Perceptions of corruption in Victoria

Introduction

The public service is critical to the lives of every Victorian, providing front line social, health, justice and emergency services and transport and other infrastructure that supports our daily lives. The Victorian public has a right to expect that people working for the public sector perform their duties with integrity, fairly and honestly.

If corrupt activities are not identified or are left unchecked, this can lead to a waste of public money and resources, can undermine people’s trust and respect in government, and damage the reputation of the public sector as a whole.

How do people perceive the level of corruption in the Victorian public sector? What are the risks? And do they know how to respond?

In late 2012, the Independent Broad-based Anti-corruption Commission (IBAC) engaged the Transnational Research Institute on Corruption at the Australian National University (ANU) to conduct research into corruption risks within the Victorian public sector.

The overall aim of the research was to establish baseline information on current corruption risks and challenges to help inform IBAC’s future prevention and education strategies. As part of the research to examine perceptions of corruption in Victoria, focus groups were held with community members, and surveys were conducted with the community and senior public servants. This paper reports on the findings from these studies of community and public servants’ perceptions of corruption in Victoria.

Contents

01 Introduction
02 Key findings
03 Corruption, the public service and the community
05 Community perceptions of corruption in Victoria
09 Senior Victorian public servants’ perceptions of corruption
16 Summary and conclusions

Author
Adam Graycar
Professor of Public Policy
Director Research School of Social Sciences
Australian National University

Surveys and focus groups were conducted for ANU by the Social Research Centre (SRC) Melbourne.
Key findings

**Victorian community perceptions**¹

- 43 per cent believe that corruption has increased in the past three years
- There is exceptionally little personal experience of bribery by government officials
- If corruption is suspected or observed, half of the respondents would not know where to report it
- If they were to report, 55 per cent would report to the police, and 19 per cent to the Ombudsman
- Two thirds had little confidence in federal or state government
- One in five report that state and local government are affected by corruption; one in three report that federal government is affected by corruption
- Institutions that people believe are most affected by corruption are the media, trade unions and political parties
- Institutions that people believe are least affected by corruption are the armed forces, police and the public service
- There are some small variations in perceptions among men and women and different age groups. Compared to women, men view the media and trade unions as more corrupt, while younger people view the media as more corrupt than older people

**Senior Victorian public servants’ perceptions**

- 17 per cent thought that corruption had increased in Victoria in the past five years, while nine per cent thought it had decreased
- Corruption within the respondent’s own department was generally perceived as low with two-thirds indicating there was little or no corruption in their agency. However, many suspected corruption in other agencies
- One-tenth of the respondents were not aware of the existence of an integrity framework within their department/agency
- Most frequently identified opportunities for corruption within department/agency were conflict of interest, followed by misuse of information, abuse of discretion and hiring friends or family for public service jobs
- The most commonly identified potential corruption risks were in relation to appointing personnel, buying goods and services and partnerships with private sector
- Behaviours most commonly suspected and observed were hiring family and friends, conflict of interest, abuse of discretion and abuse of information

“**The most commonly identified potential corruption risks were in relation to appointing personnel, buying goods and services and partnerships with private sector.”**

¹ These results for Victoria are extracted from the national ANU Poll “Perceptions of corruption and ethical conduct” (October 2012), ANU College of Arts and Social Sciences.
Corruption, the public service and the community

Setting the context

All countries experience corruption and its effects can be profound. The World Economic Forum has estimated that the cost of corruption equals more than five per cent of global gross domestic product (about US$2.6 trillion). Corruption adds up to about 10 per cent of the total cost of doing business globally.\(^2\) The impacts of corruption severely and disproportionately affect the poorest and most vulnerable in any society, and when it is widespread, corruption deters investment, weakens economic growth and undermines the basis for law and order. In wealthier countries corruption pushes taxes to higher levels than they need be, and reduces services to lesser quality than they might be.

While corruption has been part of social and political life forever, it is not just a phenomenon of developing countries. However the dynamics of corruption in developed and developing countries are significantly different. In many ways when corruption is identified in jurisdictions that pride themselves on good accountability and governance standards (such as Victoria) the response is often one of significant outrage as the behaviour seems all the more egregious, even if the impacts are not as financially devastating or as destructive of human endeavour.

In essence corruption is about breaching trust, about abusing public position for private gain, and generally involving the unauthorised trading of entrusted authority. There are many types of behaviour that fit within this definition, such as bribery, extortion, misappropriation, self-dealing (hiring one’s own company, or the company belonging to close associates or relatives to provide public services), conflict of interest, abuse of discretion, patronage, nepotism, cronyism and trading in influence.

The behaviour could occur in any of a number of activities such as:
- appointing personnel
- buying things (procurement)
- delivering programs or services
- making things (construction, manufacturing)
- controlling activities (licensing, regulation, issuing of permits)
- administering justice.

Corruption can also occur in many sectors of society from government, to business, sporting activities, the legal system, the humanitarian aid system, and so on. It cuts across the government, private and non-profit sectors, as well as countries, regions, localities, or workplaces. The ANU’s TASP model below (table 1) shows this complexity, and describes many and various behaviours and contexts, and helps categorise corrupt events into analytical units.

Table 1: Corruption types, activities, sectors and places (TASP)\(^3\) model

<table>
<thead>
<tr>
<th>Types</th>
<th>Activities</th>
<th>Sectors</th>
<th>Places</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bribery</td>
<td>Appointing personnel</td>
<td>Transport</td>
<td>Countries</td>
</tr>
<tr>
<td>Extortion</td>
<td>Buying things (procurement)</td>
<td>Community services</td>
<td>Regions</td>
</tr>
<tr>
<td>Misappropriation</td>
<td>Delivering programmes or services</td>
<td>Justice</td>
<td>Localities</td>
</tr>
<tr>
<td>Self-dealing</td>
<td>Making things (construction/manufacturing)</td>
<td>Construction</td>
<td>Workplaces</td>
</tr>
<tr>
<td>Conflict of interest</td>
<td>Controlling activities (licensing/regulation/issuing of permits)</td>
<td>Arts &amp; culture</td>
<td></td>
</tr>
<tr>
<td>Abuse of discretion</td>
<td>Administrating (justice, for example)</td>
<td>Health</td>
<td></td>
</tr>
<tr>
<td>Patronage</td>
<td></td>
<td>Tax administration</td>
<td></td>
</tr>
<tr>
<td>Nepotism</td>
<td></td>
<td>Energy</td>
<td></td>
</tr>
<tr>
<td>Cronyism</td>
<td></td>
<td>Environment and water</td>
<td></td>
</tr>
<tr>
<td>Trading in influence</td>
<td></td>
<td>Forestry</td>
<td></td>
</tr>
<tr>
<td>Pay to play</td>
<td></td>
<td>Agriculture</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Urban planning</td>
<td></td>
</tr>
</tbody>
</table>

\(^2\) http://www.weforum.org/content/global-agenda-council-anti-corruption-transparency-2013
When considering corruption in a public sector context it is helpful to utilise a principal/agent/client relationship where the principal is the state, the agent is the public servant, and the client is the end user. The agent receives salary and delegation of power from the principal, and in return delivers agreed upon performance outcomes or political representation. The benefits go to the client as per the political compact. The agent is in a position to deliver discretionary decisions that may benefit the client, and if the exchange is not transparent, or if money changes hands to shape the decision or generate unauthorised benefits, then a corrupt exchange has taken place.

Not all exchanges that are inappropriate, incompetent or criminal are corrupt. For example, where there is theft or fraud – where somebody steals from the department, or manipulates departmental transactions to make money for oneself – there is a criminal act, and the agent has abused the trust of the principal, but there is no third party involved.

In public sector corruption there are always three parties – the principal, the agent and the client. When it is only the principal and the agent, the criminal law is well equipped to deal with it. Having three parties involved often changes the dynamics, and is one of the many reasons for the establishment of anti-corruption and integrity agencies.

**Measuring corruption**

It is important to try to measure corruption for two main reasons. First, it is an indicator of how well a society is performing in terms of a government’s contract with its citizens. Second, knowing how much corruption there is and the nature and quantity of those corrupt events allows preventive actions to be implemented.

However, there is very little administrative data on corruption. As the activity is nearly always covert it is in neither party’s interest to report it in a survey and have the activity counted in any way. If the corrupt behaviour was reported, and if a charge were brought it might be classified as obtaining money with menaces, some form of theft, or breach of a public service provision. Many other infractions under these headings might be defined as misconduct rather than corruption, making it difficult to disentangle figures.

Because of its clandestine nature many of the measures of corruption are not therefore measures of corrupt behaviour, but instead measures of people’s perception of corruption – perceptions of its incidence and perceptions of its nature. They are, in effect, proxy measurements. These measurements are usually not measures of the damage caused by corruption.

“It is important to try to measure corruption for two main reasons. First, it is an indicator of how well a society is performing in terms of a government’s contract with its citizens. Second, knowing how much corruption there is and the nature and quantity of those corrupt events allows preventive actions to be implemented.”
Community perceptions of corruption in Victoria

Method

A national survey was undertaken in September 2012 to ascertain perceptions of corruption in Australia. This was followed in November 2012 by a number of focus groups held in Melbourne and regional Victoria. In the national poll a larger number of surveys were conducted in Victoria so that a special data set could be compiled for Victoria. The in-scope population for this ANU Poll was adults (18 years of age or over) who are residents of private households in Australia.

The sample size was 2,020:
• 505 interviews were conducted in Victoria
• approximately 300 interviews were conducted in each of New South Wales, Queensland, South Australia and Western Australia
• 100 interviews were conducted in each of Tasmania, Northern Territory and the Australian Capital Territory.

The sample within each State/Territory was further stratified proportionately by capital city and the rest of the state. Data were weighted to 2010 Australian Bureau of Statistics estimated residential population benchmarks using age and gender within each state.

All data collection activities were undertaken in accordance with the Australian Market and Social Research Society’s Code of Professional Practice, the Market and Social Research Privacy Principles and ISO 20252 standards.

Results

The data reported here are the Victorian results only. While the Victorian sample totalled 505 respondents, the breakdown of individual answer percentages are generally consistent with those in the national sample.

Extent of corruption

When asked, in the past three years, to what extent has the level of corruption in Australia changed (table 2), seven per cent of respondents thought it had decreased, while almost half thought it had increased. Forty per cent replied that they thought it was about the same. The responses in Victoria mirror national and international findings.

There was a difference in terms of gender – 48 per cent of Victorian women thought corruption had increased, compared with 38 per cent of men. There was also a difference in terms of age – 53 per cent of Victorians over 55 years of age thought corruption had increased compared with 39 per cent of people under 55 years of age.

TABLE 2

PERCEPTIONS OF THE LEVEL OF CORRUPTION

<table>
<thead>
<tr>
<th>In the past three years, has corruption:</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased</td>
<td>44</td>
</tr>
<tr>
<td>Stayed the same</td>
<td>40</td>
</tr>
<tr>
<td>Decreased</td>
<td>7</td>
</tr>
<tr>
<td>Don’t know/ can’t say</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

Victorian survey respondents n=505

Global non-government organisation Transparency International recently completed its 2013 Global Corruption Barometer (GCB) which sampled approximately 1,000 people in each of 107 countries. When a similar question was asked of the Australian sample, 59 per cent thought it had increased, 36 per cent thought it had stayed the same, and five per cent thought it had decreased, reflecting the results of the ANU/IBAC survey.

Democracy and Institutions

As part of the ANU Poll, respondents were asked if they were confident in the functioning of democracy in Australia. Of the Victorian respondents, 70 per cent said they were satisfied, and 27 per cent replied that they were not. They were then asked about whether they had confidence in various institutions, and then whether they believed those institutions were affected by corruption.

4 For comparison with the national results, the Australia-wide ANU Poll can be found at http://politicsir.cass.anu.edu.au/polls-and-surveys/anupoll
5 http://www.transparency.org/whatwedo/pub/global_corruption_barometer_2013
Table 3 combines these responses, and shows that while most people were satisfied with the functioning of Australian democracy, their confidence in federal and state government was weaker. Half had confidence in local government, and half did not. Almost one in three believe the federal government is affected by corruption, while one in five believe that state and local government.

Respondents were asked to report on whether they regarded certain institutions as being affected by corruption. This question had a five-point scale.

Table 4 subtracts the ‘not corrupt’ percentage from the ‘corrupt’ percentage. Respondents were asked if they were satisfied with the way democracy works in Australia. Of the Victorian respondents 70 per cent said they were satisfied, and 27 per cent replied that they were not.

The institutions regarded by Victorian respondents as least corrupt, in rank order, were the armed forces, the police and the public service. However, when the ‘not corrupt’ percentage is subtracted from the ‘corrupt’ percentage, the rank order of the public service and the police is reversed.

This is because 18 per cent perceive the police as affected by corruption, compared with 13 per cent who think the public service is affected by corruption.

At the other end, the institution perceived as most affected by corruption were trade unions. Also rating poorly are the media and political parties.

In the national poll, the media stood out as the institution considered to be most affected by corruption, well ahead of trade unions, while Victorians still perceive both the media and trade unions as equally beset with corruption.
This finding is consistent with Transparency International’s GCB in which the media were deemed corrupt by 58 per cent of Australian respondents, coming equal with political parties and well ahead of any other institutions. The GCB did not ask about trade unions.

**Reporting corruption**

In response to the question ‘if you suspected or observed corrupt activity would you know where to report this corrupt activity?’ (table 5) 51 per cent of Victorians said ‘yes’, and 46 per cent said ‘no’.

Those that thought they did know where to report corrupt conduct were then asked where they would actually report. About half of the respondents who did know where to report nominated the police.

Places people said they would report to included:

- police
- anti-corruption authority
- consumer affairs/fair trading
- Australian Competition and Consumer Commission (ACCC)
- Australian Commission for Law Enforcement Integrity (ACLEI)
- local bank manager
- local councillor
- ombudsman
- parliament/member of parliament
- public servant
- school principal
- Australian Securities And Investments Commission (ASIC)
- Crime-stoppers
- work superior/boss/senior management
- media (TV/newspapers).

**Bribes**

When asked ‘In the last five years, how often have you or a member of your immediate family come across a public official who hinted they wanted, or asked for, a bribe or a favour in return for a service in Australia?’, 94 per cent in Victoria answered ‘never’. This is slightly higher than the national response (91 per cent) but the numbers in the remaining categories are too small for real analysis.

These findings are consistent with the Transparency International GCB. Of the Australian sample there, less than one per cent of Australians reported that they had paid a bribe in the last 12 months, and 96 per cent reported that they had never been asked to pay a bribe.

**TABLE 5**

<table>
<thead>
<tr>
<th></th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victoria</td>
<td>51</td>
<td>47</td>
</tr>
<tr>
<td>New South Wales</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Queensland</td>
<td>47</td>
<td>54</td>
</tr>
<tr>
<td>Western Australia</td>
<td>54</td>
<td>43</td>
</tr>
<tr>
<td>South Australia</td>
<td>52</td>
<td>43</td>
</tr>
</tbody>
</table>

Respondents n=2020

**TABLE 6**

<table>
<thead>
<tr>
<th></th>
<th>Police (%)</th>
<th>Anti-corruption authority (%)</th>
<th>Ombudsman (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victoria</td>
<td>55</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>New South Wales</td>
<td>50</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>Queensland</td>
<td>54</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Western Australia</td>
<td>38</td>
<td>26</td>
<td>8</td>
</tr>
<tr>
<td>South Australia</td>
<td>61</td>
<td>-</td>
<td>15</td>
</tr>
</tbody>
</table>

Victoria and South Australia did not have the current anti-corruption agencies at the time of the survey.
Focus group results

To complement the quantitative survey, a qualitative study of community perceptions was also undertaken to gain a deeper understanding of how people perceived corruption and to explore potential ways corruption in the public sector could be tackled. Specific objectives included exploring:

• how people defined corruption
• perceptions of corruption
• observations of corruption in the public sector
• issues related to reporting corruption
• views on anti-corruption strategies, including communication strategies and approaches around prevention, deterrence and detection.

Seven focus groups were conducted in Melbourne and in regional Victoria. In general, respondents could not give examples of corruption affecting them personally, though they felt uneasy about greed, power and opportunism which they perceived in public life. There was agreement that corruption in the public sector was unacceptable and of considerable concern.

Participants strongly expressed that it was impossible for citizens to know the true extent to which corruption existed in the public sector, as mostly such behaviour was hidden. Awareness of corruption was believed to depend heavily on what was detected and/or reported on in the public. There were variations in perceptions across groups. Young adults, regional groups, and those from a non-English speaking background perceived corruption to be less prevalent than older, Melbourne-based participants.

In exploring perceptions of public sector corruption, participants outlined the sectors, departments and agencies in which they knew or suspected corruption to occur. Most commonly discussed was the political sector – both local councils and state politics – followed by the police. Other areas in which corruption was believed to have occurred included: emergency services; the health and education sectors; public housing and welfare; and the legal system.

There was a general sense that most notable corruption occurred at the higher levels of public sector management and decision-making, whereas lower-level public servants tended to not have the same tendencies, or were not given the same opportunities to abuse the relative power granted by their professional positions.

Typically, the media (including social media) was seen as essential in enabling the public to report on, as well as be informed of, public sector corruption. However, the issue of manipulation and bias in media reporting was raised with some concern.

Participants were generally not willing to report corruption. The primary concern for participants was the potential for danger or repercussions as a consequence of speaking out, based on past experiences of whistle-blowers as reported in the media. Likely consequences included losing one’s job, discrimination (stigma of ‘dobbing’), or threats to oneself and family. Not knowing who to trust when attempting to report public sector corruption was a noteworthy issue for participants.

Participants assumed little could be done by an individual to tackle corruption. Similarly, it was expressed that attempting to challenge those that ‘made the rules’ was unlikely to succeed, particularly when there was considered to be little accountability and consequence for public sector corruption witnessed by the public.

Whereas most respondents to the poll would report cases of corruption to the police, focus group respondents would, in preference, go to the media. However, perceptions of the media’s biases in reporting also left people cynical.

“Participants strongly expressed that it was impossible for citizens to know the true extent to which corruption existed in the public sector, as mostly such behaviour was hidden. Awareness of corruption was believed to depend heavily on what was detected and/or reported on in the public.”
Senior Victorian Public Servants’ perceptions of corruption

Method
An online survey of perceptions of corruption within the Victorian Public Service (VPS) was conducted with senior public servants (VPS Grade 6 and above) to which 839 people responded. The main objectives of the survey were to:

• measure senior Victorian public servants’ perceptions and observations of corruption in the Victorian public service
• identify the prevalence of suspected and personally observed corruption
• quantify the propensity to report corrupt practices and measure awareness of reporting channels
• consider perceptions of future corruption risks.

The online survey opened 29 November 2012 and was closed on 2 January 2013 with the majority of the surveys completed during the period of 30 November to 19 December 2012. Of the 4,625 public servants eligible to take part, 839 or 18 per cent completed the survey. Based on previous projects with opt-in online panels a response rate of 15–20 per cent was typically expected.

Fifty-eight per cent of respondents surveyed were male and 39 per cent female. The most common core business areas were Infrastructure, planning, transport (24 per cent). This was followed by social, educational and health services (22 per cent) and natural resources, energy, environment and agriculture (19 per cent).

In terms of respondents’ actual duties, 32 per cent worked in policy and legislation, while approximately 23 per cent worked in corporate services and 18 per cent worked in operations.

Results

Levels of corruption
Public servants in general had few views about whether corruption had increased or decreased in the past five years (figure 1). Seventeen per cent of the public servants surveyed thought that corruption had increased in Victoria in the past five years, while nine per cent thought it had decreased. Three quarters either did not know or thought it had stayed the same.

Extent of corruption within home department/agency
Sixty-one per cent thought that some corruption existed in their departments, though most of these (45 per cent of the total) thought there was little corruption (figure 2). Fourteen per cent of the respondents thought there was some corruption and only a handful (two per cent) thought there was a lot of corruption. Twenty-two per cent indicated there was no corruption within their department or agency.
When perceptions of the extent of corruption were compared between line agencies and central agencies (figure 3), respondents from central agencies believed there was less corruption in their agencies than did respondents from line agencies.

**Extent of corruption compared to other departments/agencies**

Thirty-eight per cent of survey respondents believed that corruption in their department/agency was either lower or much lower when compared to other departments or agencies in the VPS (figure 4). Twenty-five per cent thought the levels of corruption were about the same, while four per cent thought corruption was higher.

While more respondents believed that corruption was either lower in their agency when compared to other departments or agencies, respondents in central agencies were more likely to believe that their agencies had less corruption than those elsewhere.

“Survey respondents believed that corruption in their department/agency was either lower or much lower when compared to other departments or agencies.”
Effectiveness of integrity frameworks
All survey respondents were asked to rate the effectiveness of their department/agency’s integrity framework on a five-point scale (where one meant very effective, and five not effective at all).

Forty-three per cent of respondents thought their organisation’s integrity framework was effective, while 22 per cent thought it was neither effective nor ineffective (figure 5). Twenty-two per cent were either not aware of their department or agency’s integrity strategy or did not know how effective it was. Respondents employed at VPS 6 level were more likely than those employed at more senior levels to be unaware of their department/agency’s integrity framework (14 per cent vs. eight per cent).

Corruption in the Victorian Public Service
Following general questions about corruption levels, respondents were presented with lists of activities typically occurring in departments/agencies, and were asked the extent to which they thought each to be a corruption risk in their home department/agency. Those who nominated the activities as risks were also asked to rate their organisation’s handling of corruption risks. Following this, the respondents were presented with a list of behaviours commonly perceived as corruption, and asked to indicate whether they thought there was an opportunity for these corrupt behaviours to occur in their department/agency and whether they had either suspected or personally observed any such behaviour within their organisation or elsewhere in the VPS.

Corruption risk
All respondents were asked about their perceptions of potential risks of corruption within their department/agency in relation to 10 activities commonly taking place in departments and agencies (figure 6). Respondents were asked to rate the extent to which they considered each activity to be a corruption risk within their department or agency on a five-point scale (where one meant not a risk and five a major risk).
Delivering programs and services to the public (68 per cent), disposal and sale of organisational assets (84 per cent) and ensuring compliance with procedure (53 per cent) were rated as carrying no corruption risk by the largest proportion of respondents. For those who identified risks, appointing personnel (29 per cent), buying goods and services (24 per cent) and partnerships with private sector (19 per cent) were most commonly rated as carrying the risk for corruption within respondents’ organisations.

Departmental/agency handling of corruption risk
Those who identified some level of corruption risk in relation to any activity were further asked whether they thought that the corruption risk was well handled by their organisation.

Forty-seven per cent who had identified corruption risks were of the opinion that their organisation handled corruption risks well (figure 7). Twenty-one per cent neither agreed nor disagreed with the statement and 14 per cent thought corruption risks were not well handled by their department/agency.

Those with more than 25 years of VPS employment (64 per cent) and those employed at EO2 level or higher (80 per cent) were more likely to agree their organisation handled corruption risks well.

Perceptions and experiences of corruption within current department/agency
All respondents were presented with a list of seven different types of corruption and asked whether they thought there was an opportunity for them to occur within their department/agency. Respondents were also asked whether they had ever suspected or personally observed these corrupt behaviours.

As shown in table 7, conflict of interest was the most commonly identified possible corrupt behaviour occurring within their organisation, with 72 per cent of respondents reporting there was the opportunity for this to occur in their department/agency. This was followed by misuse of information or material (68 per cent), abuse of discretion (58 per cent) and hiring friends or family for public service jobs (53 per cent). Eight per cent did not believe there was the opportunity for any of the specified corrupt behaviour to occur within their department/agency.

Table 7 further illustrates that the same activities were the most commonly identified causes for suspicion of corruption within the respondents’ home departments/agencies.

Table 7
Suspected and observed corruption within current organisation

<table>
<thead>
<tr>
<th>Corruption in department/agency</th>
<th>Opportunity (%)</th>
<th>Suspected (%)</th>
<th>Observed (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiring friends or family for public service jobs</td>
<td>53</td>
<td>38</td>
<td>25</td>
</tr>
<tr>
<td>Conflict of interest</td>
<td>72</td>
<td>38</td>
<td>20</td>
</tr>
<tr>
<td>Misuse of information or material</td>
<td>68</td>
<td>32</td>
<td>15</td>
</tr>
<tr>
<td>Abuse of discretion</td>
<td>58</td>
<td>28</td>
<td>15</td>
</tr>
<tr>
<td>Hiring one’s own company, or the company belonging to close associates or relatives to provide public services</td>
<td>33</td>
<td>18</td>
<td>9</td>
</tr>
<tr>
<td>Perverting the course of justice</td>
<td>16</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Bribery</td>
<td>32</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Prefer not to say</td>
<td>0</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

Survey respondents n=839
Thirty-eight per cent indicated they had suspected conflict of interest to have occurred, similarly with hiring friends and family for public service jobs (38 per cent). Thirty-two per cent reported suspicion regarding misuse of information or material and 28 per cent suspected abuse of discretion. Twenty-six per cent of respondents had not suspected any specified corrupt behaviour within their department/agency.

Hiring friends or family for public service jobs (25 per cent) was the most commonly mentioned corrupt behaviour respondents had personally observed. This was followed by conflict of interest (20 per cent) and misuse of information or material (15 per cent). Nearly half of respondents (46 per cent) had not observed any of the described corrupt activities within their home department/agency.

The following significant sub-group differences were observed:

- respondents working in justice and regulatory services were more likely than other employment groups to identify abuse of discretion (75 per cent), misuse of information or material (80 per cent), and perverting the course of justice (36 per cent) as corruption opportunities within their organisation
- those with 15–25 years of service in the VPS (51 per cent) were more likely than others to have suspected conflict of interest within their department/agency
- respondents working in corporate services (41 per cent) were more likely than others to have suspected misuse of information or material within their organisation
- Those employed at VPS 6 level (27 per cent) indicated they had personally observed the hiring of friends or family to public service jobs. This is a higher percentage than that observed by those at more senior levels.

There were, as would be expected, differences between what was suspected and what was observed (figure 8). Except for bribery and perverting the course of justice (where the numbers of suspected and observed cases was very small) the ratio of suspected to observed was about two to one.

**Perceptions and experiences of corruption elsewhere in the VPS**

All respondents were asked whether they had suspected or personally observed corruption elsewhere in the VPS. The results are summarised in table 8.

Fifty-one per cent of all survey respondents have suspected conflict of interest to have occurred elsewhere in the VPS. Further, two-fifths had suspected the following to occur elsewhere in the VPS:

- misuse of information or material (43 per cent)
- hiring friends or family for public service jobs (43 per cent)
- abuse of discretion (37 per cent)

In terms of personally observed corruption incidents elsewhere in the VPS, 51 per cent of respondents had not observed any of the specified corrupt activities elsewhere in the VPS and 18 per cent did not know whether they had observed any of the corrupt behaviours on the list elsewhere in the VPS. The most commonly mentioned corrupt behaviours observed elsewhere in the VPS were hiring friends or family for public service jobs (15 per cent), conflict of interest (15 per cent) or misuse of information or material (13 per cent). Fifty-one per cent had not observed any of the described corrupt activities elsewhere in the VPS.

Key sub-group differences included:

- those who had worked for more than five VPS departments or agencies were more likely than others to have suspected ‘abuse of discretion’ (57 per cent), ‘misuse of information or material’ (63 per cent) or ‘conflict of interest’ (69 per cent) to have occurred elsewhere in the VPS
- those who had stayed with the same VPS organisation throughout their VPS career were more likely than others to not know whether they had suspected (30 per cent) or observed (24 per cent) corrupt activity elsewhere in the VPS
- those who had between 16 and 25 years of VPS service were more likely than others to have suspected conflict or interest (62 per cent) and personally observed misuse of information or material (20 per cent) elsewhere in the VPS.
For all types of corruption, respondents thought there was more elsewhere in the VPS than in their own departments but these suspicions did not always translate into observations.

### Reporting corruption

All survey respondents were asked a number of questions about reporting corruption within their department or agency, including:

- whether they had personally reported corrupt behaviour or activity in the VPS
- how effectively their report had been dealt with
- whether they knew where to report corruption and on what basis they would report corruption
- whether they were confident that they would be protected from victimisation if they were to report corruption.

Nine per cent of respondents had personally reported corruption, either suspected or observed, in the past. Among those who had made a report, 42 per cent said it had been handled ‘effectively’. Forty per cent said it had not been handled effectively, while 18 per cent did not know.

Sixty-nine per cent of respondents said they knew where to report corruption (if they suspected or observed it), while 22 per cent did not know. When asked about the basis on which they would report corruption, 56 per cent indicated they would report corruption on mere suspicion (68 per cent) and be confident they would be protected from victimisation (70 per cent) when doing so.

Forty-six per cent of those surveyed said they would not feel confident they would be protected from victimisation should they report corruption. Twenty-nine per cent indicated they have confidence in the whistle blower protections in place.

In terms of sub-group differences, the following were notable:

- those employed as E02 and above were more likely than other senior public servants to indicate they would report corruption on mere suspicion (68 per cent) and be confident they would be protected from victimisation (70 per cent) when doing so
- those employed as VPS 6 (50 per cent) and those working in social, educational and health services (56 per cent) were more likely than others to indicate that they do not feel confident they would be protected from victimisation should they choose to report corrupt behaviour.

Those in line agencies were significantly less confident than those in central agencies that they would be protected from victimisation should they report corruption (figure 9).

<table>
<thead>
<tr>
<th>Corruption elsewhere in the VPS</th>
<th>Suspected (%)</th>
<th>Observed (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conflict of interest</td>
<td>51</td>
<td>15</td>
</tr>
<tr>
<td>Hiring friends or family for public service jobs</td>
<td>43</td>
<td>15</td>
</tr>
<tr>
<td>Misuse of information or material</td>
<td>43</td>
<td>13</td>
</tr>
<tr>
<td>Abuse of discretion</td>
<td>37</td>
<td>11</td>
</tr>
<tr>
<td>Hiring one’s own company, or the company belonging to close associates or relatives to provide public services</td>
<td>36</td>
<td>9</td>
</tr>
<tr>
<td>Perverting the course of justice</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>Bribery</td>
<td>21</td>
<td>2</td>
</tr>
<tr>
<td>Don't know</td>
<td>23</td>
<td>18</td>
</tr>
<tr>
<td>Prefer not to say</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

Survey respondents n=839
Future corruption risks
All respondents were asked to identify possible emerging corruption risks for their organisation over the next three to five years. They were also asked to identify the most damaging acts of corruption the Victorian government could face. These were open ended questions and were answered by about 20 per cent of respondents, so any inferences from the next two tables should be read with caution.

Emerging corruption risks
In terms of the emerging corruption risks, the majority (66 per cent) of the respondents either did not know (59 per cent) or preferred not to identify (seven per cent) any emerging risks for their organisation. From those who gave a response, abuse of power was by far the most commonly cited with 36 per cent of the respondents identifying this as an emerging corruption risk.

Those who had been employed by more than five different departments or agencies over their career (54 per cent) were more likely than others to mention ‘abuse of power’ as an emerging corruption risk within their organisation.

Table 9 sets out the most frequent responses. The ‘other’ category includes comments such as:
- inexperienced/underqualified staff
- inadequate levels of regulation/supervision/accountability
- staff job dissatisfaction / low morale
- risks/problems relating to procurement
- interference/influence from external parties, governing bodies, ministers etc
- misappropriation of funds / improper use of finances.

Most damaging acts of corruption facing Victorian government
When asked about opinions regarding the most damaging act of corruption facing Victorian government (table 10), by far the most commonly cited damaging act mentioned was bribery (54 per cent). This was followed by abuse of discretion (12 per cent), misappropriation of funds (12 per cent) and conflict/personal interest (10 per cent). Almost half of the respondents (46 per cent) either did not know or preferred not to identify the most damaging acts of corruption facing the Victorian government.

<table>
<thead>
<tr>
<th>Corruption risks</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abuse of power</td>
<td>36</td>
</tr>
<tr>
<td>Risks concerning outsourcing/awarding of contracts/grants</td>
<td>8</td>
</tr>
<tr>
<td>Nepotism/unfair recruitment/promotion processes</td>
<td>7</td>
</tr>
<tr>
<td>Lack of resources/downsizing</td>
<td>5</td>
</tr>
<tr>
<td>Inadequate levels of regulation/supervision/accountability</td>
<td>5</td>
</tr>
<tr>
<td>Conflict of interest</td>
<td>5</td>
</tr>
<tr>
<td>Disregard/violation/deterioration of policies and guidelines</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>20</td>
</tr>
<tr>
<td>Don't know</td>
<td>59</td>
</tr>
<tr>
<td>Prefer not to say</td>
<td>7</td>
</tr>
</tbody>
</table>

Survey respondents n=839
Total exceeds 100 per cent as multiple responses were permitted

<table>
<thead>
<tr>
<th>Corruption type</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bribery</td>
<td>54</td>
</tr>
<tr>
<td>Abuse of discretion</td>
<td>12</td>
</tr>
<tr>
<td>Misappropriation of funds</td>
<td>12</td>
</tr>
<tr>
<td>Conflict of interest/personal interest</td>
<td>10</td>
</tr>
<tr>
<td>Perverting the course of justice</td>
<td>9</td>
</tr>
<tr>
<td>Nepotism</td>
<td>7</td>
</tr>
<tr>
<td>Misuse of information or material</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>18</td>
</tr>
<tr>
<td>Don't know</td>
<td>41</td>
</tr>
<tr>
<td>Prefer not to say</td>
<td>5</td>
</tr>
</tbody>
</table>

Survey respondents n=839
Total exceeds 100 per cent as multiple responses were permitted
Summary and conclusions

Perceptions and experiences

There is a strong feeling among the community in Victoria that corruption is on the increase, but respondents can provide few examples of personal experiences of corruption or corruption impacting on their lives directly. Public servants on the other hand did not perceive corruption to be on the increase as strongly as the general public. Fewer than half as many public servants as members of the general public thought corruption in Victoria had increased.

While not able to give examples of direct corrupt acts affecting them, many people indicated that media reports and portrayals in documentaries and telemovies shaped their perceptions of corruption.

Most people have confidence in major Australian institutions and regard them as generally free of corruption. The armed forces, the public service and the police are regarded as those least affected by corruption. Those most affected are seen to be the media, political parties and trade unions. Globally the patterns are different in that the police and judiciary are seen to be the most bribe prone, though in Australia, the United States and the United Kingdom the media share top corruption billing with political parties.

Victorian public servants generally were satisfied that there was little corruption in their department or agency. They generally thought there was more corruption in agencies other than their own, and overall felt there was less in central agencies than in line agencies.

Risks and their management

One-third of public servants thought there were opportunities for bribery, yet only four per cent had suspected bribery and less than one per cent had personally observed it. When asked what the most damaging corruption threat facing the Victorian government might be, bribery was listed more than all the other threats combined.

When considering mainstream public sector activities, public servants rated corruption risks as generally low. The most commonly identified potential corruption risks were in relation to appointing personnel, buying goods and services, and partnerships with private sector. Behaviours most commonly suspected and observed were hiring family and friends, conflict of interest, abuse of discretion and abuse of information.

There was a gap between what public servants might have suspected and what they observed. Most frequently identified opportunities for corruption within a department/agency were conflict of interest, followed by misuse of information, abuse of discretion and hiring friends or family for public service jobs. Sometimes these were observed, but at a lower rate than they were suspected. Either this reflects a set of expectations about human behaviour, or it shows that offenders are good at covering up dubious activity.

It is of some concern that in terms of emerging corruption risks, the majority of the respondents either did not know (59 per cent) or preferred not to identify (seven per cent) any emerging risks for their organisation. Of those who responded, abuse of power was by the most commonly cited with 36 per cent identifying this as an emerging corruption risk.

Fears and concerns – reporting corruption

Most public servants had confidence in their own organisation’s integrity framework. However one tenth of these senior public servants were not aware of their department/agency’s integrity framework.

One in ten public service respondents had reported corruption, and 42 per cent thought their report of corruption had been handled effectively, while 40 per cent thought it had not been handled effectively.

The general public was not always aware of where to report suspected corruption, with about half nationally not knowing where to report. Mostly people indicated they would report to the police.

Protecting people who report corruption or uphold integrity standards in the face of opposition is a challenge. Almost half of the Victorian senior public servant respondents did not feel confident they would be protected from victimisation should they report corruption. Those who felt less confident were the lower ranked of the respondents (VPS6) and those in line agencies, especially in social, educational and health services. Members of the general public also had reservations about reporting, some believing that lone individuals cannot do much, and others fearing reprisals.

This research was undertaken before IBAC became fully operational and prior to the introduction of the new Victorian protected disclosures regime. For more information visit www.ibac.vic.gov.au.

IBAC has an important role to assist in educating the public sector and the community about the detrimental effects of corruption and the ways it can be prevented. The findings from this research provide important baseline information which will inform development of IBAC’s future prevention and education strategies.