

Terms of Reference: Review of Public Sector Board Appointments Processes

Context

The 2019 review into the Public Service, *Our Public Service, Our Future: Independent Review of the Public Service 2019* (the Thodey Review) emphasised the importance of maintaining the highest standards of public sector integrity, and the role these standards play in the 'APS's capacity to provide services to citizens, to regulate effectively and to provide well informed and influential advice'.

Since the Thodey Review, the importance of public trust in Government, and the transparency and integrity of public institutions, has come into even sharper focus in the face of COVID-19, natural disasters, and increasing economic uncertainty.

Minister for the Public Service, the Hon Katy Gallagher announced the first priorities of the Public Service Reform Agenda (the APS Reform Agenda) in October 2022. One of the activities under that Agenda was to undertake a review of arrangements and processes for appointments to public sector boards, to be completed by mid-2023.

This Review forms part of the Government's integrity agenda and will consider the connections across that agenda, including the recommendation to amend the Merit and Transparency guidelines for statutory appointments made in Recommendation 39a of the Thodey Report. The review will examine how the appointment of members to public sector boards and relevant bodies may be used to enhance integrity and trust in the institutions of Government. It will also explore whether a renewed approach to diversity, including First Nations, gender, culturally and linguistically diverse, geographic and professional background and expertise, age and other inclusion matters might strengthen the outcomes for all Australians in the administration of Government.

Purpose of this Review

The focus of this Review is to consider and propose appropriate standards for the processes by which Board members are appointed to Government Boards. In considering these processes, the Review will seek to consider how appointments to Boards can contribute to integrity and trust in the institutions of Government. The Review will include consideration of:

- The process to identify suitable pools of candidates for consideration of different Board roles;

- The professional qualifications and experiences, lived experience and identification of skills and expertise required to fulfil particular roles;
- How expertise and professional qualifications are balanced across the composition of Boards;
- The diversity of board membership, including in terms of gender, culturally and linguistically diverse, First Nations and geographic representation;
- Review processes to track performance, behaviours and effectiveness of Boards;
- The role of the Chair and Board in selection processes;
- The role of APS staff in selection processes;
- The role of Ministers and the processes through which Board appointments are made; and
- The standards expected of private sector boards in Australia and whether Australian Government Boards should meet those, or a different standard. This may include legislative, policy or case law expectations.

The Review will not consider current appointments or appointment processes related to specific individuals.

Consultation

The Reviewer will consult widely across the Australian Public Service, and with current and former Board members, and individuals from the public and private sectors with relevant insights on public sector boards to support this Review.

Appointment of Independent Reviewer

The Review will be led by Ms Lynelle Briggs AO.

Ms Briggs will be supported by a small secretariat in the Department of the Prime Minister and Cabinet to assist with the administration of the Review.

Timeframe

The Review will commence in February 2023, with the Final Report provided to the Minister for the Public Service mid-2023.