

## International Anti-Corruption Day 2016

I commence by acknowledging that we meet this morning on the traditional lands of the Whadjuk, of the Noongar people, by the banks of Derbarl Yerrigan. I pay my respects to their ancestors and to their elders, present and future.

Last year, the United Nations adopted the sustainable development goals, a set of 17 aspirational global goals, to be achieved by 2030. These replaced the Millennium Goals which expired in 2015.

SDG 16, entitled Peace, Justice and Strong Institutions, is to promote peaceful and inclusive societies for sustainable development to provide access to justice for all, and build effective, accountable and inclusive institutions at all levels.

SDG 16 has a number of targets. 16.5 is to substantially reduce corruption and bribery in all their forms.

Why is a stand on corruption so important? Corruption encompasses serious crimes that can undermine social and economic development in all societies. It distorts the market place, promotes lawlessness and diverts funds from the needy to the greedy. If there is corruption, we all pay. The world economic forum estimates that corruption increases the cost of doing business by up to 10% on average.

Public officers fall within the jurisdiction of the Corruption and Crime Commission and the Public Sector Commission, so I shall be concentrating on this sector this morning.

Of course, it takes two to tango and both Federal and State laws make corruption in all forms by companies and individuals, a criminal offence. Federal laws extends jurisdiction over Australian companies working internationally.

Australia is a party to the OECD anti-bribery convention, and a working group from the OECD monitors our compliance. Australia also has strong money laundering laws, though the extent to which they are enforced is problematic.

Back to the public sector, government reaches into almost every aspect of your day.

You get up in the morning in a house or unit in a suburb serviced by a local council, regulated by the Department of Local Government and Communities. The local council looks after your rubbish collection, your local park, the cycling tracks, street parking, public swimming pools and much more.

You may take a bus or train to get to work, provided by the Public Transport Authority.

If you drive, you do so on roads maintained by Main Roads WA and have a driving license issued by the Department of Transport.

You may be stopped on your way and breathalysed by an officer of WA Police.

Should you visit the State Library, museum or theatre, it is within the portfolio of the Department of Culture and the Arts.

You may buy a coffee at a café or vendor who source food under monitoring by the Department of Agriculture and Food and inspection by Health Inspectors.

When you go to a licensed restaurant or bar, that venue will be subject to Department of Racing, Gaming and Liquor regulations.

If you go to hospital, it will likely be a public hospital.

The list goes on.

We expect our day to run smoothly, but what happens when it doesn't?

What happens when the procurement officer at the hospital is putting money in her own pocket instead of buying essential supplies or medicines? What happens when your garbage collector refuses to take your rubbish unless you pay him? What happens when the car you buy is not road worthy because it was passed by a corrupt inspector who hasn't clapped eyes on it? Who is going to investigate these matters and make recommendations to ensure they don't happen again? Who polices the police?

The easy answer is of course the Corruption and Crime Commission and the Public Sector Commission. It is the easy answer, but it is only partly right. We are not the front line, but the last line. The front line is ordinary members of the community and public officers who see something not right and speak up. The front line is CEO's like many of you, who set the values and culture of your organizations and enforce corruption mitigation strategies.

We all deserve a Public Service free from corruption.

Comparatively speaking, Australia ranks very low on the Transparency International Corruption Index. This is in part because we have stable political and judicial institutions. Those institutions are not only essential for good governance, they are vital for a trading nation, such as we are. International companies and other countries know that they will be treated fairly. Disputes with Australian companies will be resolved impartially by a qualified and independent judiciary. The costs of regulation will be clear. Governmental decisions will be made transparently.

Australia also numbers among the countries which have specific anti-corruption bodies. There is one in every state in Australia. The Commonwealth has one as well but it is limited to law enforcement agencies and the border force. Apparently, there is no possibility of corruption in the Commonwealth public sector.

Australia is low on the corruption perception index, not by chance, but through culture and strong institutions such as an independent and impartial judiciary democratic parliaments, and a competent public sector.

But vigilance is ever required. As the Commission has reported from time to time, there are risk areas even in our State. Procurement is a risk if adequate controls are not in place. The temptation to offer a bribe to get government business can be enticing. It is not often offered as crudely as cash. Tickets, travel, goods in kind, renovations done. When accepted, the procurement process is perverted. Are we getting the best value?

Donations to political parties is part of Australian democracy. But why do some companies or individuals donate to more than one party? Obviously, not out of political conviction. Influence, is the oil that allows the wheels to turn. Donations seek influence.

In less than 20 years, political donations reported to the AEC are nearly \$1 billion. The most generous industries over the past 17 years were the property industry, financial and insurance industries, and pharmaceutical and health sectors.

The power to change and regulate political donations of course is in the hands of those who benefit from the donations.

Corruption is everyone's business, and that leads to the theme for this year's International Anti-Corruption Day: "United against Corruption". That means all of us. As a prominent politician named Burke once said, that is Edmund Burke, "The only thing necessary for the triumph of evil is for good people to do nothing".

Corruption flourishes in dark corners and secrecy, but surfaces from time to time and when seen, should be called for what it is. Any public officer who asks for a bribe to do the job that they are paid to do. Any public officer who makes a decision capriciously to benefit themselves or someone else. Any politician enthralled to special interest groups who give large donations. All these are observable. Call it for what it is.

Yet, it takes courage to stand up to corruption.

Transparency International recently concluded a study on corruption surveying 60,000 people in 43 countries. One in three people in Europe and Central Asia see corruption as one of the greatest challenges for their countries, but a similar number fear retaliation if they speak out against it. Only one in five bribe payers reported the incident, and two in five who do report, suffer some form of retaliation.

In a recent PSC survey in Western Australia, only 27% of public sector employees said they reported every instance of unethical behaviour they saw. Less than half of those aware of the Act would make a public interest disclosure.

Developed countries such as Australia, have recognised the problem and taken protective measures, such as the Public Interest Disclosure Act for whistle-blowers. Our special guest, Mr Chris Wheeler, will talk more of that shortly. The Commission has an anonymous hotline. But, it still takes courage to refuse to take a bribe and to report the activity.

I am a native West Australian, enormously privileged to have lived through the best and worst times of our State, over more than a half a century. While the State is relatively corruption free, it has not been so continuously.

The last 25 years has seen a change in the way corruption is viewed, in the State and in the world. Standing up to corruption is a form of patriotism, and takes courage.

The World Bank estimates that every year, \$1 trillion are paid in bribes. A further \$2.6 trillion are stolen annually through corruption - a sum equivalent to more than 5% of global GDP.

Corruption ranges from countries that are effectively kleptocracies down to the local licence examiner, who takes a bribe to pass a driver who has never sat a test.

In an article in the New York University Law Review, 'Why do so many anti-corruption efforts fail? Michael Johnson wrote:

"It is tempting to think that with so many losing so much to corruption, it ought to be relatively easy to mobilize most people and groups against it. But the benefits of corruption are immediate, tangible, and often concentrated in relatively few hands; its costs tend to be widespread, long-term, and often intangible, or at least difficult to quantify. Those costs are no less real for being hard to assess, but this asymmetry reduces incentives for any one citizen to challenge corrupt figures at any one time, particularly where doing so is risky."

Fighting corruption is difficult and dangerous.

In Turkey, many anti-corruption Judges and Prosecutors have been imprisoned without trial.

Closer to home, last year, the Papua New Guinea government cut the funding to the Anti-Corruption Agency Task Force Sweep. It gave more money to the Police band than to the Police Anti-Money Laundering Unit.

Everyone loves the idea of a corruption agency. I am not so sure though that everyone loves an effective corruption agency to the same degree.

In an article in the Kenya Confidential on 27 October 2016, the anonymous author posited that the centralized anti-corruption model has largely failed in Africa and most third world countries for a number of reasons, two of which are:

- There is lack of political will to provide sufficient resources as well as independence to the agencies. Most of these centralized agencies report to the same officials they are supposed to investigate.
- A centralized anti-corruption agency provides politicians with a single definite target to manipulate and stymie in order to prevent it from exposing their corrupt schemes.

An example of the first point is Malaysia. After it was discovered that the Prime Minister had accidentally received \$681 million into his bank account, the Attorney General directed the Anti-Corruption Agency (itself part of the Prime Minister's department) to cease its investigation. The head of the agency resigned in August.

As to the second point, in Australia, we have seen efforts by the previous Queensland Government to neuter and restructure the CCC.

The Australian Commission for Law Enforcement Integrity has a limited jurisdiction. There is no anti-corruption agency with jurisdiction over the Federal Public Service, Parliamentarians or Ministers. Nor is there likely to be in the medium term.

Recent events in New South Wales regarding ICAC have seen a sustained personal vituperative attack on its Commissioner, by among others, a powerful media organisation. Whether by chance or design, it will make the task of attracting quality candidates much harder. I might

add that there is a strong whiff of misogyny in some of the attacks on Megan Latham.

In Western Australia, amendments last year quietly removed jurisdiction over misconduct for Members of Parliament, though jurisdiction for serious misconduct by Ministers is retained.

The personal toll on Commissioners in WA is such, that in 12 years, not one has completed a full term. Anyone who becomes Commissioner to earn the love and respect of their fellow human beings, had a poor choice of career advisor. That said, I have no intentions to depart early. I am still warming up.

My message today, is for everyone in the community to express their abhorrence of corrupt behaviour, in any form they encounter, by reporting it to the Commission, or the Police, or the Public Sector Commissioner. Make it too uncomfortable for the public officer who may be tempted to stray from their duty. This is not a responsibility that just falls on the Commission, or other official body. Everyone who loves this State of ours, has a responsibility not to stand by, but to stand up to corrupt activity. Anyone can make a difference. Even a tiny mouse can quell the wild horses. Together, we must be united against corruption.