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**THREE WAYS TO RESTORE VICTORIA'S ORIGINAL INTEGRITY
INSTITUTION**

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Restoring integrity to Australian governance – by improving the transparency and accountability of public decision-making – has become one of the most important issues for many Australian voters. In the leadup to Victoria’s 2022 state election, the integrity of both major parties has been called into question – and improving integrity is a top consideration for all age groups among Victorian voters. But solving this integrity problem requires far more than blaming one person or party; it is a structural problem stemming from a growing lack of governmental accountability.

This structural problem requires a structural solution. It therefore requires more than just (the important) substantive law reform such as tightening laws that regulate lobbying and campaign finance and increasing the powers of specialised integrity institutions. It also requires the powers of the cornerstone institution of Australia’s integrity system – Parliament – to be restored. To achieve this, parliament’s powers to ensure governmental transparency and accountability as well as its own financial independence must be restored.

Governmental domination of Parliament

Parliament is Australia’s original integrity institution. Australian democracy is built on the concept of ‘responsible government’ in which Parliament is the basal institution and holds the government to account through lawmaking and oversight. Although parliament does not actually prosecute governmental misconduct, its role as overseer generates critical information and publicity that holds the government politically accountable. The concept of responsible government, therefore, is clear: Parliament is in charge. Parliament’s ‘independent officers’ – like the Ombudsman and the Independent Broad-Based Anti-corruption Commission (IBAC) – supplement the power of parliament to hold the executive to account.

But in recent decades, some political watchers have discussed how parliament no longer oversees the government but instead has become the instrument of the government. This undermines and reverses the concept of ‘responsible government’ by creating a system of ‘responsible parliament.’ This reversal undermines both accountability and democracy and fosters corruption and waste. Recent evidence is worrying. Transparency International has recently given Australia its worst-ever score for corruption and describes Australia as a country ‘to watch’ to see if it can arrest its worsening corruption record.

Victoria’s story

Victoria is a clear example of this trend. It has been rocked by a series of major corruption scandals in both major politics. For instance, the recent Watts Report issued by the Ombudsman and the Independent Broad-Based Anti-Corruption Commission pointed to deep structural problems with corruption in Victorian government. This corruption stems from the fact that Victoria is now largely governed from the Premier’s office, not from the Parliament building. For example, the Victorian Parliament is the only parliament in Australia mandated to report its finances to the government on a daily and monthly basis. It also reports its performance measures, financial outcomes and achievement of outputs on a quarterly basis.

This purchaser-provider model – in which the government ‘buys’ outputs directly from its departments (including Parliament) – puts the government in a position where it “reviews its objectives” to “better reflect” its achievements and requires Parliament to provide the Government with “greater clarity” on what these objectives are. This kind of relationship reverses the traditional accountability relationship found in responsible government. It creates a perverse situation where Parliament is at the mercy of the same executive it’s meant to monitor and scrutinise. This unaccountable concentration of power in the hands of the government encourages the kind of soft or grey corruption that undermines public trust.

Three reforms can help restore Parliament in Victoria to its position as the cornerstone integrity institution overseeing the government while also supporting the work of the Ombudsman and IBAC.

Reform 1. Promote transparency

In responsible government, parliament holds the government to account by forcing it to produce information about its activities. In Victoria, these transparency mechanisms have been weakened.

The government regularly refuses to provide information requested by parliament, instead putting forward self-adjudicated assertions that certain information is protected by executive privilege. There have also been instances of the government failing to respond to parliamentary commissions within reasonable deadlines. Most recently, they failed to respond to two sixth-month deadlines set by upper house inquiries.

To solve this issue, Parliament must legislate for an independent body to adjudicate claims of executive privilege in response to parliamentary requests for documents or information. It must also legislate to require the government to respond to reasonable requests for information from the upper house – the house of review. This kind of transparency is critical in supporting the work of independent parliamentary offices like the Ombudsman and IBAC.

Reform 2. Ensure oversight

Responsible government envisions Parliament holding the government to account through its joint investigatory committees. However, in Victoria, these committees are dominated by governmental MPs. This dominance has led to weak or non-existent parliamentary oversight. For instance, during the pandemic, the government-dominated Public Accounts and Economic Committee released a report on pandemic management that failed to provide serious oversight of the government's actions.

To solve this, joint investigatory committees must have a non-governmental chair and no more than 50 per cent government representation. The Pandemic Declaration Accountability and Oversight Committee was a good example of this kind of balanced committee. Created in the state's Pandemic Act and operating while Victoria is under a Pandemic Declaration, the committee operated with a balanced composition and emerged as one of the most active and effective parliamentary oversight committees in Victorian Parliament in 2022. Balanced committees will also help ensure the independence of integrity institutions.

Reform 3. Financial independence

Responsible government also requires parliament to be financially independent from the government, but in Victoria, Parliament is funded by the executive just as if it is any other executive agency. This is a problem. Governmental domination of the budgeting process undermines the independence of parliament and the capacity of the Ombudsman and IBAC to function. Both organisations have repeatedly complained that they do not receive adequate funding to effectively carry out their role of overseeing government activities and decisions.

To ensure the government cannot starve Parliament or key integrity institutions of funding to limit their investigatory scope, Parliament must be able to determine its own funding. Emerging best practice is the passage of a separate funding bill drafted by an independent parliamentary funding committee. This bill – passed alongside the government's normal funding bills – would independently set the level of funding for parliament and key integrity institutions.

The best way forward?

Reversing Victoria's public integrity crisis requires more than just replacing individuals or parties. It also requires rebuilding responsible government by restoring key parliamentary powers.

This is not a radical change. Instead, it ensures that Victorian governance will once again function on the basis of Australia's democratic traditions. It will also better preserve trust between government and the people – a critical resource in Australian democracy.