

Institutional reforms on a page

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About this document

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Purpose of this document

Our report, *Institutional Reform Stocktake*, identified the most important institutional reforms for Australia, and those that were potentially high impact but required more research.

This document provides a one-page summary for each of these high priority reforms, outlining the problem, the key elements of the recommended reform, and the rationale, including key statistics and examples. These one-page summaries are designed to be useful in advocating for individual reforms.

The summaries are consistent with the discussion in Chapters 4 and 5 of *Institutional Reform Stocktake*, which also provides references for the points made in these summaries.

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Political donations

The problem

- Despite recent changes (to take effect 1 July 2026), donation and spending caps remain too high, and won't stop the perception – and reality – that **money is buying access and influence**
 - Highly regulated industries disproportionately make political donations – gambling companies contribute 10% of donations by industry, but are less than 1% of the economy
 - These donations contribute to the **majority perception that government is run for a few big interests**
 - Donation limits need to be low enough that a party or candidate can readily afford to lose any individual donor
- New campaign spending limits **unfairly benefit nationwide political parties** relative to independent candidates because they allow major parties to “flood the zone” with advertising in marginal electorates that independents aren't allowed to match

Key reforms

- Reduce overall gift cap from \$1.6m a year to \$150,000 over an election cycle
- Reduce cap on third party spending to \$2m
- Reduce threshold for donation disclosure from \$5,000 to \$1,000
- Apply the same donation and third party campaign spending limits to nominated entities as apply to other organisations
- Create new standing expert commission on electoral matters, with initial brief to reconsider caps on campaign spending

Key arguments for changes

- Lower **donation caps** would stop vested interests buying access and influence
 - Lower overall gift cap (from effectively \$800,000 for individuals and \$1.6m for industry bodies in an election year to \$150,000) would stop individual donors exerting real influence over political parties
 - Lower cap on third party spending (from \$11.2m to \$2m) would prevent outside influence on elections relative to political party spending (limited at \$90m).
 - Lower threshold for declarable donations (from \$5,000 to \$1,000) would increase transparency when people buy a seat at a fund-raising dinner with access to an MP or Minister
 - Lower limits are comparable to those already in place and operating well in many Australian States
- Ending election funding from **nominated entities** (like the Cormack Foundation and Climate 200) would level the playing field for new candidates, and reduce control of faceless operators
- New standing expert commission on election rules:
 - Provides a public interest view independent of the vested interests of MPs have been elected under the current system
 - Has expertise for genuinely difficult problems such as the balance between individuals and party campaign spending limits
 - Parallels the Electoral and Administrative Review Commission (EARC) that was set up in Queensland in the wake of the Fitzgerald Commission of Enquiry

Departmental Secretary appointment and dismissal

The problem

- The public service has become too responsive to Ministers, and not independent enough in serving the long-term public interest.
 - Robodebt is the elephant in the room – senior public servants disregarded the AAT, deceived the Ombudsman and avoided giving frank and fearless advice to promote the policy direction desired by the government of the day
 - Departmental submissions are now routinely screened by Ministers before they are provided to Parliament
 - Politically sensitive reviews are conducted so as to minimise political embarrassment
 - Some departmental responses at Estimates seem motivated by a desire to avoid providing information to Parliament because it would be politically embarrassing for the Minister
 - Barnaby Joyce publicly admitted that he fired a Secretary in order to get more compliant advice from the Department.
- There is no published process for appointing Secretaries – in effect the Prime Minister can appoint at will
- Terminating a Secretary is now easy and it happens often
 - Secretaries' employment can be terminated whenever the Minister says the relationship isn't working
 - Between 1996 and 2019, 22% of Secretaries were sacked
- Secretary appointments and terminations affect the entire public service
 - The independence of department leaders inevitably sets the standard for the rest of their department
 - Culture matters too – but culture is influenced by who gets promoted, who gets appointed as Secretary, and their incentives

Key reforms

- Legislate to require appointment of Secretaries from a shortlist assessed by Public Service Commissioner and Secretary of Prime Minister and Cabinet (but allow the Prime Minister to specifically nominate a person to the shortlist)
- Legislate to require annual reporting on how often candidates were specifically shortlisted by the Prime Minister, and how often successful candidates had been assessed as "not suitable"
- Legislate to limit grounds on which Secretary' employment can be terminated

Key arguments for changes

- Appointment and termination processes are key to the independence of senior public servants according to the OECD, the Thodey Review, and academic literature
- Given the unacceptable outcomes of Robodebt a material increase in independence is required, even if the public service becomes a bit less 'responsive;'
- The recommended appointment process may be similar to what is currently happening – but because the process hasn't been published (let alone legislated) it can be ignored at any time
- NZ legislation gives the NZ Prime Minister much less control over Secretary appointment and dismissal, and the institutions appear to be working successfully
 - The NZ State Services Commissioner recommends a single person for appointment as Secretary, and the NZ Prime Minister must publicly report if they appoint anyone else
 - A Secretary can only be dismissed with the consent of the NZ State Services Commissioner

Fixed parliamentary terms for 3 or 4 years

The problem

- The Prime Minister's ability to call an early election:
 - Creates **uncertainty** which causes problems for policy planning, investment planning, managing parliamentary committees and efficient use of parliamentary time
 - Encourages speculation about early election dates which **distracts** those working in government and the media from focusing on substantive policy issues
 - Is an **unfair** advantage for the government in power because it can pick a date it thinks tactically advantageous, and it can plan around a particular election date while its opponents cannot plan with such certainty
- Three year terms are too short for investigating, planning and executing significant policy reform
- Three year terms discourage policies that only pay off in the longer term

Key reforms

- Legislate to fix terms at three years unless government loses confidence or is unable to pass supply
- Over the long term, engage in public advocacy to promote the benefits of four year terms, to pave the way for a referendum

Key arguments for changes

- Legislation for fixed 3 year terms would probably be effective in practice
 - There are constitutional concerns because the Parliament may not be able to constrain the Governor General's power to dissolve the House of Representatives
 - In practice legislation is likely to be effective because a government is unlikely to mount a constitutional challenge in advance, and the Governor General would be reluctant to act contrary to an Act of Parliament without clear advice that it was unconstitutional
- Four year terms in all States and Territories, and fixed terms in all States and Territories except Tasmania, have worked well in practice
- Concerns about fixed terms leading to constitutional crises appear overblown
 - Legislative exceptions have been designed to deal with governments losing confidence or being unable to secure supply
 - Significant problems have not arisen in the States and Territories.
- Sustained advocacy to lift public support for 4 year terms is required before embarking on the referendum that is needed to implement 4 year terms
 - Only 51% of the population support 4 year terms, which is likely to be eroded in a referendum campaign
 - A proposal for 4 year terms was resoundingly defeated in 1988, with only 33% in favour, and did not attract a majority in *any* State

Civics education

The problem

- Civics knowledge is falling: in 2024 only 28% of year 10 students were at the proficient standard, the worst outcome since testing began in 2004
- In practice year 7 and 8 students average 32 minutes per week of civics education, and most year 11 and 12 students receive *no* civics education. Finding more space in the curriculum for anything – including civics education – is always a challenge
- 73% of adults think they have at least a moderate understanding of Australian democracy but less than half the electorate correctly answer true/false to statements about the basis for Senate elections, the length of Parliamentary terms, and the number of House of Representative MPs

Key reforms

- Specify minimum number of teaching hours for civics in years 9 and 10, and mandate a civics course for years 11 and 12
- Develop and disseminate high quality teacher professional development resources for civics teaching
- Set up a national research centre to promote effective civics education by rigorously researching which interventions are most effective, and disseminating best practice

Key arguments for changes

- High quality civics education is worth the effort:
 - Studies show that high quality civics education can improve knowledge, attitudes, and actual political participation, particularly for students from low socioeconomic backgrounds
 - High quality civics education might:
 - Counter rising support for authoritarian government and falling support for democracy amongst younger Australians
 - Counter low levels of voter information
 - Counter rising misinformation and growing dependence on social media for news
- Mandated time for civics education is needed to ensure that it is not displaced by more immediate priorities.
 - South Australia has recently moved to increase the time for civics education in years 7 and 8, and increase the civics education component of subjects in years 9 and 10
- A national research centre is needed to create pressure to implement civics education effectively, by commissioning research and ensuring it is disseminated to schools
- Further work is required to design better civics education for adults:
 - Levels of civics knowledge in the adult population are patchy, and anecdotally worse than amongst school students
 - Adult civics education is understudied in Australia and elsewhere
 - There are problems with relying only on school civics education because improvements as a result of school education will take decades to flow through to the entire electorate

Parliamentary committees

The problem

- The parliamentary committee system is seen as one of the best features of our parliaments but it could be improved
- Committee membership and chairpersonship has not adapted to the reality of a growing number of MPs that do not come from major parties and consequently do not reflect voter preferences
- Governments often simply ignore committee reports, not least when they deal with topics that are popular with the electorate but politically inconvenient for the government
- Despite the importance of the committee system, no comprehensive review has been conducted since 2007

Key reforms

- Allocate membership and chairs of joint and House of Representatives committees proportionate to membership of the Parliament and House
- Require responsible minister to table response within four months of publication of a parliamentary committee report, and require the responsible minister and departmental secretary to attend a committee hearing if no report is tabled, and after the response is tabled
- Require a non-government chair for oversight committees such as Public Accounts and Audit Committee and the Joint Committee on the National Anti Corruption Commission.
- Conduct comprehensive review of committee system

Key arguments for changes

- As a matter of democratic principle, committee chairs and membership should reflect the membership of the parliament
 - Chairs of committees are not proportionate to the membership of parliament, particularly House of Representatives Committees;

- Overall membership of Joint and House of Representatives Committees is not proportionate to parliamentary membership;
- Independents and Greens are systematically excluded from key committees – for example all eleven members of the Parliamentary Joint Committee on Security and Intelligence in the last Parliament were ALP and Coalition MPs even though 2 in 11 MPs are independents or belong to other parties
- Given the role of parliament, and the quality of many parliamentary reports, a prompt government response should be required
 - For example, the government never responded to the unanimous report on online gambling tabled in June 2023
 - Requiring the Minister and Secretary to appear before the committee if a response is not made creates an accountability mechanism for failure to respond
- A non-government MP should chair oversight committees
 - The core purpose of oversight committees is to hold government to account and this is much less likely if a government MP is the chair; and
 - This requirement is in place in Victoria and appears to be working well.
- A comprehensive review of the committee system is overdue after 18 years, and could cover a broad range of issues including:
 - Overarching structure and powers, including committee composition and chairs and voting processes
 - Processes for referrals and legislative scrutiny
 - Resourcing
 - Reporting and responses

Private members' bills

The problem

- The government can effectively prevent private members' bills ever being put to the vote
 - In the last Parliament, 90 private members bills were introduced, and not one went to a vote
- Governments particularly avoid votes on private members' bills that are popular because it avoids political embarrassment
 - In the last Parliament, the Government avoided votes on donation disclosures, gambling reform, and truth in political advertising

Key reforms

- Schedule Parliamentary time for regular debate and votes on private Members' bills
- Prioritise vote on private Member's bill when supported by substantial minority of the House of Representatives Selection Committee

Key arguments for changes

- More votes on private members bills are likely to lead to better policy outcomes:
 - For example, Australia's world-leading compulsory voting rules were the result of a private Member's bill
 - In the UK between 1960-1961 and 1969-1970 in a 'golden age' 172 private members bills became law, including suspension of capital punishment, and decriminalisation of homosexuality and abortion
 - Private members bills often concern institutional reforms that are inconvenient for the government in power, but they are popular and would improve the system
- More votes on private members bills would be consistent with democratic principles:
 - The allocation of parliamentary time would better reflect the composition of the House of Representatives as elected by the people
 - Providing an opportunity to ventilate issues that are of concern to a substantial minority is one of the purposes of democracy and parliaments

MP resourcing

The problem

- The number of extra staff allocated to help independent MPs with policy is inadequate, particularly if they hold the balance of power and need to get across the detail of all controversial legislation in the House of Representatives
- There are about 1.2 additional staff per MP for the Opposition and the Greens, similar to the current average staffing level per independent MP, but independent MPs often do not have similar efficiencies of scale with staff working as part of a larger party.
- The process is broken for allocating extra staff to help independent MPs with policy: the Prime Minister has unfettered control, and can use this power for political advantage.
 - In the last Parliament the Prime Minister usually allocated *no* additional staff to MPs who left a party to become independent MPs

Key reforms

- Increase personal staffing levels for independent MPs, particularly if they hold the balance of power
- Conduct and implement fully independent review to define criteria for appropriate staffing levels and to define an independent process for allocating resources
- Publish the review of MP personal staffing levels completed by Parliamentary Workplace Support Services in 2024

Key arguments for changes

- In the short term, independent MPs will need more staff if they hold the balance of power
 - Substantially more policy work is required when an MP holds the balance of power because in practice their vote can determine the outcome; and
 - Historically independents tended to be allocated more staff if they held the balance of power in either house of parliament.
- An independent process to allocate additional staff to independent MPs is needed so that the allocation can't be used by the Prime Minister for political advantage
- Over the longer term, a more detailed review is needed to work through difficult issues such as:
 - Articulating the criteria for allocating additional staff;
 - Setting incentives for independents to create efficiencies of scale by sharing some policy staff, reflecting the efficiencies of scale captured by the Opposition and Greens Party;
 - Defining an appropriate process for the allocation of additional staff
- Parliamentary Workplace Support Services has already completed a review of MP personal staffing levels; the government has chosen not to release it; and its publication is likely to contribute to considered resolution of the issue

Ministerial advisers

The problem

- The number and influence of ministerial advisers has grown, but our institutions have not adapted.
- Ministerial advisers can cause problems:
 - They increase focus on short term political considerations at the expense of longer-term policy outcomes
 - They don't always comply with theoretical limits to their power, including only acting at the express behest of their Minister, and not personally directing APS employees
 - Ministerial adviser roles are increasingly the route to preselection, narrowing the pool of people likely to be elected, and reinforcing party discipline
- Despite their power, ministerial advisers are in a 'black hole of accountability'
 - The names of even senior advisers are not public
 - Their conduct is not governed by a legislated code
 - By convention they (usually) do not appear before parliamentary committees
- Expert views about reforms to the appointment, role, and accountability of ministerial advisers vary widely, often reflecting experts' own roles in systems of government, and there is concern that reforms may have unintended consequences

Recommended review

- Conduct and implement comprehensive review of appointment, conduct, and accountability of ministerial advisers

Key arguments for review

- A wide range of changes for ministerial advisers have been proposed by official reviews, think tanks and academics, including:
 - Changes to appointment, such as capping the number of ministerial advisers and requiring a proportion of ministerial advisers (such as 50%) to be drawn from the public service;
 - Changes to the conduct of ministerial advisers, such as explicitly defining the limits to their authority, legislating the code of conduct governing their behaviour, and implementing compulsory training;
 - Changes to accountability of ministerial advisers, such as publishing the names of senior ministerial advisers, explicitly making them accountable to mechanisms such as the Ombudsman, Auditor-General, and Information Commissioner, and defining when it is appropriate for them to be required to appear before parliamentary committees
- A broad-ranging review, with submissions from politics, public service, and other perspectives, is required to articulate the competing considerations, examine the experience of other jurisdictions and understand all the likely impacts of potential reforms
 - The issue needs to be examined from all perspectives given the wide divergence of opinions which seem to be shaped by individuals' personal experience
 - A careful review that attempts to assemble a rigorous evidence base of the likely consequences of reforms would be helpful given divergent options
 - An authoritative view of how specific proposed reforms have played out in other jurisdictions would help Australia to reform wisely

Deliberative democracy processes

The problem

- In theory deliberative democracy processes, where citizens selected through a form of lottery meet together to discuss and converge on solutions, can help to progress on significant policy issues
- Internationally there are a growing number of examples of deliberative democracy processes:
 - Key examples that are commonly cited include Ireland ahead of constitutional changes particularly abortion reform, France on climate, and British Columbia Citizens' Assembly on Electoral Reform
 - The subsequent implementation of the recommendations of deliberative democratic processes may be driven by governments cherry-picking recommendations to legitimate outcomes they preferred anyway
 - Deliberative democratic processes appear to have had more influence where the processes have become more common, gained public trust, and were better communicated
- In Australia, these processes have been used less at the national level, but have been used extensively at the local level and in a handful of instances at the state level:
 - Prominent examples include the South Australia citizen juries about nuclear waste storage, city nightlife and landholder contributions to drainage network costs; and the City of Melbourne Citizen Jury for a 10 year financial plan

Recommended review

- Conduct and implement a comprehensive review of the use of deliberative democracy processes to progress politically intractable issues and institutional reforms

Key arguments for review

- Deliberative democracy processes are worth investigating because:
 - Of all the reforms we have investigated, they are potentially amongst the most disruptive and innovative, in a system that is heavily biased to the status quo
 - They may be a vehicle for both making progress on difficult issues *and* rebuilding trust in government
- Further research in an Australian context is needed to establish:
 - The specific issues where deliberative democracy processes promise most to progress difficult issues
 - The optimal form and structure in an Australian context
 - The optimal form and piloting of smaller-scale deliberative processes at the electorate level (such as town halls), which may be able to build citizen trust
 - How to communicate deliberative democracy processes, and how to communicate their findings so as to maximise their impact on the views of the general public

Independent advisory bodies

The problem

- Independent expert bodies separate from government departments and not directly controlled by a Minister are a significant feature of government
 - The Commonwealth Government has 1,322 expert bodies
- Independent expert bodies are less responsive to elected politicians, but they can provide expertise, a long-term view, contributions to the evidence base, advocacy for positions that are unpopular, and more public confidence in difficult decisions.
 - Independent expert bodies are some of the most trusted parts of Australian government, including the Reserve Bank of Australia, the Australian Competition and Consumer Commission, and the Bureau of Meteorology
- There is relatively little official guidance or academic literature defining when an independent expert body should be created, how it should be structured, or what its powers should be.
 - The lack of guidance explains some of the issues encountered in trying to set up the Australian Tertiary Education Commission – which would mirror many of the functions of the Commonwealth Tertiary Education Commission largely cut back in 1988, and the Higher Education Council of the National Board of Employment Education and Training that was abolished in 2000.

Recommended review

- Conduct and implement a comprehensive review of the principles, subject areas, structure, and powers for potential new independent expert advisory bodies

Key arguments for review

- Better understanding of the principles and design for independent expert bodies would help to create impetus for new independent expert bodies where they would be helpful – and to abolish them where they are not.
- A comprehensive review would help to articulate clear principles and understanding of the design trade-offs so that it is easier to create and design well new independent expert bodies where they are desirable.