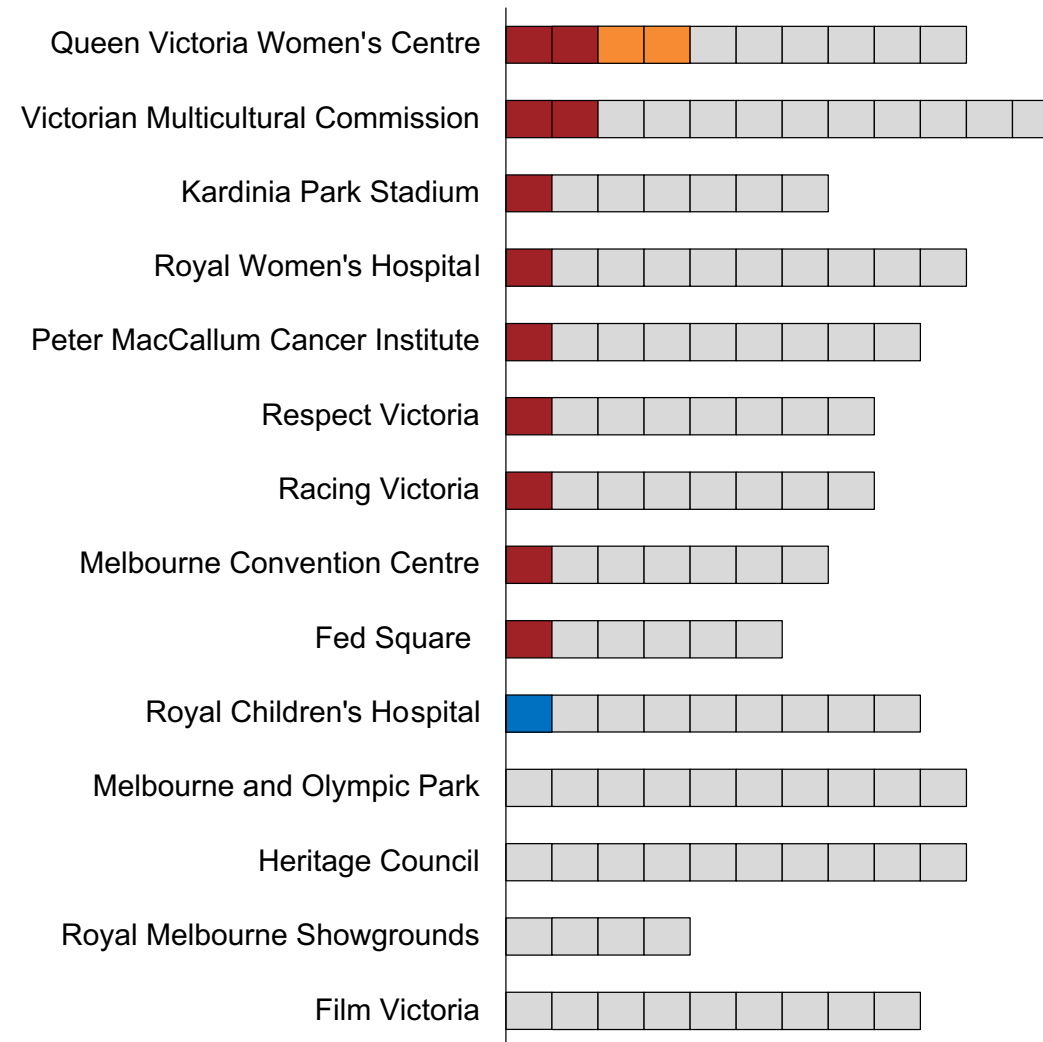
Notes: As at April 2022. Blue indicates connections to the Coalition. Red indicates connections to Labor. NHFIC = National Housing Finance and Investment Corporation; ACMA = Australian Communications and Media Authority; ACCC = Australian Competition & Consumer Commission; ARPC = Australian Reinsurance Pool Corporation; APRA = Australian Prudential Regulation Authority; ASIC = Australian Securities & Investments Commission.

Prestigious positions are also targets for stacking

About 20% of prestigious federal government appointments have political connections



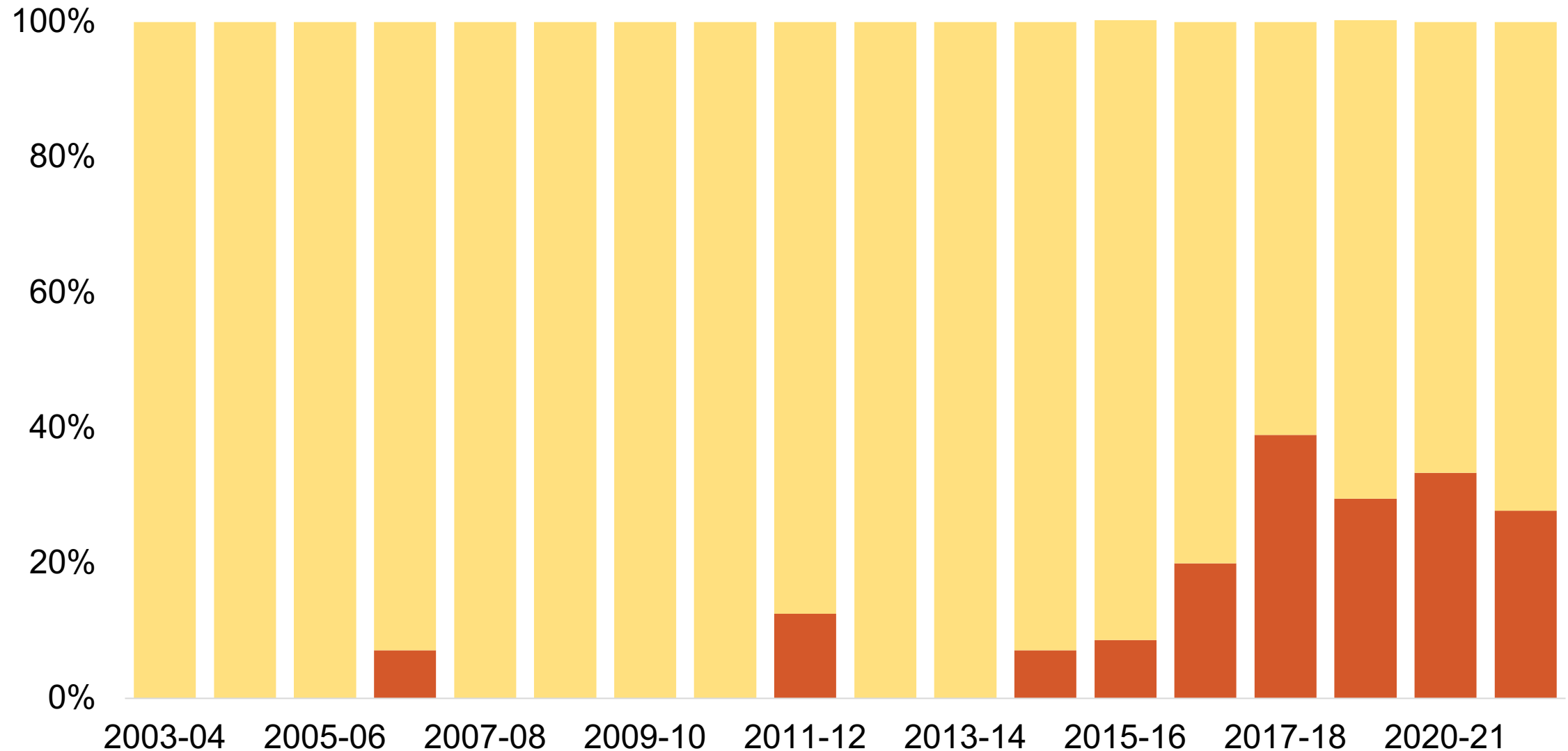
About 12% of prestigious Victorian government appointments have political connections



Notes: As at April 2022. Excludes ex officio members. Asterisk (*) indicates an additional two or more members with 'soft' political links, such as a known political donor. Blue indicates a connection to the Coalition. Red indicates a connection to Labor.

And the problem seems to be getting worse: political appointments to the Administrative Appeals Tribunal (AAT) have increased dramatically in recent years

Share of new AAT members **with** and **without** political links to the appointing party



Note: No new members commenced in 2019-20.

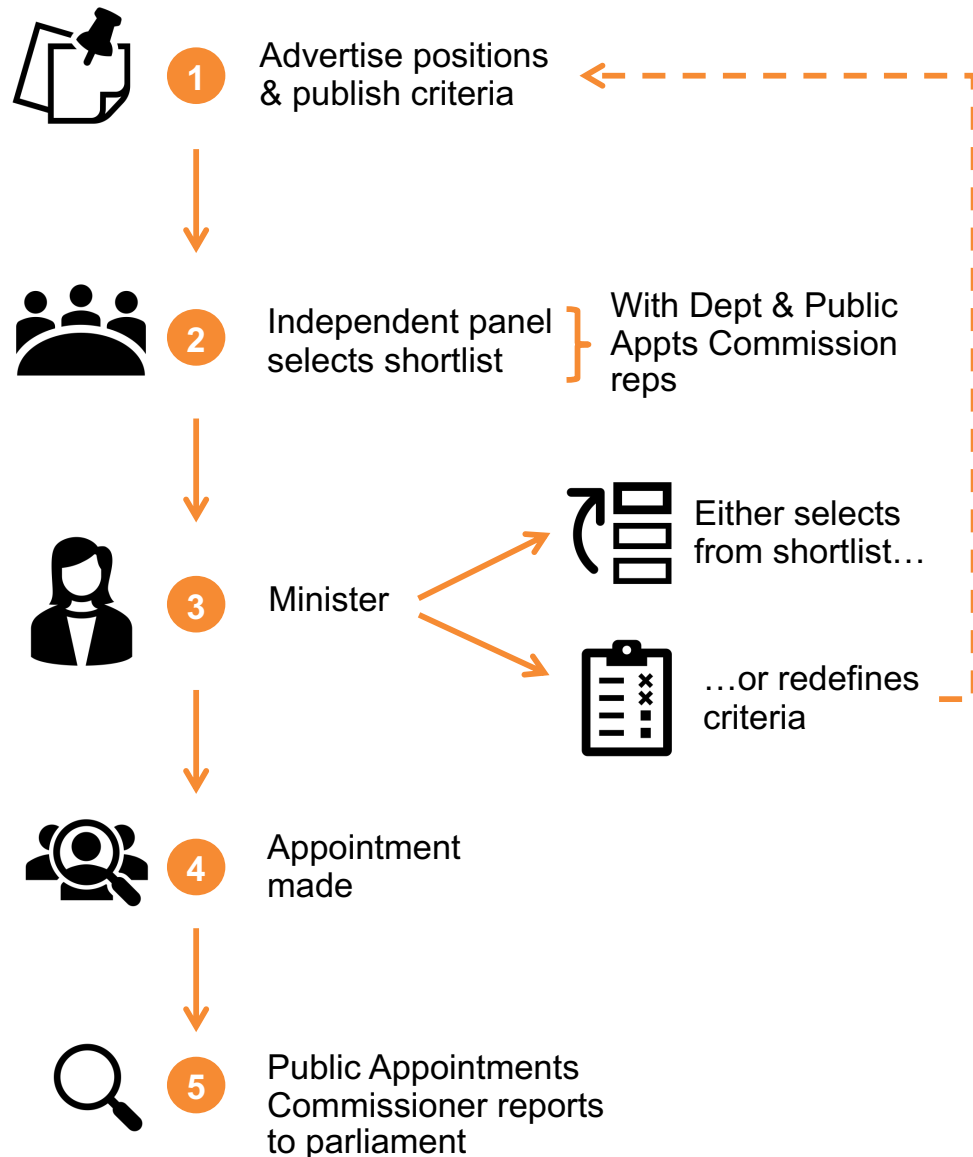
Sources: AAT annual reports, media releases published in Commonwealth Government Hansard, and Australian Electoral Commissioner records.

If Australia had transparent, merit-based appointments processes then we could be confident that appointees were there on merit... but we don't

	Ultimate responsibility	Transparent process	Advertised with criteria	Independent panel	Conditions on ministerial discretion	Oversight	Exemptions to standard process
ABC	Minister appoints ^b	Yes – detailed in legislation	Yes – role advertised and selection panel assesses applicants against published selection criteria	Yes – panel appointed by Secretary of PM&C	Yes – must table reasons in Parliament for not selecting from panel shortlist. Former MPs and senior political staff are ineligible for 12 months.	No oversight body or auditing of appointment decisions	Minister or Chair can recommend re-appointments without going through a merit-based process
Australian Public Service agency heads ^a	Minister appoints ^b (with PM or Cabinet approval)	Published policy, owned by government	Yes	Yes – panel chaired by Secretary who selects panel members. Must include Public Service Commissioner (or representative)	Minister must write to the PM outlining reasons for not appointing from panel shortlist (included in Cabinet records)	No – only oversight is PM / Cabinet	Minister can bypass process where urgent or an 'eminent person' is available, with PM approval
Administrative Appeals Tribunal	Attorney-General appoints ^b (with Cabinet approval)	No	Yes – expressions of interest sought annually	No – President of AAT makes recommendations to Attorney-General	No – Attorney-General may select candidates not recommended by AAT President	No – only oversight is Cabinet	Attorney-General may select candidates not recommended or not on the AAT's register
Federal Government Business Enterprises	Shareholder ministers appoint (with PM or Cabinet approval)	Published guidelines	Optional	No – Chair makes recommendations to Minister	Consult Prime Minister	No – only oversight is PM / Cabinet	No enforceable process
Queensland Government Business Enterprises	Shareholder ministers appoint (with Cabinet approval)	Published guidelines	No – primarily through the Queensland Register of Nominees	No – Cabinet makes recommendation to the Governor in Council after Premier's approval	None stated	No – only oversight is Cabinet	None stated

Notes: Yellow = good process; orange = somewhat compromised process; red = poor process. (a) Secretary and Secretary-equivalent and part-time appointments are excluded. There are a range of other exemptions including offices where the PM grants an exemption. (b) Under legislation, appointments are made by the Governor-General, but in practice the final decision rests with the relevant minister with the approval of Cabinet.

A better process for public appointments



Legislate the new process

- Allow for an interim acting appointment if a quick appointment is necessary
- Reappointments would not have to be re-advertised but should still go through an independent panel

Parliamentary oversight

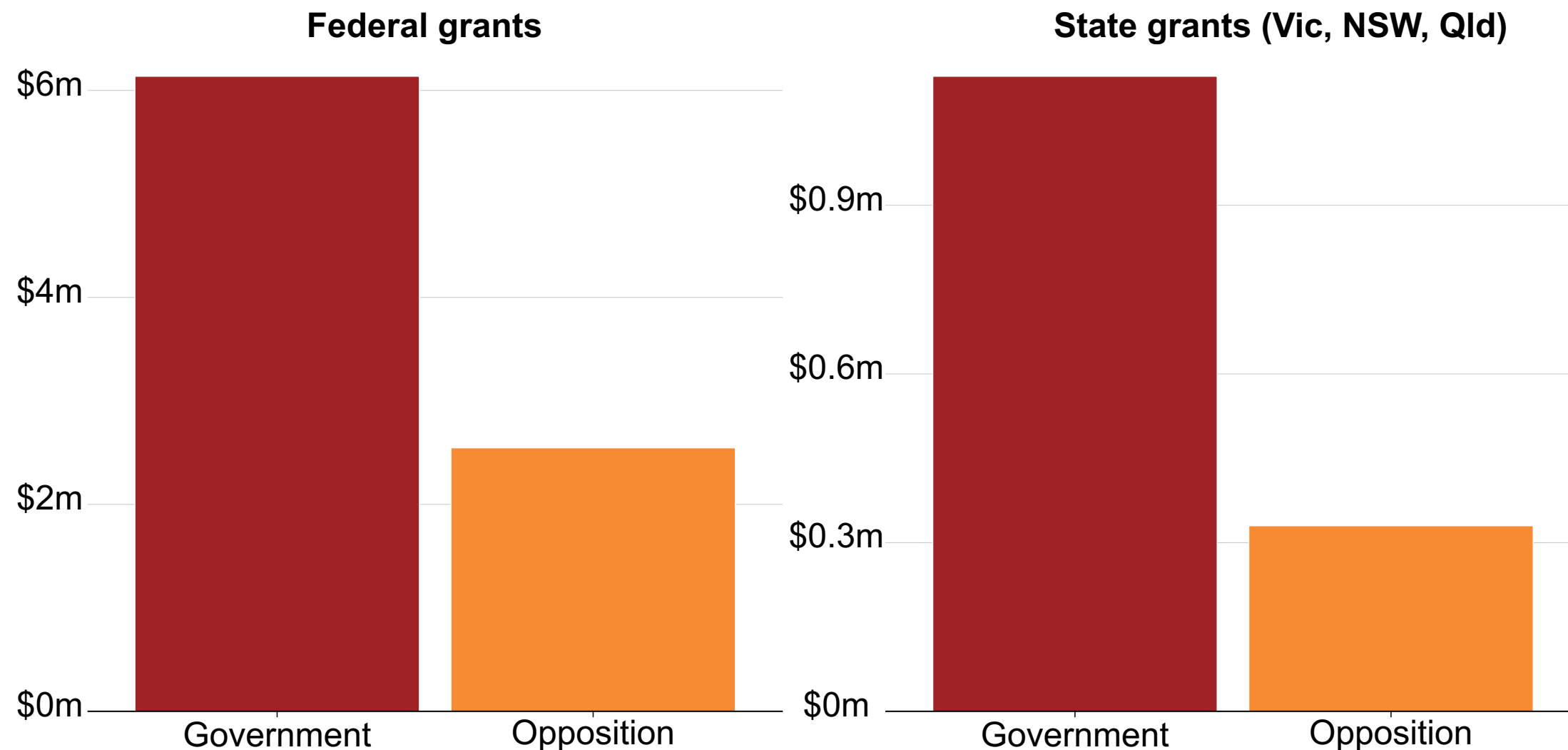
- Public Appointments Commissioner reports to parliament on board and tribunal appointments
- Public Service Commissioner reports to parliament on statutory appointments to the public service

Preventing pork-barrelling



Government seats receive more grant funding than opposition seats

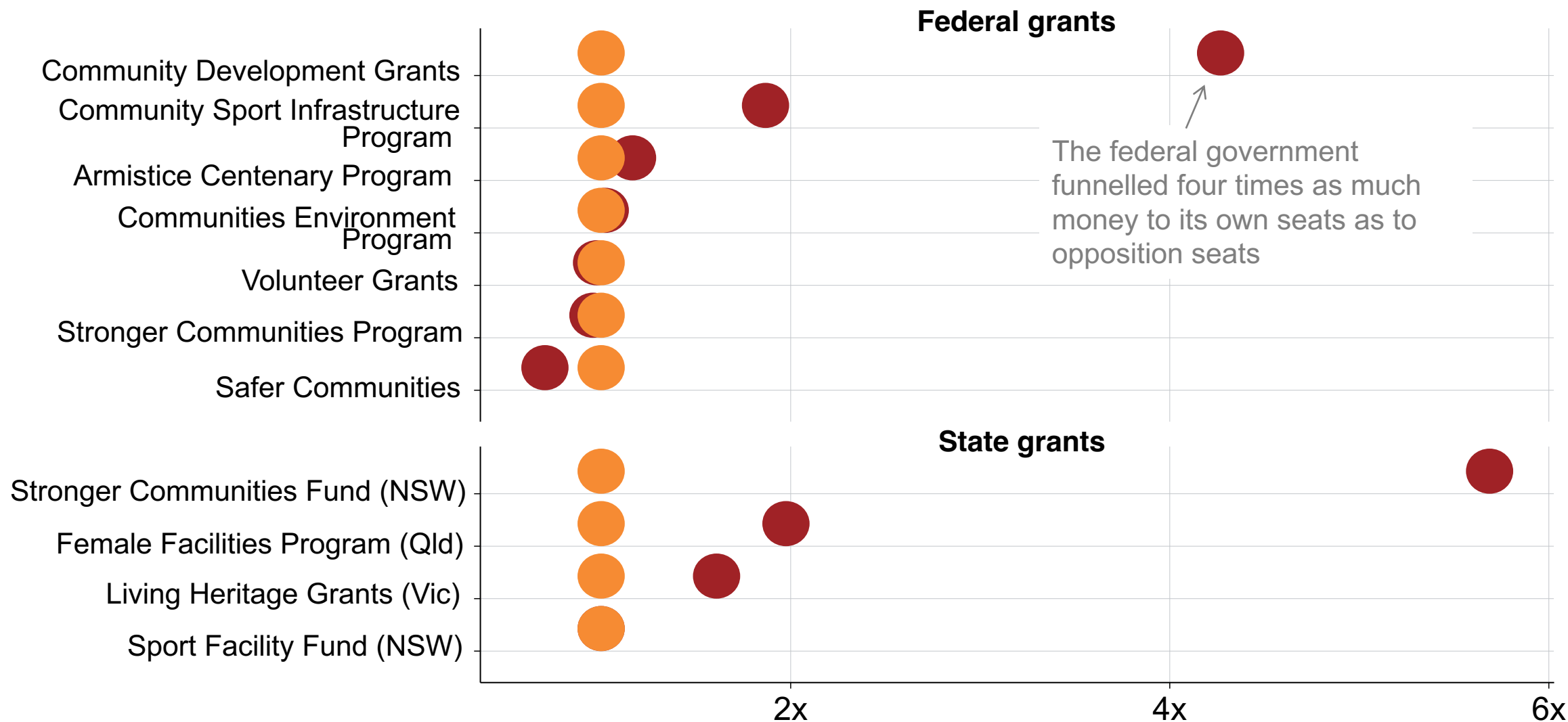
Money awarded per electorate on average across seven federal and four state grant programs



Notes: Independent seats and regional grant programs have been excluded. Grants awarded between 2017 and 2021. The average awarded per electorate is the average over an electoral cycle.
Source: Grattan analysis of data collated from GrantConnect by The Age / Sydney Morning Herald (2021).

Some programs are more prone to pork-barrelling than others

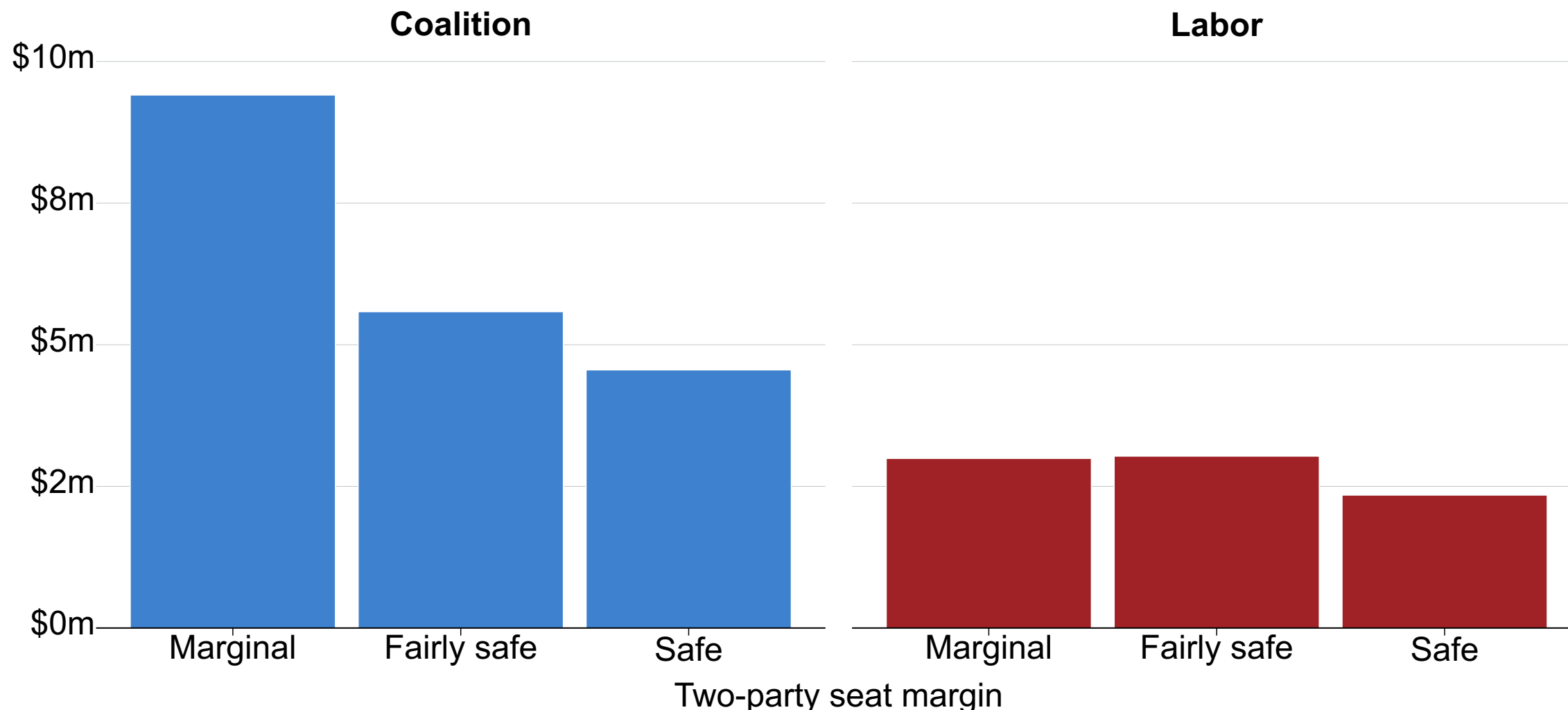
Money awarded per **government seat**, on average, compared to **opposition seats**, on average



Notes: Independent seats and regional grant programs have been excluded. Grants awarded between 2017 and 2021. The average awarded per electorate is the average over an electoral cycle.
Source: Grattan analysis of data collated from GrantConnect by The Age / Sydney Morning Herald (2021).

Marginal seats often receive more

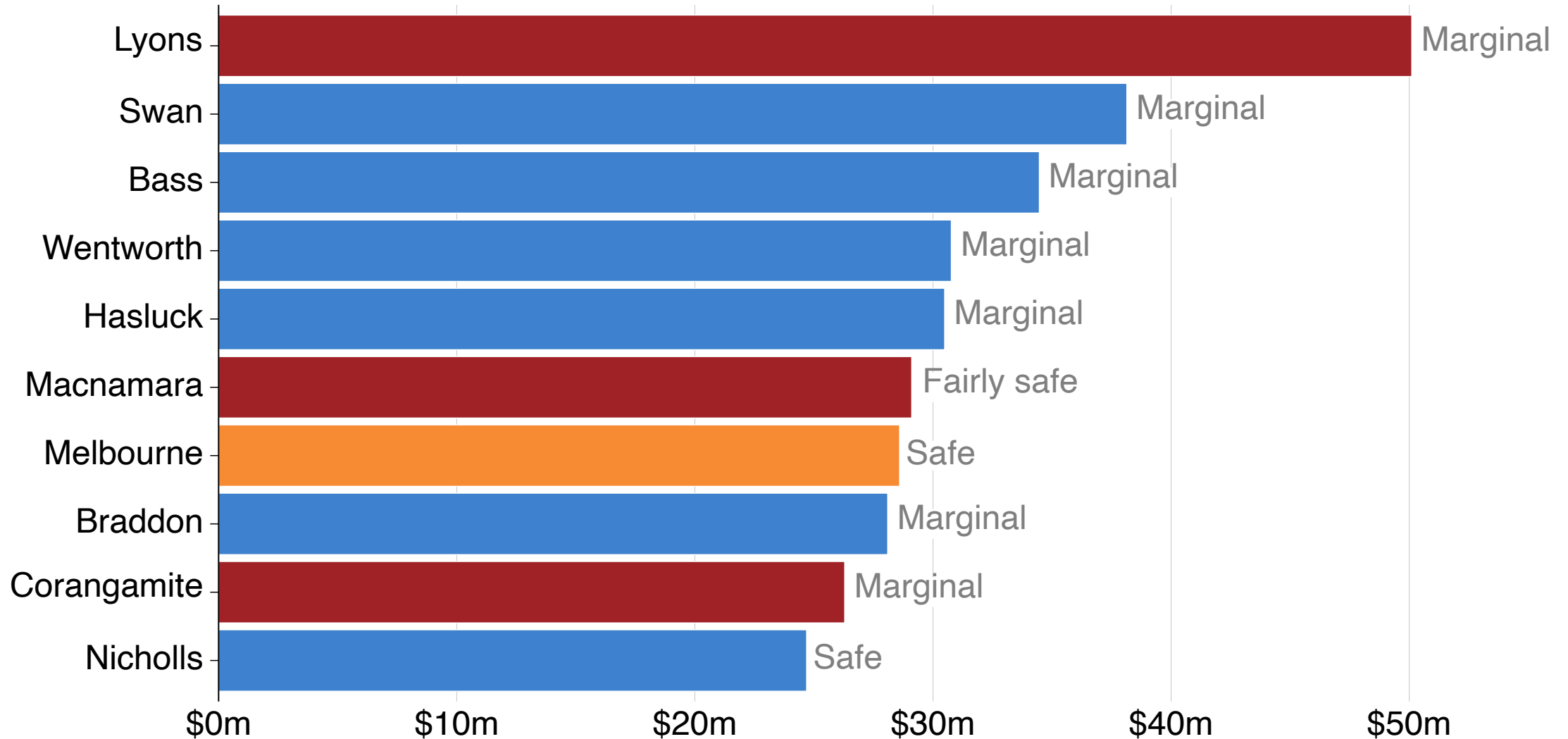
Money awarded per federal electorate on average across seven discretionary grant programs



Notes: 'Marginal' refers to a margin of less than 6 per cent. 'Fairly safe' refers to 6-to-10 per cent. Independent seats were assigned to the major party with the closest margin. The average awarded per electorate is the average over an electoral cycle: 2017 to 2019, and 2019 to 2021. This is because seats and margins changed at the 2019 election. This analysis does not include regional grant programs. Source: Grattan analysis of data collated from GrantConnect by The Age / Sydney Morning Herald (2021).

Seven of the top 10 federal electorates with the most discretionary grant funding were marginal seats

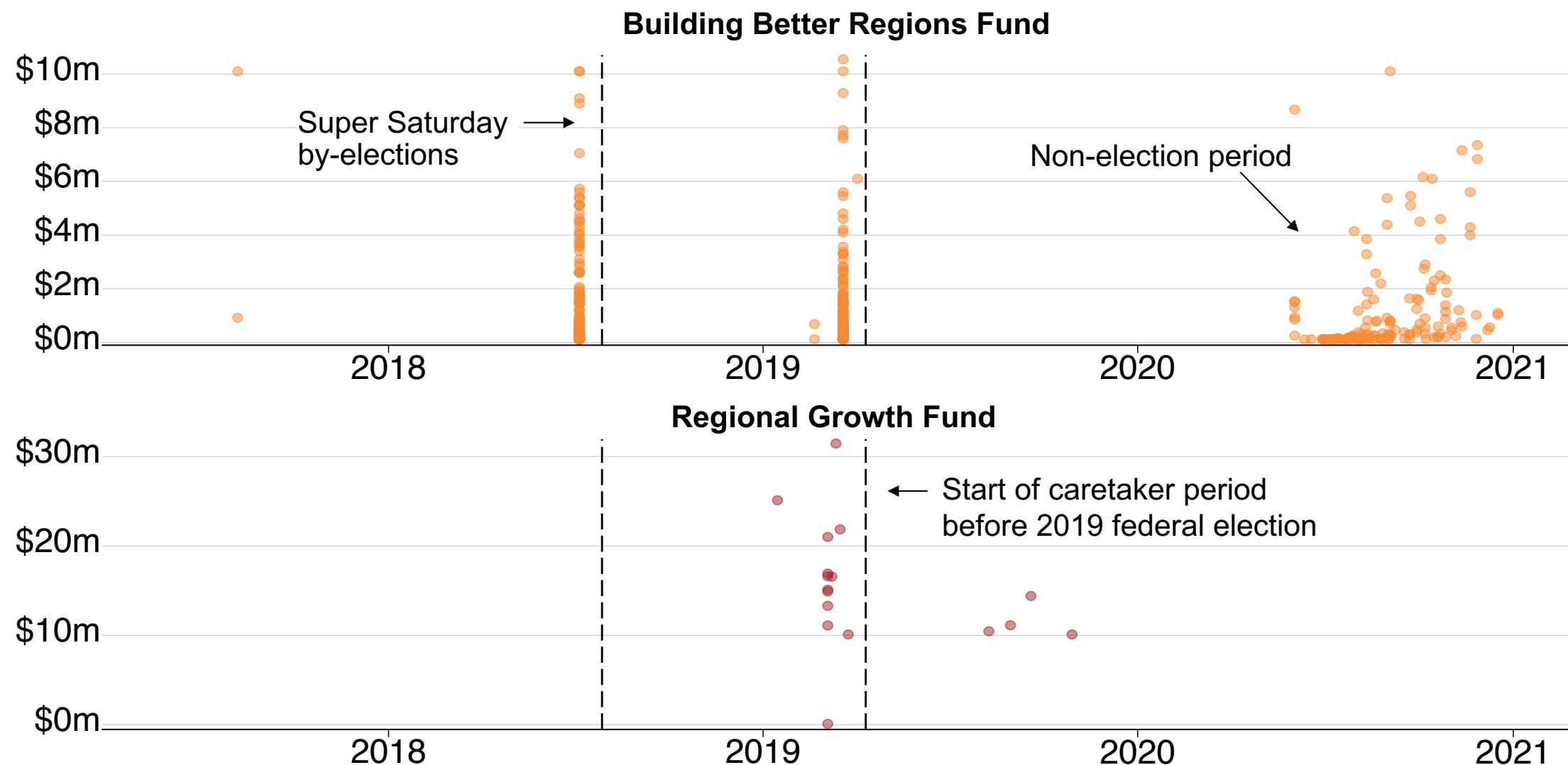
Total funding awarded per electorate across seven federal discretionary grant programs, 2019 to 2021, Top 10 electorates



Notes: 'Marginal' refers to a margin of less than 6 per cent. 'Fairly safe' refers to 6-to-10 per cent. This analysis does not include regional grant programs.
Source: Grattan analysis of data collated from GrantConnect by The Age / Sydney Morning Herald (2021).

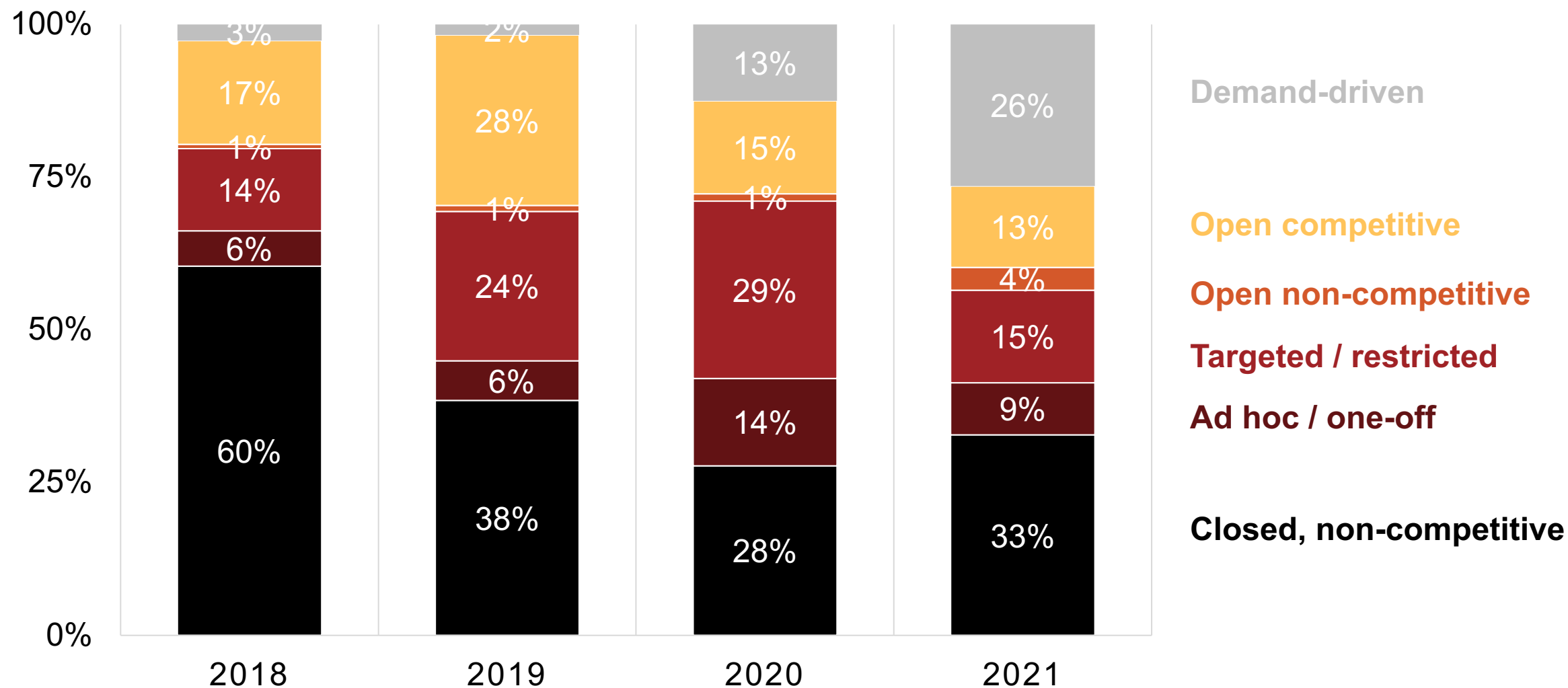
Grants fly out the door in the lead up to federal elections

Money awarded per grant recipient by grant approval date

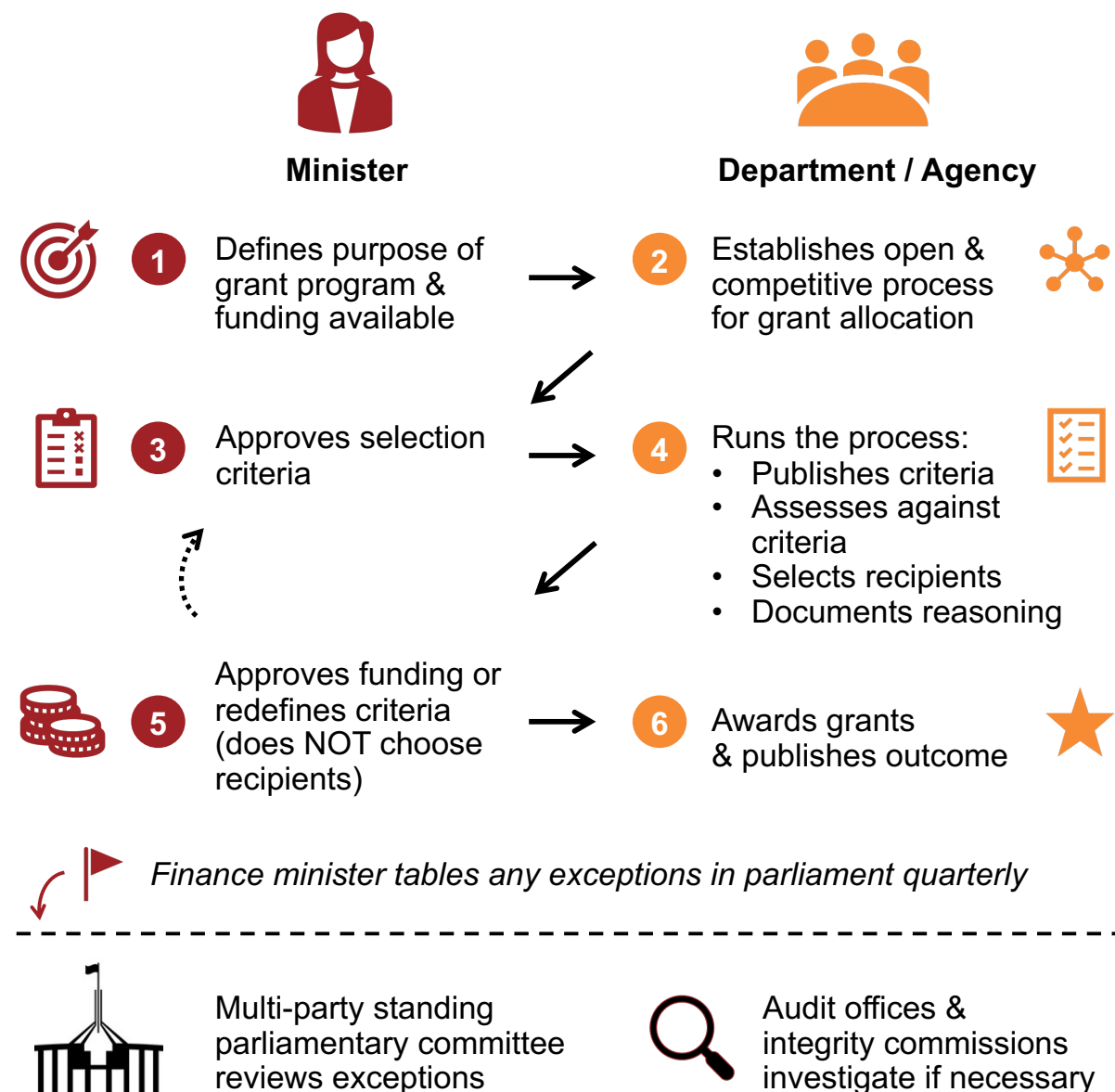


Grants programs are rarely open and competitive

Proportion of federal grants awarded according to selection process (by \$ value)

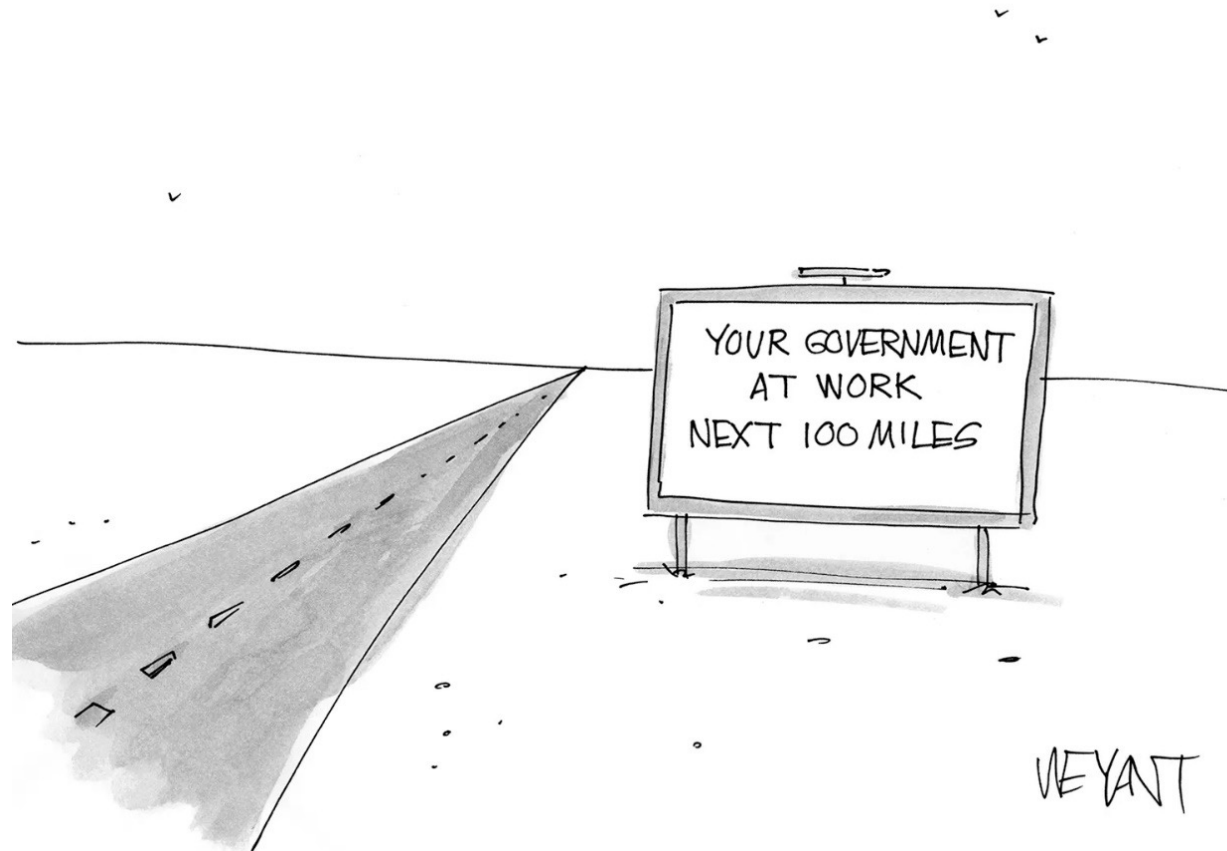


A better process for grants, with stronger oversight



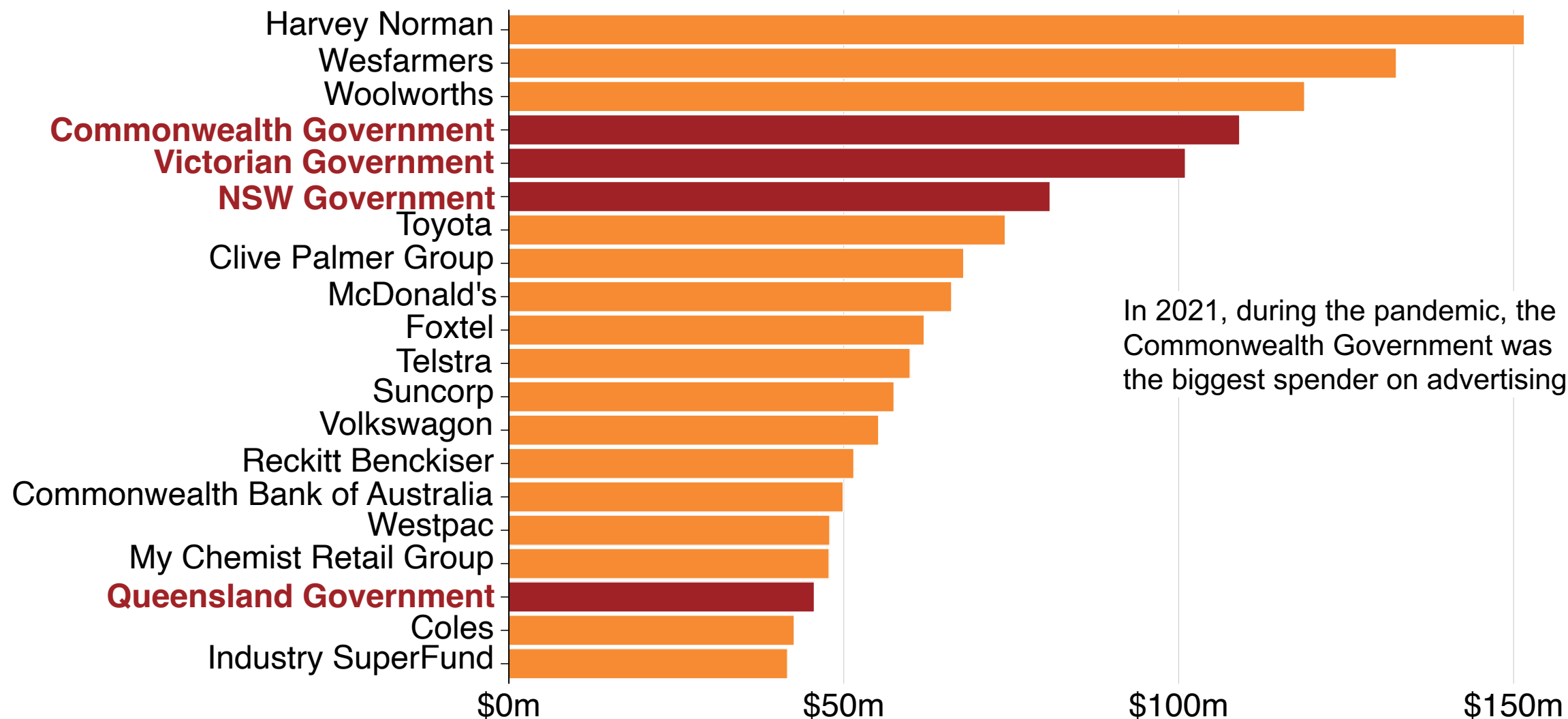
Strengthen oversight of public spending

- A multi-party standing parliamentary committee should oversee compliance with grant rules
- Funding for federal and state audit offices should be increased to support their role in scrutinising government spending
- A strong and well-resourced integrity commission is a last line of defence in investigating pork-barrelling



Governments are a major source of the ads on our screens

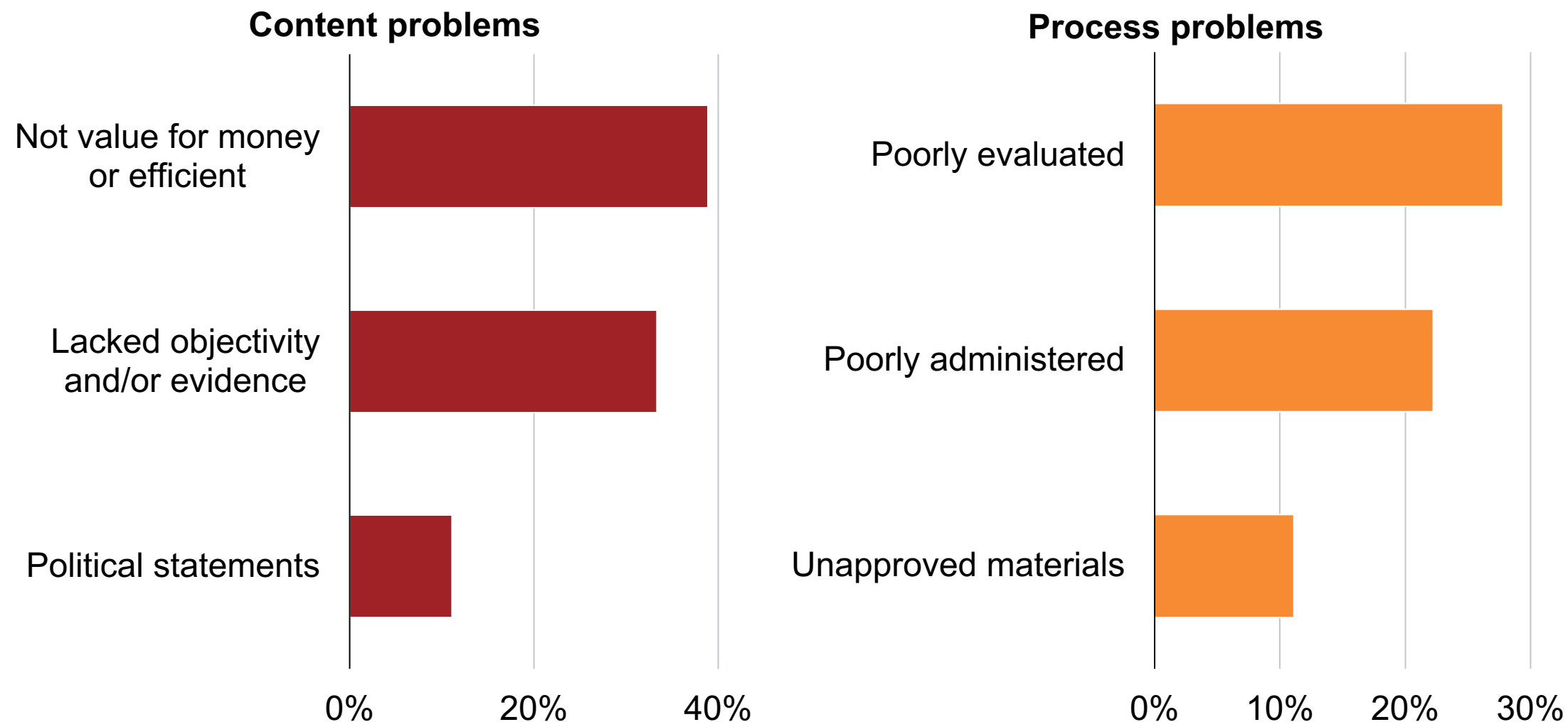
Annual media placement expenditure, 2018-19



*Note: Media placement expenditure does not include campaign development costs, which typically represent about 25 per cent of the cost of an advertising campaign.
Source: Grattan analysis of Nielsen Report, 2019.*

The ANAO has identified many problems with advertising campaigns

Proportion of campaigns audited by the ANAO that had the following problems, 2010-11 to 2020-21



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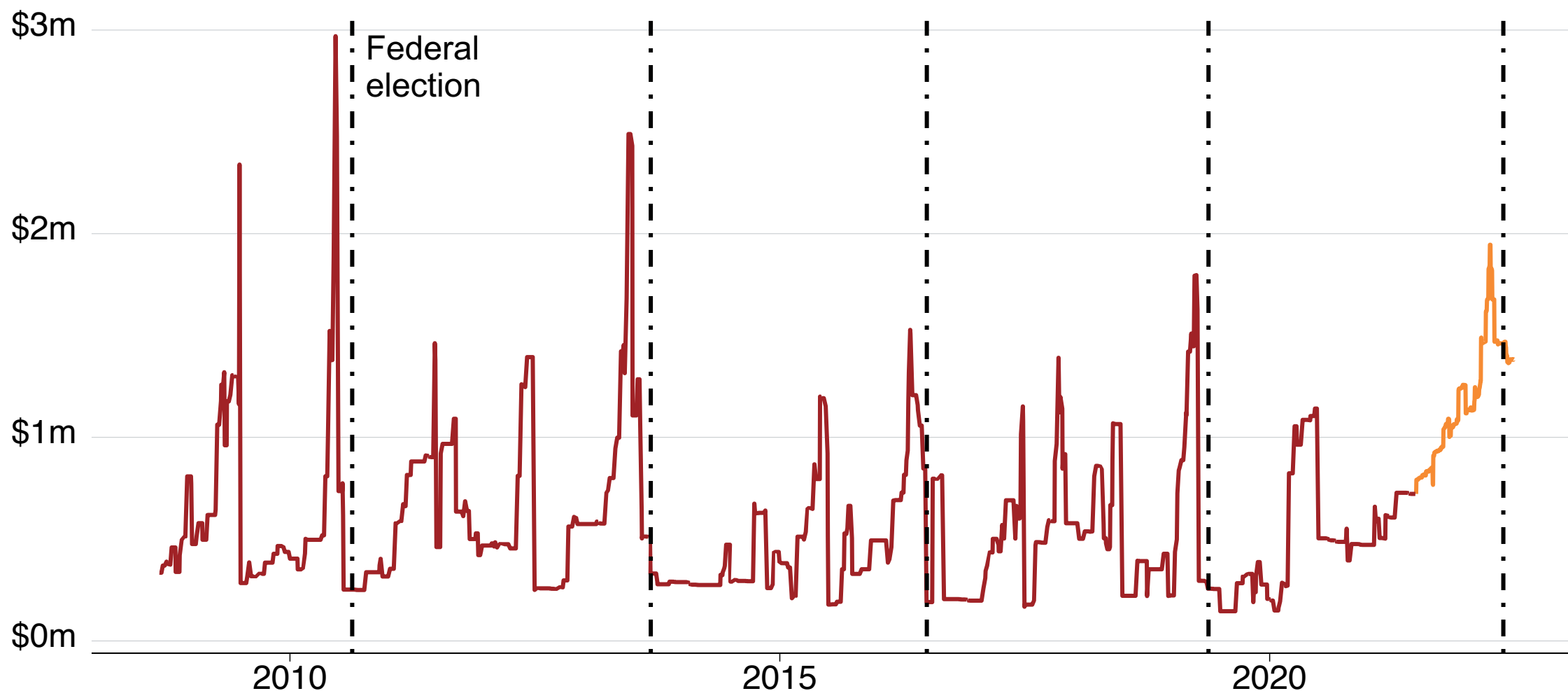
FY	09	10	11	12	13	14	15	16	17	18	19	20	21
	Defence Force Recruiting (\$33.9m) Digital Switchover (\$19.2m) Swap It, Don't Stop It (\$11.9m) Health Reform Plan Communication (\$10.5m) H1N1 Vaccination (\$9.9m)	Defence Force Recruiting (\$34.2m) Clean Energy Future (\$20.2m) NBN regional (\$17.5m) Household Assistance Package (\$16.6m) National Tobacco (\$14.9m)	Defence Force Recruiting (\$42.9m) Election 2013 (AEC) (\$20.2m) Digital Television – Retune (\$10.3m) DisabilityCare Australia (\$8.1m) Digital Switchover (\$7.5m)	Election 2016 (AEC) (\$50.9m) Defence Force Recruiting (\$50.4m) National Innovation and Science Agenda (\$18.8m) FTA (\$13.7m) Stop It At The Start (\$13.4m)	Defence Force Recruiting (\$45.5m) Marriage Law Postal Survey (\$20.8m) Defence Industries Skills and Jobs (\$18.6m) New Childcare Package (\$15.2m) Quality Schools Reforms (\$9.4m)	COVID-19 Health (\$47.8m) Defence Force Recruiting (\$31.3m) COVID-19 Economic Response (\$17.7m) Tax and the Economy (\$7.6m) Domestic Violence Support – Help is Here (\$7m)	Defence Force Recruiting (\$44.7m) Swap It, Don't Stop It (\$15.9m) National Binge Drinking (\$12m) Stimulus Tax Bonus (\$10.4) Climate Change Household Action (\$9m)	Defence Force Recruiting (\$27.7m) Digital Switchover (\$22m) National Tobacco (\$20.2m) Swap It, Don't Stop It (\$13m) Election 2010 (AEC) (\$12.3m)	Defence Force Recruiting (\$33.4m) NBN metro (\$22.5m) National Tobacco (\$19m) Household Assistance Package (\$18.1m) National Plan for School Improvement (\$14.7m)	Defence Force Recruiting (\$49.9m) Intergenerational Report (\$28.2m) Medibank Private IPO (\$15.1m) National Tobacco (\$9.6m) National Drugs Campaign – Ice (\$8.9m)	Defence Force Recruiting (\$53.6m) 2016 Census (\$21.4m) Small Business (\$8.6m) National Tobacco (\$7.7m) Jobactive (Restart) (\$6.5m)	Defence Force Recruiting (\$45.4m) Election 2019 (AEC) (\$22.1m) Building Our Future (\$17m) Tax and the Economy (\$16.1m) Jobs (\$14.9m)	Defence Force Recruiting (\$47.1m) COVID-19 Vaccine (\$26.8m) COVID-19 Health (\$20m) COVID-19 Economic Response (\$15.5m) COVID-19 Economic Recovery Plan (\$15.4m)

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Source: Grattan analysis of Department of Finance reports.

Government advertising spikes close to elections

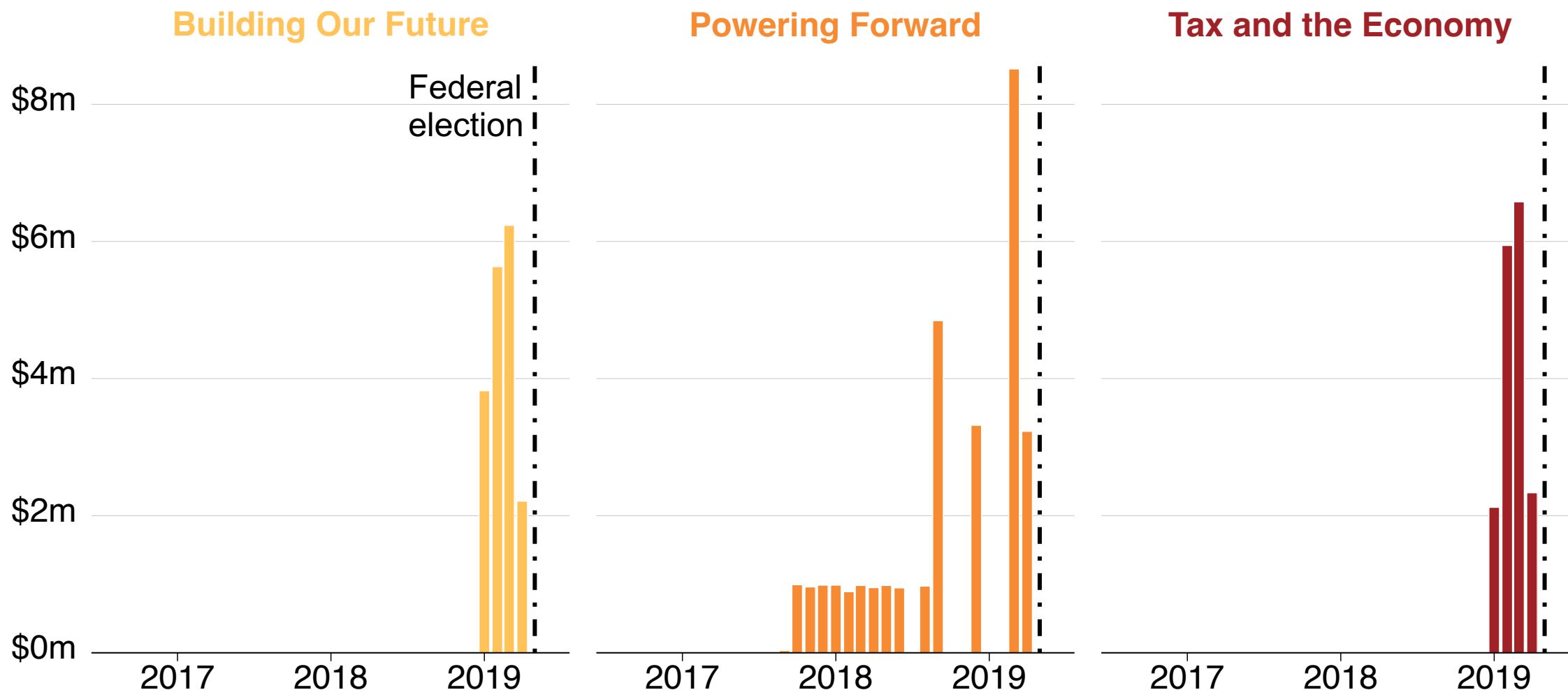
Spending per day on federal government advertising campaigns, June 2022 dollars



Notes: Department of Finance annual report data is indicated in red and goes up to 30 June 2021. Austender data is indicated in orange. Excludes all Australian Electoral Commission advertising campaigns. Assumes spending was even across campaign or contract period. Austender non-campaign spending (particularly recruitment spending) was excluded as best as possible. Advertising campaigns or contracts that ran for only one or two days were also excluded.
Sources: Grattan analysis of Department of Finance reports and Austender.

Some campaigns are timed to appear close to elections

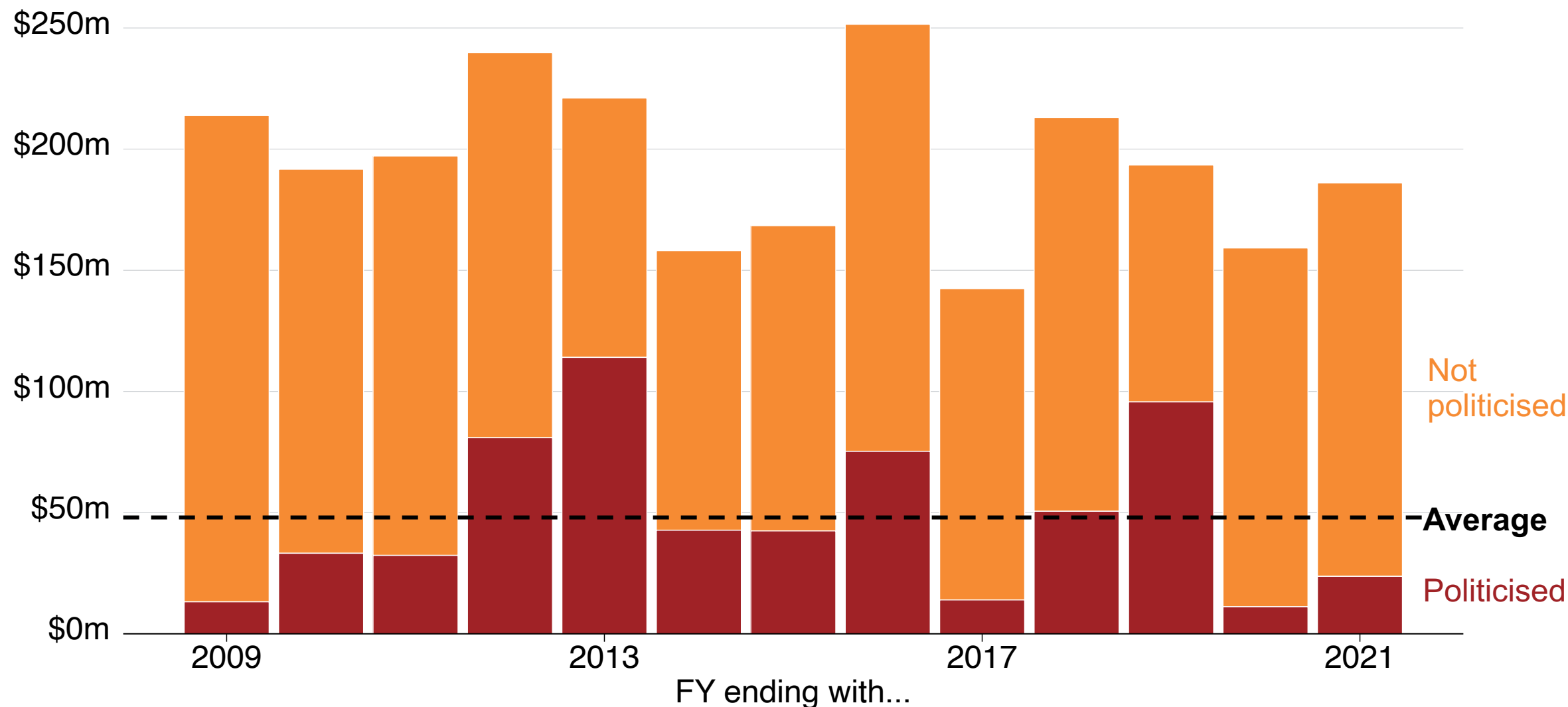
Federal government spending per month in the lead up to the 2019 federal election, June 2021 dollars



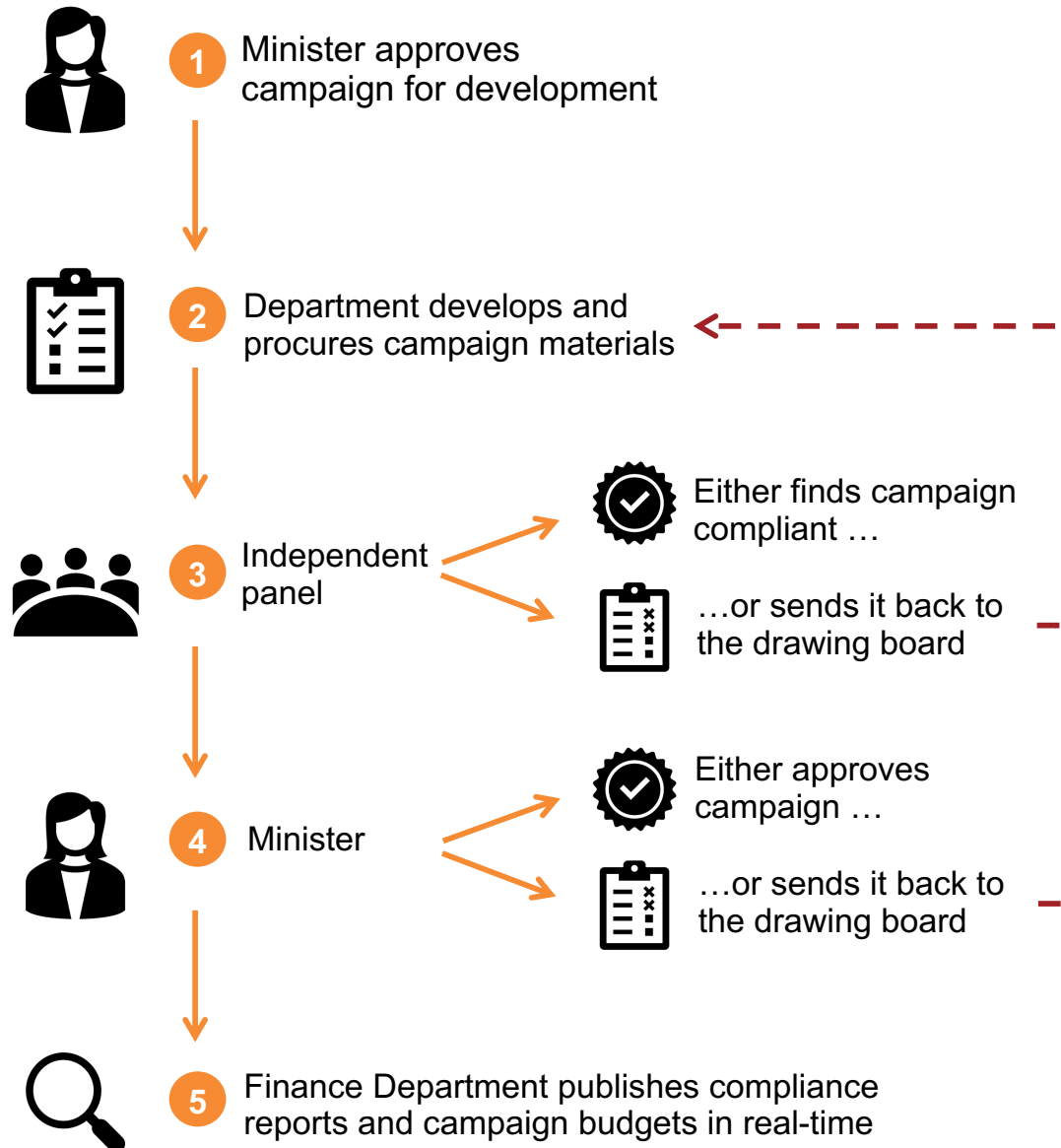
Note: Excludes all Australian Electoral Commission advertising campaigns.
Source: Grattan analysis of Department of Finance reports.

Politicised campaigns cost the taxpayer nearly \$50 million a year, on average

Federal advertising expenditure (excl. GST), 2008-09 to 2020-21, adjusted to June 2021 prices



A better process for approving taxpayer-funded advertising



Explicit checks and exemptions

- Legislate tighter rules (spruiking is not OK)
- Establish an independent review panel to review the final campaign materials
- Exemptions from review: urgent or small campaigns

Penalties for non-compliance

- If rules are breached, governing party pays the full costs of advertising

Providing solutions
to Australia's most
pressing policy
issues

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