

Post-Ministerial Appointments

AUSTRALIAN DEMOCRATS ACTION PLAN
POST-MINISTERIAL APPOINTMENTS
ACCOUNTABILITY

Ministers and senior advisers departing Government should not enter the commercial sector for a period of two years if their new tasks are directly related to their former duties, and if the insights and the wealth of information they have from their previous government service can be used for extensive private gain. An obvious conflict of interest arises when they do. Yet in Australia it happens time and time again.

In Canada, Great Britain and the United States public opinion has forced much tougher standards. Not so in Australia, where former ministers and former senior advisers can freely use their past to enrich their future.

Our Action Plan

“ Australia trails the likes of Canada, Britain and the United States, all of which impose cooling-off periods on their former politicians to ensure conflicts of interest don’t arise.”

**Associate Professor
Dr Peter Van Onselen
Edith Cowan University**

Continue the Democrats’ long fight to regulate post-retirement employment of Ministers of State, ministerial advisers and senior officials by imposing a ‘cooling off’ period in situations of potential conflict of interest; and secure the passage of the *Ministers of State (Post Retirement Employment Restrictions) Bill*.

The Issues

It is widely understood that former ministers and senior officials will have a clear conflict of interest if they enter into employment or consultancies which are directly related to their former duties. The community is rightly concerned about the role former ministers and senior officials will play in private organisations whose interests are aligned with their past work.

Ministers and senior officials are privy to privileged information to allow them to discharge their duties to the Australian people. Using such information, often commercially sensitive, and using their inside running with the government and bureaucracy in later employment, is unethical and can lead to impropriety.

Former state and federal ministers and senior officials taking up private positions are not uncommon. Since 1996 many former ministers and public officials from the Howard Coalition Government have done just that, with quite a number receiving a negative public reaction because of evident conflicts of interest.

Departed ministers enjoy access, not just to their colleagues but also to senior bureaucrats within their former departments. By moving into employment in the private sector primarily because of one’s connections and inside knowledge, that



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potential conflict of interest can become difficult to manage. These conflicts diminish over time, which is why they are commonly managed through a cooling off period.

Issue one: lessons from overseas

The Canadian Conflict of Interest and Post-Employment Code for Public Office Holders sets out detailed restrictions on what roles ministers can perform after leaving politics.

The UK Ministerial Code requires Ministers to seek advice from the independent Advisory Committee on Business Appointments about any appointments they may wish to accept within two years of ceasing to be a Minister. Prime Minister Brown has announced that former Ministers will be expected to follow the advice of the Committee. This has previously been voluntary.

In the USA, a two-year ban is imposed on former members of the executive branch lobbying in their former area of responsibility, with a five-year imprisonment penalty for failure to comply.

Unlike these countries, in Australia life after politics for federal ministers and senior officials is unregulated. They decide for themselves whether they will refrain from entering a conflict of interest appointment. The record shows that a number lack the ethical framework to make that judgement. Regulation is needed.

Issue two: regulation a must

Based on the above international precedents, the Democrats introduced the *Ministers of State (Post Retirement Employment Restrictions) Bill* in 2002. This Bill sets out standards that the Government should have implemented a long time ago to bring Australia in line with other democracies overseas.

Its main objectives seek to:

- ensure that Ministers and ministerial advisers shall not act after they leave office in such a manner as to take improper advantage of their previous office;
- enhance public confidence in the integrity of ministerial office holders and in the independence of the decision making process of government by establishing clear rules of conduct regarding the post employment practices of Ministers and ministerial advisers; and
- eliminate the possibility of preferential treatment or privileged access to government being obtained from or through Ministers and ministerial advisers after they have left office.

In pursuit of these objectives, the Bill places restrictions both before and after leaving office, and provides for a two-year cooling-off period after ministers and their advisers cease to hold office.

It is in the public interest for this Bill to pass. It is long overdue.



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