

No. 143  
**Public Sector Corruption  
and its Control**

**Peter Grabosky and Peter Larmour**

*Although Australia's reputation for integrity in government is now among the world's highest, corruption has afflicted Australian public life to varying degrees for the past two centuries. A few areas of government have been troubled with persistent and entrenched corruption for many years.*

*Some officials cannot control their greed while others find themselves in difficult situations and cut corners or take inducements. Fortunately, these are a small minority of our public officials. In a Transparency International survey, Australia ranked 12<sup>th</sup> out of 99 countries on a "corruption perception index". The dynamics, however, are universal—a simple formula proposes that discretion plus monopoly minus accountability equals corruption.*

*This paper provides a basic overview of corruption in Australia. It outlines its basic forms, explains why corruption occurs, and, most importantly, spells out what Australian governments and the private sector have done, and can do, to reduce the level of corruption in society.*

**Adam Graycar**  
Director

**Defining Corruption**

Corruption, defined here as the exploitation of public office for personal gain, is a universal phenomenon. The practice, in one manifestation or another, is as old as government itself. Today, it thrives in the world's wealthiest nations, and in its poorest. It exists on every continent, across people of all nationalities and religions. Corruption can take many forms, including:

- Bribery: where an official accepts money or some other consideration to engage in a particular course of action, or inaction.
- Extortion: where an official demands money or some other consideration to engage in a particular course of action, or inaction.
- Embezzlement: where an official misappropriates public assets for personal use.
- Fraud: where an official makes a false claim for benefits for which he or she is not entitled, or in order to avoid liability for payment, such as tax or customs duty.
- Conflict of interest: where an official stands to profit incidentally from an official act. This could involve a planning decision which has the effect of increasing the value of property owned by the official, or the awarding of a government contract to a company in which the official has a financial interest.

Closely related to corruption, but excluded from discussion here, is the abuse of power for institutional ends, where there is no explicit personal gain for the offender. This category includes, for example, the use of excessive force or fabrication of evidence by police (sometimes referred to as "noble cause" corruption), or discriminatory practices by public sector employers who are motivated by factors other than personal enrichment.

Corruption need not be limited to the public sector. Officers of large companies may use its resources for private purposes, and other private individuals may be party to the activities just described, as well as to conflicts of interest. Such "private corruption" will not be addressed here.

**Australia's Experience**

Australia has experienced its share of corruption, with roots extending back almost to the time of the First Fleet. Two centuries ago, during the earliest days of European settlement, officers of the New

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South Wales Corps monopolised the rum trade, and profited handsomely from the inflated price which they charged for the product (Evatt 1938). Over the following two centuries, a variety of public officials have been implicated in numerous scandals, from corruption in the conduct of local government to irregularities in government purchasing of everything from land to defence equipment (Grabosky 1989).

While Australia's performance by world standards has been relatively good, our record is far from unblemished. Australians who have been imprisoned over the past two decades for offences relating to corrupt practices include:

- A former Premier and a former Deputy Premier of Western Australia.
- A former Commissioner of Police, and Ministers of the Crown in Queensland.
- A former Chief Magistrate, and a Minister of the Crown in New South Wales.

A number of Members of Federal Parliament have been the subject of investigations and successful prosecutions for corrupt practices in recent years, mostly related to abuse of travel entitlements, although none has been imprisoned for corruption-related offences.

Another well-publicised and recurring form of corruption involves Australian police services, although the degree of alleged malpractice tends to vary across jurisdictions. As we will discuss below, the particular vulnerability of police to corrupt practices is related to the significant powers which they possess, the wide discretion which they exercise, and the low visibility of much of their activities.

Local government in Australia is also vulnerable to corruption over issues such as planning permission and licensing. As with the police, situations where officials have discretion, and their clients are willing to pay to avoid trouble and delay, are particularly vulnerable to corruption.

### The Costs of Corruption

Corruption can be costly, in both monetary and non-monetary terms. Where corruption increases the cost of doing business, consumers and taxpayers bear the burden. If a successful bidder must pay 10 per cent to a corrupt official as a condition of being awarded a contract, the funds in question are in reality taxpayers' funds which could otherwise be allocated to worthy public purposes.

Corruption may also distort public expenditure decisions. Corrupt officials may approve less worthwhile projects, that pay bribes, over more worthy projects, that do not. Defence spending is particularly vulnerable to bribery, because of secrecy, the discretion given to officials in defining specifications, and because it is difficult to establish what the real cost of, for example, a fighter plane should be. Bribes are easily hidden in the total cost, and corrupt officials may press for higher defence expenditure than is necessary, in order to milk a project for bribes.

Corruption is also corrosive to the legitimacy of government itself. Where elected officials, police, or public servants are seen to be "on the take", the law-abiding citizen becomes cynical, while others may be tempted to ignore the law when it suits them. Suffice it to say that when governments ask the public to contribute to the public weal, whether through taxation, compliance with regulations, or by making other personal sacrifices, that government whose officials are lacking in virtue is less likely to elicit virtuous conduct from its citizens.

Australians should be concerned with corruption abroad, as well as at home. Australia's economic future depends to a great degree on our success in competing for export markets. To the extent that these markets are rigged by corrupt practices, Australian products may be at a competitive disadvantage. To the extent that other economies in

our region suffer the consequences of corruption, Australia's economy will suffer as well. When the wealth of a nation is diverted to a numbered Swiss bank account, Australian products are less affordable. For its part, Australia has recently ratified an OECD (Organisation for Economic Cooperation and Development) convention to criminalise the practice of bribing overseas, and has an international reputation of being a country whose business executives do not offer bribes.

Where overseas governments are corrupt or corruptible, they are vulnerable to exploitation by organised criminals, whose activities, whether they entail traffic in drugs, illegal migrants, or firearms, may impact on Australian society. Corruption in its most extreme form may lead to political instability. To the extent that the political systems of our near neighbours are threatened with decay, the risk of state collapse can impact on Australia's national security (McFarlane 1996).

### Explaining Corruption

The universality of corruption does not defy explanation. One need only look to the common criminological theory of routine activities for a basic understanding of the problem. Corruption, like other forms of crime, has three essential ingredients: motivation, opportunity, and the absence of a capable guardian.

#### *Motivation*

The motivation for corruption is often uncomplicated. The demand for personal gain is driven by greed—a deeply ingrained, if not universal, human characteristic. The continuum of greed varies from the utterly unsatiable, as appears to have characterised the likes of Presidents Marcos and Mobutu, to its total absence in those public officials of unimpeachable integrity.

Corruption may be unilateral, such as where an official falsifies travel documents, without the complicity of others. Alterna-

tively, corruption may require some form of exchange. In the latter case, the supply side of corruption may entail a person who seeks some kind of benefit which public officials are in a position to bestow. This may entail the conferring of some valued condition, such as a lucrative contract or favourable administrative consideration. Alternatively, it may entail withholding some undesirable condition, like arrest or criminal prosecution.

Motivations for corruption may not be based on material concerns. For example, officials may obtain sexual services as part of an exchange. In addition, status and power, rather than material or corporeal benefits, may be bestowed upon a corrupt individual. Thus, illegal campaign contributions can be sought in order to enhance a party's prospects of electoral success.

#### *Opportunity*

The opportunity to engage in corrupt practices will also vary widely. The ability to acquire valued resources, or the discretion to confer benefits, is not equally distributed across public officialdom. Government criminologists have little to offer real estate developers who might seek to circumvent regulatory requirements, nor can they offer much assistance to heroin dealers who seek to avoid arrest. Base grade clerical officers who do not travel on official business have no opportunity to engage in travel rorts.

#### *Guardianship*

Similarly, guardianship will vary across public sector workplaces. Some public officials and certain types of official transactions are subject to the strictest scrutiny, from a variety of sources. Public sector procedural and audit requirements in many jurisdictions make the diversion of funds to one's personal account difficult to achieve, and even more difficult to conceal. On the other hand, there are those public officials, such as some police, who operate with minimal super-

vision, beyond the gaze of those who might exercise a degree of surveillance over their activities.

Criminologists have had a long-standing interest in corruption. More recently, economists have been showing an interest, and economic approaches dominate the new concern about corruption shown by the World Bank and the International Monetary Fund. Economists have been particularly interested in the way that government monopolies provide opportunities for corruption. If there is only one supplier of a service, typically the government, then officials can extort bribes from clients. If there is competition, clients can avoid having to pay a bribe by going elsewhere. Thus, the Philippines reduced corruption in the issuing of passports by allowing branches throughout the country, rather than one central office, to issue them. It also provided for an official "fast track" service, for clients who were ready to pay more, thus ensuring the money, that otherwise would have greased palms, got paid to the Treasury. In this sense, government monopolies—in, for example, tobacco, or gambling—are licenses for extortion, and deregulation is a solution. The economic explanation is summed up in Robert Klitgaard's (1988) formula:

*Monopoly+Discretion-Accountability=Corruption*

### Measuring Corruption

Because it is a low-visibility phenomenon, and one where boundaries are not always clearly defined, corruption does not lend itself to objective measurement. Statistics are rare, and in those unusual cases where they are compiled, tend to raise more questions than answers. A given number of prosecutions may represent all of the corrupt practices with a jurisdiction, or just the tip of an iceberg.

The most common means of assessing the prevalence of corruption is through subjective judgment. If those who are in a position to know are able to form

a consensus on whether and where corruption may be a problem, and whether there is more or less of it now than there used to be, one may at least be able to develop a plausible impression.

The non-governmental organisation Transparency International conducts annual surveys, in which they seek independent judgment from recognised experts about the level of corruption prevailing in a number of major nations around the world. Individual rankings are then collated. Results of the most recent survey are reproduced in Table 1, in ascending order of perceived corruption. In 1999, Australia ranked 12th out of 99 countries: better than the United Kingdom and the United States, but not as good as many northern European countries and its neighbours Singapore and New Zealand. However, Australia's performance was better in a similar survey of countries perceived as likely to offer bribes.

At the micro level, corruption potential may be assessed within organisations by means of integrity testing (Newton 1997). Here, the logic is similar to quality control in manufacturing. A situation is engineered in which members of the organisation are more or less randomly presented with an opportunity to behave corruptly in the absence of guardianship. This could, for example, involve "planting" an amount of cash or drugs in a location where a police officer may be expected to discover it in the normal course of his or her duties. The proportion of the goods on cash return can be mapped over time, to indicate trends in employee honesty.

### Controlling Corruption

While some corruption in Australia has come to light as a result of sudden and dramatic disclosure, other instances appear to be the subject of widespread speculation, or even general acknowledgement, with official attention triggered when denial is

**Table 1: The Transparency International 1999 Corruption Perceptions Index**

Country Rank	Country	1999 CPI Score	Standard Deviation	Surveys Used
1	Denmark	10.0	0.8	9
2	Finland	9.8	0.5	10
3	New Zealand	9.4	0.8	9
	Sweden	9.4	0.6	10
5	Canada	9.2	0.5	10
	Iceland	9.2	1.2	6
7	Singapore	9.1	0.9	12
8	Netherlands	9.0	0.5	10
9	Norway	8.9	0.8	9
	Switzerland	8.9	0.6	11
11	Luxembourg	8.8	0.9	8
12	Australia	8.7	0.7	8
13	United Kingdom	8.6	0.5	11
14	Germany	8.0	0.5	10
15	Hong Kong	7.7	1.6	13
	Ireland	7.7	1.9	10
17	Austria	7.6	0.8	11
18	USA	7.5	0.8	10
19	Chile	6.9	1.0	9
20	Israel	6.8	1.3	9
21	Portugal	6.7	1.0	10
22	France	6.6	1.0	10
	Spain	6.6	0.7	10
24	Botswana	6.1	1.7	4
25	Japan	6.0	1.6	12
	Slovenia	6.0	1.3	6
27	Estonia	5.7	1.2	7
28	Taiwan	5.6	0.9	12
29	Belgium	5.3	1.3	9
	Namibia	5.3	0.9	3
31	Hungary	5.2	1.1	13
32	Costa Rica	5.1	1.5	7
	Malaysia	5.1	0.5	12
34	South Africa	5.0	0.8	12
	Tunisia	5.0	1.9	3
36	Greece	4.9	1.7	9
	Mauritius	4.9	0.7	4
38	Italy	4.7	0.6	10
39	Czech Republic	4.6	0.8	12
40	Peru	4.5	0.8	6
41	Jordan	4.4	0.8	6
	Uruguay	4.4	0.9	3
43	Mongolia	4.3	1.0	3
44	Poland	4.2	0.8	12
45	Brazil	4.1	0.8	11
	Malawi	4.1	0.5	4
	Morocco	4.1	1.7	4
	Zimbabwe	4.1	1.4	9
49	El Salvador	3.9	1.9	4
50	Jamaica	3.8	0.4	3
	Lithuania	3.8	0.5	6
	South Korea	3.8	0.9	13
53	Slovak Republic	3.7	1.5	9
54	Philippines	3.6	1.4	12
	Turkey	3.6	1.0	10
56	Mozambique	3.5	2.2	3
	Zambia	3.5	1.5	4
58	Belarus	3.4	1.4	6
	China	3.4	0.7	11
	Latvia	3.4	1.3	7
	Mexico	3.4	0.5	9
63	Senegal	3.4	0.8	3
	Bulgaria	3.3	1.4	8
63	Egypt	3.3	0.6	5
	Ghana	3.3	1.0	4
	Macedonia	3.3	1.2	5
	Romania	3.3	1.0	6
68	Guatemala	3.2	2.5	3
	Thailand	3.2	0.7	12
70	Nicaragua	3.1	2.5	3
71	Argentina	3.0	0.8	10
72	Colombia	2.9	0.5	11
	India	2.9	0.6	14
74	Croatia	2.7	0.9	5
75	Ivory Coast	2.6	1.0	4
	Moldova	2.6	0.8	5
	Ukraine	2.6	1.4	10
	Venezuela	2.6	0.8	9
80	Vietnam	2.6	0.5	8
	Armenia	2.5	0.4	4
82	Bolivia	2.5	1.1	6
	Ecuador	2.4	1.3	4
84	Russia	2.4	1.0	13
	Albania	2.3	0.3	5
84	Georgia	2.3	0.7	4
	Kazakhstan	2.3	1.3	5
87	Kyrgyz Republic	2.2	0.4	4
	Pakistan	2.2	0.7	3
	Uganda	2.2	0.7	5
90	Kenya	2.0	0.5	4
	Paraguay	2.0	0.8	4
	Yugoslavia	2.0	1.1	6
93	Tanzania	1.9	1.1	4
94	Honduras	1.8	0.5	3
	Uzbekistan	1.8	0.4	4
96	Azerbaijan	1.7	0.6	5
	Indonesia	1.7	0.9	12
98	Nigeria	1.6	0.8	5
99	Cameroon	1.5	0.5	4

cont...

Source: Transparency International <<http://www.transparency.de>>

no longer sustainable. In any case, the conventional response to corruption in Australia has been the appointment of some formal inquiry, the most substantial of which is a Royal Commission.

Where corruption is found to be systemic, the inquiry usually recommends some degree of

reform, often the creation of new institutions or systems to reduce opportunity or enhance guardianship (Rozenes 1995). The conclusion of the inquiry is usually accompanied by criminal prosecution of the most egregious offenders.

Where corruption appears isolated and occurs on a relatively small scale, the mobilisation of the criminal process against the suspect may occur without further institutional change, if existing institutions of prevention and control are regarded as adequate.

Recent Australian history has been characterised by series of scandals followed by reforms. The following are among the most prominent:

**Queensland: The Fitzgerald Inquiry**

The Fitzgerald Inquiry, provoked by an ABC Four Corners documentary entitled "The Moonlight State", identified a systemically corrupt police service, the use of ministerial privileges for personal gain, special deals for party supporters, 'pork barrel' legislation, and a politicised public service. It was followed by a number of prosecutions of public officials and the establishment of the Criminal Justice Commission and Electoral and the Administrative Review Commission.

**Western Australia: "WA Inc."**

During the 1980s, a series of government-private business projects resulted in massive financial losses to both private investors and the State's treasury. A Royal Commission was appointed and a number of senior public officials and business leaders were prosecuted and imprisoned. An Anti-Corruption Commission was subsequently established (Peachment 1995).

**New South Wales: The Wood Royal Commission**

In 1994, an Independent member of the New South Wales Parliament, Mr John Hatton, forced the government to appoint a Royal Commission into police corruption in New South Wales. After a number of public hearings, and some very sophisticated undercover investigation, the Commission found evidence of an "identifiable pattern of police providing protection, receiving bribes and benefits from the criminal milieu, failing to exercise their office to bring to justice those criminals with whom they have formed an illicit association, and engaging directly in criminality and extortion themselves" (New South Wales 1996, p. 45). It led to numerous prosecutions and to the establishment of a Police Integrity Commission (New South Wales 1997).

**Tasmania: The Rouse Affair**

In 1989, an attempt was made to bribe a Member of Parliament to cross the

floor and vote against an anticipated no-confidence motion in the Liberal government of Premier Robin Gray. A Royal Commission was appointed in November 1990 to try to identify others who may have been involved in the attempted bribery. A prominent businessman was convicted of the offence and imprisoned (Tasmania 1991).

**Victoria: The Land Scandals**

In the mid-1970s, the Housing Commission of Victoria had spent just under \$11 million in purchasing semi-rural land less than 50 kms from Melbourne. Nearly half of this sum was given to speculators and developers who had purchased the land at low prices and then sold it to the Housing Commission at a profit. The amount spent on the purchase of land restricted the money available to develop the low cost housing and the land remained undeveloped for years afterward. The land had not been surveyed thoroughly, some was flood prone and other land had zoning restrictions (Grabosky 1989).

In addition to such “purpose-built” institutions, a number of other systems can be introduced for the purpose of corruption control. Rather than introducing a formal anti-corruption body, the Commonwealth Government has developed procedures and systems to assist federal agencies in controlling fraud and corruption within their own areas of responsibility. Prescribed financial management systems, with provisions for regular audits by the Australian National Audit Office are reinforced by a Fraud Control Policy of the Commonwealth, to ensure that expenditure is properly accountable, and to encourage timely and accurate reporting of fraud.

The Fraud Control Policy of the Commonwealth outlines the principles of fraud control and develops national standards. It provides a consistent set of policies and directions to assist Commonwealth departments and agencies in carrying out their responsibilities to combat fraud against their programs. These include agency responsibilities for fraud prevention, reporting of fraud information, fraud investigation case handling, and training of agency fraud investigators.

Beside their investigative role, a number of anti-corruption agencies perform an important educative function—for both public servants and for the general public. They help raise awareness of corruption and its consequences, foster a climate of intolerance for corruption, and promote the principle that it is not an acceptable way to conduct the public’s business. The New South Wales Independent Commission Against Corruption (ICAC) seeks to control corruption in the State public sector through corruption prevention and education, and, where necessary, investigation and referral for prosecution.

**Transparency**

It was once said that “Sunlight is the best disinfectant”. Procedures for the public disclosure of basic

aspects of a government’s or a company’s operations can help safeguard against a variety of crimes. Freedom of information legislation can facilitate citizen access to government information. This is not to suggest that trade secrets, or military secrets for that matter, be made available to anyone who wants them. Rather, that fundamental information is available to keep markets, and citizens, informed.

**A Free Press**

The news media have an important role to play in the prevention and control of corruption. To the extent that an open and free press exists within a nation, questionable practices will be subject to questioning. This is important across a range of offences, from bribery and corruption, to consumer fraud, to fraud against

**Table 2: List, by Jurisdiction, of Australian Anti-corruption Agencies**

Name	Founding Date	Website Address	Public Contact Phone Number
<b>Commonwealth</b>			
Commonwealth Ombudsman	1976	<a href="http://www.comb.gov.au">http://www.comb.gov.au</a>	(02) 6276 0111
Australian National Audit Office	1901	<a href="http://www.anao.gov.au">http://www.anao.gov.au</a>	(02) 6203 7300
<b>New South Wales</b>			
New South Wales Ombudsman	1975	<a href="http://www.nswombudsman.nsw.gov.au">http://www.nswombudsman.nsw.gov.au</a>	(02) 9286 1000
NSW Independent Commission Against Corruption	1988	<a href="http://www.icac.nsw.gov.au">http://www.icac.nsw.gov.au</a>	(02) 9318 5999 (Toll free) 1800 463 913
NSW Police Integrity Commission	1996	No website	(02) 9321 6700
The Audit Office of NSW	1824	<a href="http://www.audit.nsw.gov.au">http://www.audit.nsw.gov.au</a>	(02) 9285 0155
<b>Victoria</b>			
Victorian Ombudsman	1973	<a href="http://www.ombudsman.vic.gov.au">http://www.ombudsman.vic.gov.au</a>	(03) 9613 6222 Toll Free 1800 806 314
Ethical Standards of Police Department	1996	<a href="http://www.police.vic.gov.au/about/ethical/index.htm">http://www.police.vic.gov.au/about/ethical/index.htm</a>	(03) 9247 6666
Victorian Auditor-General’s Office	1851	<a href="http://www.audit.vic.gov.au">http://www.audit.vic.gov.au</a>	(03) 9651 6012
<b>South Australia</b>			
SA Ombudsman	1972	<a href="http://www.ombudsman.sa.gov.au">http://www.ombudsman.sa.gov.au</a>	(08) 8226 8699 or Toll Free 1800 182 150
South Australia Police Complaints Authority	1995	No website	(08) 8226 8677
South Australia Auditor’s General Department	1839	<a href="http://www.audit.sa.gov.au">http://www.audit.sa.gov.au</a>	(08) 8226 9640
<b>Australian Capital Territory</b>			
ACT Ombudsman	1989	<a href="http://www.comb.gov.au">http://www.comb.gov.au</a>	(02) 6276 0111
ACT Auditor-General’s Office	1990	<a href="http://www.audit.act.gov.au/">http://www.audit.act.gov.au/</a>	(02) 6207 0833
<b>Northern Territory</b>			
Northern Territory Ombudsman	1972	<a href="http://www.nt.gov.au/ombudsman">http://www.nt.gov.au/ombudsman</a>	(08) 8999 1818
Northern Territory Auditor-General’s Office	1982	<a href="http://www.nt.gov.au/ago">http://www.nt.gov.au/ago</a>	(08) 8999 7155
<b>Queensland</b>			
Queensland Ombudsman	1974	<a href="http://www.powerup.com.au/~ombudsman">http://www.powerup.com.au/~ombudsman</a>	(07) 3884 7000
Queensland Criminal Justice Commission	1989	<a href="http://www.cjc.qld.gov.au/">http://www.cjc.qld.gov.au/</a>	(07) 3360 6060 Toll Free (within Australia): 1800 061 611
Queensland Audit Office	1908	<a href="http://www.qao.qld.gov.au">http://www.qao.qld.gov.au</a>	(07) 3405 1100
<b>Western Australia</b>			
Western Australian Ombudsman	1972	No website	(08) 9220 7555
Anti-Corruption Commission	1996	No website	Freecall Number: 1800 653 622; (08) 9213 4300
The Auditor-General, Western Australia	1829	<a href="http://www.audit.wa.gov.au/">http://www.audit.wa.gov.au/</a>	(08) 9222 7500
<b>Tasmania</b>			
Tasmanian Ombudsman	1978	<a href="http://www.tasedu.au/tasonline/history/govt/justice/jan99/ombu/index.htm">http://www.tasedu.au/tasonline/history/govt/justice/jan99/ombu/index.htm</a>	(03) 6233 6217
Tasmanian Audit Office	1826	<a href="http://www.audit.tas.gov.au/">http://www.audit.tas.gov.au/</a>	(03) 6233 4030

shareholders and directors. This is not to suggest that some media are always virtuous and responsible in their coverage. But their role in corruption control is indispensable. One may cite a number of examples of media attention which were instrumental in bringing about major anti-corruption inquiries, including the Fitzgerald inquiry and the Wood Royal Commission.

Nevertheless, Australian news media could play an even greater role. Existing laws of libel in a number of jurisdictions continue to discourage open and robust discussion of official misconduct.

There is a kind of symbiotic relationship between the media and anti-corruption campaigns. Exposure may discourage corruption, while newspapers thrive on scandal. As with the police, and politicians, there may be a problem of "who guards the guards", when overzealous reporting puts the rights and reputations of individuals at risk.

### Leadership and Public Information

Traditional theories of corruption emphasised the importance of having good systems as well as good individuals. Modest lifestyles among leaders were also recommended (Alatas 1986). Recent research by the New South Wales Independent Commission against Corruption suggests that good individuals may not be enough, if the informal organisational culture they work in condones corruption (Gorta 1998). The example set by senior people is most important.

Detection and prosecution are inherently difficult as corruption is, by definition, secret and often consensual. It is often perceived by offenders as a victimless crime. Prosecution is necessary to deter offenders, but needs to be accompanied by vigorous programs to prevent corruption before it happens. Many more acts of corruption take place than are ever detected or successfully prosecuted. Hence anti-corruption

commissions like those in Hong Kong and New South Wales have been given mandates to educate and prevent, as well as expose. Education and prevention may also be more cost effective, in the long run, than the high priced skills required to detect and prosecute.

### Guarding the Guards

Anti-corruption drives are a familiar part of politics. New governments often blame their predecessors. Accusations of corruption are a way leaders can pick off challengers—like the Anwar case in Malaysia. Anti-corruption can involve as much abuse of power as corruption. Anti-corruption agencies are often given extraordinary powers, and so they also need to be brought under extraordinary regimes of accountability.

### Preventing and Controlling Corruption in Australia and Overseas

By striving for continuous improvement in anti-corruption activities, Australia can assure that its own house is in order, and serve as an example for the rest of the world. Beyond this, Australia, through its overseas aid programs, can advance the cause of public sector integrity in our region and beyond. For example, the National Centre for Development Studies and the Centre for Democratic Institutions at the Australian National University have combined with the New South Wales Independent Commission Against Corruption to deliver training courses in corruption control for foreign officials.

It is also possible to take steps to reduce the likelihood that Australians doing business abroad do not contribute to the corruption of foreign governments. Australia ratified the OECD Convention to criminalise bribery of foreign public officials on 18 October 1999. Legislation to end tax deductions for bribes of foreign public officials is being

considered by the Federal Parliament.

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