

20 September 2021

Senate Finance and Public Administration Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600
By email: fpa.sen@aph.gov.au

Dear Sir / Madam,

Position on National Cabinet and increasing the transparency and integrity of government

Who we are

Governance Institute of Australia is a national membership association, advocating for our network of 40,000 governance and risk management professionals from the listed, unlisted, public, not-for-profit and charity sectors.

As the only Australian provider of chartered governance accreditation, we offer a range of short courses, certificates and postgraduate study. Our mission is to drive better governance in all organisations, which will in turn create a stronger, better society.

Our members have primary responsibility for developing and implementing governance frameworks in listed, unlisted and private companies, as well as not-for-profit organisations and the public sector. We regularly contribute to the formation of public policy through our interactions with Treasury, ASIC, APRA, ACCC, ASX, ACNC, the ATO and other government and industry stakeholders.

Our activities in this area

Governance Institute has for many years advocated for strong public sector governance and we regularly engage and advocate on related issues on behalf of our members, many of whom are or were previously employed in the public sector. We also publish best practice guidance in this area, including *Governance principles for boards of public sector entities*. Each year, Governance Institute hosts the national Public Sector Governance Forum. We also commission the Ethics Index, a nationally representative independent survey of 1000 Australians. The 2020 edition of this survey found that Australian federal politicians were among the occupations perceived to be least ethical. Federal, state and local politicians were ranked in the lower occupations for ethical behaviour. The survey also found a wide perception gap between the high importance Australians place on ethics in the public sector, and how ethically they believe those in public service conduct themselves.¹ These findings illustrate the importance of restoring trust in public institutions by addressing behaviour that erodes trust, including workplace issues.

¹ Governance Institute Ethics Index 2020. Respondents gave a net positive score of +79 to the importance of ethical behaviour in Government, and +81 in the Public Service. Respondents rated, on average, a 63-point gap in net scores between what they saw as the importance of ethical behaviour in Government (+79) and actual perceived ethics in Government (+16).

The Senate Finance and Public Administration Legislation Committee's Inquiry into the COAG Legislation Amendment Bill 2021 touches on core governance topics of transparency and accountability where our members have subject matter expertise. In developing this position, Governance Institute consulted our standing Public Sector Governance Committee comprised of members currently and previously employed in governance roles at all levels of government.

Our position

Governance Institute of Australia's members note the recent decision of the Administrative Appeals Tribunal relating to National Cabinet² and the Government's recent tabling of the *COAG Legislation Amendment Bill 2021* (Cth) that would have the effect of overriding this decision.

Our members note the disparity between the Government's prompt legislative response to the Tribunal's decision and the time it has taken to fulfil its commitment made on 13 December 2018 to establish a Commonwealth Integrity Commission. Governance Institute supports the establishment of a Commonwealth Integrity Commission with sufficient scope, powers and independent resourcing as a matter of priority and urgency.

Our members consider that integrity, transparency and accountability and the time-honoured traditions of responsible cabinet government and parliamentary oversight of executive power are integral components of good public governance. Adhering to these principles is essential to building and maintaining public trust. They note with approval the Government's release of the minutes of the meeting of National Cabinet on 29 May 2020 under Freedom of Information laws and urge the Government to continue to enable transparency and public scrutiny of National Cabinet.

The establishment of a Commonwealth Integrity Commission to hold politicians and public servants accountable is critical to preserving public trust during the current COVID-19 crisis and into the future. The establishment of such a commission would bring additional transparency and scrutiny to government decision making.

If you wish to discuss any of the issues raised in this letter, please contact me or Catherine Maxwell.

Yours faithfully,

Megan Motto
CEO

² *Patrick and Secretary, Department of Prime Minister and Cabinet (Freedom of Information) [2021] AATA 2719 (5 August 2021).*