

Australia

2015 Country Summary

Recommendations

Australia's GI ranking in Band B places it in the low risk of corruption category. It scored in Band A, very low risk, for Personnel and Political risk (gaining the highest score in the region for Political risk). Australia's aggregate score was brought down by Operations risk (Band D), the MoD's highest risk area. To reduce corruption risk, TI suggests the following reforms of the security sector to build integrity.

Enhance Oversight of Secret Spending

The country demonstrates effective institutional structures to prevent corruption in its defence and security institutions, with some exceptionally good practices highlighted in the research, such as the appointment of an Independent National Security Legislation Monitor to ensure that secrecy on the basis of national security concerns does not infringe on the rights of its citizens. The impact of this measure could be increased by measures to reassure the public that the significant increases in funding to Australia's intelligence agencies in recent years are being matched by appropriate oversight. There are provisions for the oversight of "secret" spending (defined here as spending on intelligence agencies and national security) by the Parliamentary Joint Committee on Intelligence and Security. The Committee's reports indicate that some information provided for oversight is omitted, and it was not possible to verify the extent of such exclusions.

We recommend that the Government ensure mandatory provisions are in place for oversight of all "secret" expenditure in closed Committee sessions and provides these committee members with extensive information on all spending on secret items, which includes detailed, line item descriptions of all expenditures. The exact proportion of expenditure for dedicated secret items does not appear to be available to the public.

Penalise Facilitation Payments

Facilitation payments in Australia are legal on the understanding that their value is small (though no financial limit has been stipulated in the Criminal Code) and their purpose narrow: namely, to expedite or secure a routine governmental action. The Australian Taxation Office notes special record-keeping obligations for facilitation payments, but it does not discourage them. In 2011, the government raised the possibility of an amendment to change Australia's law to exclude this exception, but the status of this proposal is unclear. The OECD 2012 report also expressed concern on this issue. Although a follow up report in

2015 stated that good progress has been made on the previous report's recommendations, they also noted that changes in the legal framework were still required.

Build Integrity for Engagement in Military Operations

Australia has deployed approximately 2,241 personnel in overseas and in-country operations (as of September 2015), including significant deployment to complex operational environments in the Middle East. The increased risk of corruption in operations can undermine the legitimacy of missions, particularly to fragile and conflict-ridden environments. There appears to be limited recognition of corruption as a strategic issue in operations beyond the general anti-fraud framework in the Department of Defence. We recommend the incorporation of anti-corruption controls into Australia's existing fraud control arrangements for military operations and the adoption of a comprehensive and detailed military doctrine addressing corruption issues for peace and conflict. The MoD could provide comprehensive guidelines and staff training on addressing corruption risks whilst on deployed operations or peacekeeping missions. It could also deploy trained professionals capable of monitoring corruption in the field who regularly report while on mission, with these reports made available to the public in summary form, at a minimum.

Scorecard

Political	Defence & Security Policy	Legislative Scrutiny	4
		Defence Committee	4
		Defence Policy Debated	4
		CSO Engagement	2
		International AC Instruments	4
		Public Debate	4
		AC Policy	3
		AC Institutions	3
		Public Trust	3
		Risk Assessments	3
	Defence budgets	Acquisition Planning	4
		Budget Transparency & Detail	4
		Budget Scrutiny	4
		Budget Publicly Available	4
		Defence Income	4
		Internal Audit	4
		External Audit	4
	Other Political Areas	Natural Resources	4
		Organised Crime Links	4
		Organised Crime Policing	3
		Intelligence Services Oversight	4
Intelligence Services Recruitment		4	
Export Controls		3	
Finance	Asset Disposals	Asset Disposal Controls	4
		Asset Disposal Scrutiny	4
	Secret Budgets	Percentage Secret Spending	0
		Legislative Access to Information	2
		Secret Program Auditing	4
		Off-budget Spending in Law	4
		Off-budget Spending in Practice	
	Information Classification	3	
	Links to Business	Mil. Owned Businesses Exist	4
		Mil. Owned Business Scrutiny	
Unauthorised Private Enterprise		4	
Personnel	Leadership	Public Commitment	2
		Measures for Corrupt Personnel	4
		Whistleblowing	4
		Special Attention to Sensitive Personnel	3
	Payroll and Recruitment	Numbers of Personnel Known	4
		Pay Rates Openly Published	4
		Well-established Payment System	4
		Objective Appointments	4
		Objective Promotions	4
	Conscription	Bribery to Avoid Compulsory Conscription	
		Bribery for Preferred Postings	3
	Salary Chain	Ghost Soldiers	4

		Chains of Command and Payment	4
	Values, Standards, Other	Code of Conduct Coverage	4
		Code of Conduct Breaches Addressed	4
		AC Training	2
		Prosecution Outcomes Transparent	4
		Facilitation Payments	1
Operations	Controls in the Field	Military Doctrine	2
		Operational Training	2
		AC Monitoring	1
		Controls on Contracting	2
		Private Military Contractors	2
Procurement	Government Policy	Legislation	3
		Transparent Procurement Cycle	4
		Oversight Mechanisms	4
		Purchases Disclosed	3
		Standards Expected of Companies	1
	Capability Gap	Strategy Drives Requirements	3
		Requirements Quantified	4
	Tendering	Open Competition v. Single-Sourcing	2
		Tender Board Controls	3
		Anti-Collusion Controls	3
	Contract Delivery / Support	Procurement Staff Training	3
		Complaint Mechanisms for Firms	4
		Sanctions for Corruption	2
	Offsets	Due Diligence	
		Transparency	
		Competition Regulation	
	Other	Controls of Agents	3
		Transparency of Financing Packages	1
		Subsidiaries / Sub-Contractors	1
Political Influence		2	