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Federal ICAC with public hearings key to tackling perceived corruption

*The perception of corruption will continue to rise
while no agency has the ability to conduct
corruption investigations in public*

Discussion paper

Hannah Aulby
February 2018

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Summary

The perception of corruption is a growing problem in Australia. Since 2012, Australia has continued to fall in the annual international Corruption Perception Index. Recent polling commissioned by the Australia Institute reveals that 85 per cent of people think that there is corruption in federal politics, and only 10 per cent have a high level of trust in federal parliament.¹

Public trust in government is at a record low in Australia.² A study conducted by the University of Canberra in 2016 found only 5 per cent of Australians trust government.³ A similar study by the Australian National University in 2016 recorded the lowest levels of trust since the study began in 1969, finding that 74 per cent of Australians think politicians are 'too often interested in themselves'.⁴

Observing the ongoing scandals in federal public administration can reveal why perceived corruption is increasing and public trust is falling. Many allegations of serious corruption are falling through the gaps of our integrity system, including allegations involving water buy-backs in the Murray Darling Basin and procurement processes in the Department of Defence.

There are significant gaps in the jurisdiction and investigative powers of the federal agencies responsible for scrutinising the public sector and government. No agency can investigate misconduct of MPs, ministers or the judiciary. The agencies that do have strong investigative powers, such as the federal police, can only use them when investigating criminal charges. No agency holds public hearings, meaning that corruption and misconduct is not properly exposed to the public.

Public inquiries investigating allegations of misconduct are key to increasing public trust and tackling the perception of corruption. While investigations are carried out

¹ Gartrell and Remeikis (2017), *Federal corruption watchdog needed, say 80 per cent of Australians*, <http://www.smh.com.au/federal-politics/political-news/federal-corruption-watchdog-needed-say-80-per-cent-of-australians-poll-20170113-gtqva3.html>

² Leigh (2002), *Explaining distrust: Popular attitudes towards politicians in Australia and the United States*, in *The Prince's New Clothes: Why do Australians Dislike their Politicians?* UNSW Press; and ABC (2016), *Trust in Australian politicians, political system 'at lowest level in 20 years'*, <http://www.abc.net.au/news/2016-06-24/trust-in-australian-political-system-at-lowest-level/7539706>

³ Evans (2016), *Now for the big question: who do you trust to run the country*, <https://theconversation.com/now-for-the-big-question-who-do-you-trust-to-run-the-country-58723>

⁴ Belot (2016), *Confidence in democracy hits record low as Australians 'disaffected with political class'*, <http://www.abc.net.au/news/2016-12-20/2016-australian-election-disaffected-study/8134508>

entirely behind closed doors, there is a public perception that allegations of corruption are not taken seriously by government. Polling commissioned by the Australia Institute shows that 78 per cent of people want federal corruption investigations held with public hearings, and that 85 per cent think public trust will increase if a federal corruption watchdog can hold public hearings. Conversely, if a federal corruption watchdog conducts investigations solely in private, the poll showed 57 per cent of people thought public trust would fall.⁵

A federal anti-corruption commission is needed to fill these gaps in our integrity system. To ensure any corruption and misconduct in our federal government and public sector is investigated and exposed, a federal anti-corruption commission will need broad jurisdiction and strong investigative powers, including the power to hold public inquiries.

No federal agency has the investigative powers or jurisdiction to expose corrupt conduct in the federal government and public sector. The establishment of an anti-corruption commission would contribute to restoring people's confidence by sending an unambiguous signal that government takes corruption and accountability seriously.⁶ A federal anti-corruption commission would fill the gaps in our integrity system, tackle the perception of corruption, and increase public trust in government.

⁵ The Australia Institute (December 2017) *Polling – National ICAC*,
<http://www.tai.org.au/content/polling-%E2%80%93-national-icac>

⁶ Easton (2015) *Federal ICAC case strong, despite anti-bribery measures*,
<http://www.themandarin.com.au/31553-anti-bribery-measures-beefed-up-but-the-case-for-a-federal-icac-remains/?pgnc=1>

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Introduction

Australia has again fallen on the international Corruption Perception Index, which ranks 176 countries around the world from least to highest perceived corruption. Since 2012 Australia has continued to slide on the annual index, falling again in the latest 2018 edition.

The perception of corruption has a large cost to our economy. Research from The Australia Institute, using analysis from PriceWaterhouseCoopers, shows that worsening perceptions of corruption has potentially reduced GDP by \$72.3 billion, or 4 per cent.⁷ This is in line with global trends, where the total economic cost of corruption worldwide is estimated by the World Economic Forum to be equivalent to 5 per cent of global GDP.⁸

Worsening perceptions of corruption also have a large democratic cost. As the perception of corruption rises, public trust in our democratic institutions falls. Ongoing polls and survey show that public trust is at an all-time low. In the 2016 post-election survey on trust, the Australian National University recorded the lowest levels of trust since data collecting started in 1969, with only 26 per cent of respondents saying they trusted their elected representatives.⁹ A recent study by the United States Study Centre found that only 21 per cent of Australians think that the federal government can be trusted to do “what is right” more often than not.¹⁰

Public trust can be expected to keep falling while allegations of serious public sector corruption go without investigation, or are investigated entirely in private. Many recent allegations have fallen through the gaps in our integrity system, or have only been investigated internally. This gives the public the perception that corruption is not being tackled effectively. Tackling this perception of corruption will be possible only when serious corruption allegations are investigated by a federal corruption watchdog with the ability to open investigations to the public.

⁷ Aulby (January 2018) *The cost of corruption*, <http://www.tai.org.au/content/costs-corruption>

⁸ Organisation for Economic Cooperation and Development (2014) *CleanGovBiz Rationale for fighting corruption*, <https://www.oecd.org/cleangovbiz/49693613.pdf>

⁹ Koziol (2018) *We've lost faith in our leaders, but we're still a lot more trusting than the US*, <http://www.smh.com.au/federal-politics/political-news/we-ve-lost-faith-in-our-leaders-but-we-re-still-a-lot-more-trusting-than-the-us-20180217-p4z0oe.html>

¹⁰ United States Study Centre (February 2018) *America's Trust Deficit*, <https://www.ussc.edu.au/analysis/americas-trust-deficit>

Australia's integrity system

Australia has a multitude of agencies that are involved in some way in auditing and scrutinising the federal public sector. However, no federal agency has the investigative powers or jurisdiction to expose corruption across federal government and the public sector. No agency has held a public inquiry, so investigations into corruption and misconduct are carried out behind closed doors.

The main bodies that are responsible for scrutinising the public sector and government in Australia under our current system are the Australian Commission for Law Enforcement Integrity (ACLEI), the Commonwealth Ombudsman, the Australian Federal Police (AFP), the Auditor General, the Australian Criminal Intelligence Commission (ACIC), the Australian Public Service Commission (APSC), and the Independent Parliamentary Expenses Authority (IPEA). Other bodies including the Australian Securities and Investment Commission and the Australian Transaction Reports and Analysis Centre scrutinise the conduct of businesses.

This arrangement is often described by the Australian Government as 'multi-agency', 'holistic', or 'multi-faceted and diverse'.¹¹ Transparency International Australia disputes this assertion. It explains that:

The recent adoption of the term 'model' suggests that current Commonwealth arrangements reflect a degree of pre-existing planning or coherence which, in TIA's assessment, is factually and historically inaccurate. The Commonwealth's present arrangements are the result of decades of largely uncoordinated developments in administrative law, criminal law and public sector management, together with political accident.¹²

¹¹ Attorney General's Department (2014) *Submission to the Inquiry into the jurisdiction of the Australian Commission for Law Enforcement Integrity*, Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity

¹² Transparency International Australia (2012) *Submission to the National anti-corruption plan discussion paper*

JURISDICTION OF EXISTING AGENCIES

The Australian Commission for Law Enforcement Integrity (ACLEI) was established in 2006 to detect, investigate and prevent corruption in law enforcement agencies.¹³ The agencies subject to the ACLEI's jurisdiction include the Australian Federal Police, the Australian Criminal Intelligence Commission and the Department of Home Affairs.¹⁴ It does not have jurisdiction beyond the police and law enforcement agencies, meaning it cannot investigate allegations of corruption in other government departments or public bodies. ACLEI has the power to hold public hearings as part of its investigations, but it has never done so.¹⁵

The Australian Criminal Intelligence Commission (ACIC) was established in 1982 (as the National Crime Authority) to investigate organised crime across state and federal borders. The ACIC only has jurisdiction to investigate federal crimes, and can only investigate cases that are referred by the Board. This means that allegations of corruption and misconduct would not be investigated by ACIC unless they were deemed by the Board to be a serious criminal offence.¹⁶

The Australian Public Service Commission (APSC) is tasked with inquiring into possible breaches of the Australian Public Service Code of Conduct by staff or agency heads. This Code of Conduct includes requiring staff and agency heads to behave with honesty, integrity, use Commonwealth resources properly, and avoid any conflict of interest. The Code of Conduct only applies to staff of federal agencies, meaning that parliamentarians, Ministers, ministerial staff and the judiciary are not under the jurisdiction of the APSC. Any allegations falling outside the conduct specified in the Code would not be investigated by the APSC.¹⁷

The Auditor General was established in 1901 along with the Australian National Audit Office. The main functions of the Auditor General are to provide annual financial statement audits, annual performance statement audits and general performance audits. Its jurisdiction is limited to Commonwealth entities that are established by an Act of Parliament, similar to the APSC, so it can effectively only audit departments and government corporations. Audits are limited to finance and performance, so any

¹³ *Law Enforcement Integrity Act 2006* (Commonwealth)

¹⁴ ACLEI (2018) *ACLEI's role*, accessed 20th February 2018, <https://www.aclei.gov.au/acleis-role>

¹⁵ McKenzie (2017) *Peter Dutton's home affairs ministry will investigate itself for corruption*, <http://www.smh.com.au/federal-politics/political-news/peter-duttons-home-affairs-ministry-will-investigate-itself-for-corruption-20170721-gxfwov.html>

¹⁶ *Australian Crime Commission Act 2002* (Commonwealth)

¹⁷ *Public Sector Act 1999* (Commonwealth)

corruption or misconduct falling outside those areas would not be found by the Auditor General.¹⁸

The office of the Commonwealth Ombudsman was established in 1976 to investigate complaints arising from the administration of public office by federal agencies and officials. Among others, the Act specifies that it cannot investigate Ministers, the judiciary or anything protected by Parliamentary Privilege.¹⁹

The Australian Federal Police (AFP) has broad jurisdiction including to police laws of the Commonwealth, the investigation of State offences that have a federal aspect, and providing police services to assist with operations of law enforcement and intelligence agencies. In relation to combating corruption, the AFP is responsible for investigating serious fraud and corruption against the Commonwealth and by Australian Government employees. Although the AFP has strong investigative powers it can only use them to investigate corruption when there is evidence of a federal criminal offence.²⁰

The Independent Parliamentary Expenses Authority (IPEA) was established in 2017 to advise, monitor, report and audit in matters relating to various expenses of parliamentarians. This means that it cannot investigate and expose corruption and misconduct, and does not have jurisdiction over the public sector.²¹ The enforcement of parliamentary expenses investigations is also difficult, as shown by former Speaker Bronwyn Bishop's refusal to cooperate in a review of her expenditure and entitlements.²²

¹⁸ *Auditor General Act 1997* (Commonwealth)

¹⁹ *Ombudsman Act 1976* (Commonwealth)

²⁰ *Australian Federal Police Act 1979* (Commonwealth)

²¹ *Independent Parliamentary Expenses Authority Act 2017* (Commonwealth)

²² Bourke (2017) *Bronwyn Bishop cut short participation in expenses review after repaying more than \$6700, report finds*, <http://www.smh.com.au/federal-politics/political-news/bronwyn-bishop-cut-short-cooperation-with-expenses-review-after-repaying-more-than-6700-report-reveals-20170329-gv9g8r.html>

GAPS IN OUR INTEGRITY SYSTEM

The existing agencies in our integrity system have significant gaps in their jurisdiction and investigative powers. The majority cannot investigate MPs, ministers, ministerial staff or the judiciary. The AFP and the ACIC can only do so in criminal investigations. There are also significant gaps the investigative powers of our integrity institutions. The agencies with the strongest investigative powers, the AFP and the ACIC, can only use them in criminal investigations. ACLEI can only use its powers when investigating law enforcement agencies. The other agencies do not have sufficient investigative powers to uncover corruption and misconduct, and none have publicly investigated allegations through public hearings.

Table 1: The jurisdiction and investigative powers of integrity bodies

Body	Govt Depts	MPs	Ministers	Ministerial staff	Third parties seeking to corrupt govt	Coercive powers	Hearings – public/private	Search warrants	Surveillance and phone intercept
Auditor General	Yes	No	No	No	No	Yes	No	No	No
ACIC	In criminal matters	In criminal matters	In criminal matters	In criminal matters	In criminal matters	Yes	Private	Yes	Yes
ACLEI	Only law enforcement agencies	No	No	No	No	Yes	Can hold public hearings but never has	Yes	No
AFP	In criminal matters	In criminal matters	In criminal matters	In criminal matters	In criminal matters	No	No	Yes	Yes
APSC	Yes	No	No	No	No	No	No	No	No
Comm Omb	Yes	No	No	No	No	Can obtain information	No, and limited public reporting	No	No
IPEA	No	Yes	Yes	No	No	Can obtain information	No	No	No

Sources: *Law Enforcement Integrity Act 2006, Australian Crime Commission Act 2002, Australian Federal Police Act 1979, Public Service Act 1999, Auditor General Act 1997, Ombudsman Act 1976, Independent Parliamentary Expenses Authority Act 2011*

Cases falling through the gaps

Ongoing scandals show that many allegations of corruption and misconduct are falling through the gaps of our integrity system. Allegations are either not investigated, or investigated internally. Internal investigations, conducted in private by the departments or agencies who are themselves involved in the allegations, may leave the public perception that allegations have not been dealt with in an independent manner. As investigation of this sort are always held in private, it is difficult for the public to verify that allegations are being taken seriously and investigated thoroughly.

The following allegations may require further investigation by an independent federal anti-corruption commission with strong investigative powers and the ability to publicly expose corruption and misconduct through public hearings.

- Allegations of systemic fraud and questionable procurement processes in the Defence Department, including that Defence Department staffers colluded with contracting companies to design well-paid jobs for them, and that the Department awarded contracts to companies without a competitive tender process;²³
- Allegations regarding the buy-back of environmental water in the Murray Darling Basin, including that the Department of Agriculture and Water paid double the ABARE recommended value for environmental water that was not a guaranteed supply;²⁴
- Allegations that former Minister Stuart Robert had a financial interest in Nimrod Resources at the time when he travelled to China to help secure a deal between Nimrod Resources and Chinese company Minmetals;²⁵
- Allegations that former Trade Minister Andrew Robb received a \$880,000 consultancy position with Chinese billionaire Ye Cheng, owner of Landbridge and a member of the Chinese Communist Party's People's Consultative Committee,

²³ Trask (2017) *Allegations of systemic fraud sparked internal audit*,

<http://www.canberratimes.com.au/national/public-service/allegations-of-systemic-fraud-sparked-defence-department-internal-audit-20171114-gzkw5j.html>

²⁴ Davies (2017) *\$78m government spent on Darling water buyback nearly double its valuation*,

<https://www.theguardian.com/australia-news/2017/oct/26/78m-spent-on-darling-water-buyback-nearly-double-its-valuation>

²⁵ Martin (2016) *Stuart Robert had shares in firm with 35 per cent of Nimrod*,

<https://www.theaustralian.com.au/national-affairs/stuart-robert-had-shares-in-firm-with-35pc-of-nimrod/news-story/ba8f36d5a4cc39327b5b58a3aab1fe59>

around the same time as Mr Robb was supporting the creation of a Chinese Communist Party-backed trade park;²⁶

- Allegations that an Australian businessman was approached by a Chinese broker who offered the Liberal Party up to \$2 million in donations to assist a Chinese company to purchase a mining interest in Australia, the donation to be paid into offshore accounts;²⁷
- Allegations that Mount Gambier Mayor Andrew Lee received \$600,000 from Chinese billionaire Ye Cheng for facilitating the purchase of a Coonawarra winery;²⁸
- Allegations that Deputy Prime Minister Barnaby Joyce assisted in creating a new and unadvertised position in Minister Matt Canavan's office for Vikki Campion, with whom he was having an affair;²⁹
- Allegations that former Senator Sam Dastyari was providing confidential information and political access to Chinese political donors;³⁰
- Ongoing support of the Adani Carmichael mine from state and federal governments despite the company's opaque corporate structure and history of legal non-compliance;³¹
- The 2016 foreign bribery scandal involving Rio Tinto executives allegedly paying \$10.5 million to a close confidant of the President of Guinea in exchange for special treatment for its Simandou iron ore project;³²
- The 'revolving door' between industry and government, with former Ministers and Premiers taking up jobs with industry groups soon after leaving office. Recent cases include former federal Resources Minister Ian McFarlane who retired from politics and was then appointed as CEO of Queensland Resources

²⁶ McKenzie (2017) *Liberal Andrew Robb took \$880k China job as soon as he left Parliament*, <http://www.smh.com.au/national/investigations/liberal-andrew-robb-took-880k-china-job-as-soon-as-he-left-parliament-20170602-gwjje3e.html>

²⁷ McKenzie (2018) *The minister, the money and the mine: how a rotten deal was hatched*, <http://www.smh.com.au/federal-politics/political-news/the-minister-the-money-and-the-mine-how-a-rotten-deal-was-hatched-20180202-p4yzbm.html>

²⁸ Ibid.

²⁹ Henderson (2018) *PM's office allegedly stepped in to ensure Barnaby Joyce's girlfriend moved from his office*, <http://www.abc.net.au/news/2018-02-10/prime-ministers-office-intervened-in-barnaby-joyce-affair/9418692>

³⁰ Sweeney (2017) *Sam Dastyari resigns from Parliament, says he is 'detracting from Labor's mission' amid questions over Chinese links*, <http://www.abc.net.au/news/2017-12-12/sam-dastyari-resigns-from-parliament/9247390>

³¹ Environmental Justice Australia (2017) *The Adani Brief*, <http://envirojustice.org.au/major-reports/the-adani-brief>

³² Sexton (2016) *Rio Tinto bribery scandal*, <http://www.dailytelegraph.com.au/business/rio-tinto-bribery-scandal-two-former-chief-executives-embroiled-in-email-trail/news-story/fe4216a2852d6a25fa150e6acbd257f4>

Council,³³ and former Queensland Premier Anna Bligh who was appointed as CEO of Australian Bankers Association.³⁴

³³ Henderson (2016) *Former resources Minister Ian MacFarlane says new mining company job complies with code of conduct*, <http://www.abc.net.au/news/2016-09-26/ian-macfarlane-appointed-to-run-queensland-mining-lobby/7876942>

³⁴ Silva (2017) *Anna Bligh appointed as first female Australian Bankers' Association CEO*, <http://www.abc.net.au/news/2017-02-17/anna-bligh-appointed-first-female-aust-bankers-assoc-ceo/8279578>

Federal ICAC with public hearings

Many of the cases outlined above have not been investigated by an integrity body with the necessary investigative powers and jurisdiction. If an investigation has occurred, it has been conducted internally by the same agency or department involved in the allegation of misconduct. This leaves the public perception that allegations may have not been adequately and independently investigated.

No standing national integrity agency has ever held a public inquiry. Investigation into allegations of corruption and misconduct are conducted behind closed doors, leaving the public unable to verify whether investigations have been conducted fairly and in the public interest. Establishing an independent federal anti-corruption commission with a broad jurisdiction and strong investigative powers, including the ability to expose corruption through public hearings, is a critical first step in tackling perceived corruption and falling public trust.

Public hearings in investigations involved issues of public interest are critical to ensuring public confidence in the process. In the Royal Commission into the Builders Labourers Federation (BLF) in the 1980s, the issue was raised in the High Court. Justice Anthony Mason stated that an order that a commission proceed in private:

... seriously undermines the value of the inquiry. It shrouds the proceedings with a cloak of secrecy; denying to them the public character which to my mind is an essential element in public acceptance of an inquiry of this kind and of its report. An atmosphere of secrecy readily breeds the suspicion that the inquiry is unfair or oppressive.

The denial of public proceedings immediately brings in its train other detriments. Potential witnesses ..., lacking knowledge of the course of proceedings, are less likely to come forward. And the public, kept in ignorance of developments which it has a legitimate interest in knowing, is left to speculate on the course of events.

... Here the ultimate worth of the Royal Commission is bound up with the publicity that the proceedings attract and the public has a substantial and legitimate interest in knowing what is happening before the Commissioner.³⁵

The leading textbook on the Law of Royal Commissions also contains the observation that:

³⁵ In *Victoria v Australian Building Construction Employees and Builders Labourers Federation* (1982) 152 CLR 25 at 97.

Royal Commissioners are frequently reluctant to use private hearings, as they diminish the capacity of commissions to acquire information from the public, undermine public confidence in commissions, and reduce the 'cleansing effect' of hearings.³⁶

Anti-corruption commissioners across Australia have recognised the power of public hearings. SA ICAC Commissioner Bruce Lander, who is currently the only Commissioner not able to open hearings, has made a recommendation to the SA State Government to allow the commission to hold public hearings to ensure transparency.³⁷ Victorian IBAC Commissioner Stephen O'Bryan QC has said that openly examining cases of alleged serious corruption and misconduct in public hearings has encouraged and empowered people to come forward and report suspected wrongdoing.³⁸

Former NSW ICAC Assistant Commissioner Anthony Whealy QC has said:

there are many people out there in the public arena who will have information that's very important to the investigation. If you conduct the investigation behind closed doors, they never hear of it and the valuable information they have will be lost.³⁹

Former NSW ICAC Commissioner David Ipp AO QC has said that:

Its main function is exposing corruption; this cannot be done without public hearings.⁴⁰

PUBLIC HEARINGS INCREASE PUBLIC TRUST

These observations by experts, judges and corruption investigators are backed up by polling on public hearings and public trust. A recent poll showed that establishing a federal ICAC with the ability to hold public hearings would increase public trust in parliament, but that public trust would fall if a federal ICAC was established without public hearings.

The Australia Institute conducts regular, nationally representative polls on a range of policy issues. In September 2017, The Australia Institute surveyed 1,421 Australians about whether

³⁶ Donaghue (2001) *Royal Commissions and Permanent Commissions of Inquiry*, Butterworths, p 154.

³⁷ MacLennan (2016) *ICAC Commissioner Bruce Lander pushes for public hearings to ensure transparency*, <http://www.abc.net.au/news/2016-10-31/icac-commissioner-bruce-lander-wants-public-hearings-in-sa/7980960>

³⁸ IBAC (2016) *IBAC sheds light on serious corruption in its third year*, <http://www.ibac.vic.gov.au/media-releases/article/ibac-shines-light-on-serious-corruption-in-its-third-year>

³⁹ Gerathy (2016) *ICAC inspector calls for end to public hearings to stop 'trashing of reputations'*, <http://www.abc.net.au/news/2016-05-12/icac-inspector-david-levine-calls-for-end-to-public-hearings/7409126>

⁴⁰ Ibid.

there should be a Federal Independent Commission Against Corruption (Federal ICAC), as also asked in The Australia Institute's January and March 2017 polls.⁴¹

- **85% think there is corruption in federal politics**
- **88% support a Federal ICAC. 59% strongly support it.**
 - Only 3% oppose it, and 8% are not sure.
- Support has increased from 80% in May 2017, and 65% in March 2016
- Support was very high among voters for all parties, including majority strongly support from each.

Both polls also asked about trust in Parliament and how to design a Federal ICAC.

In March 2017,

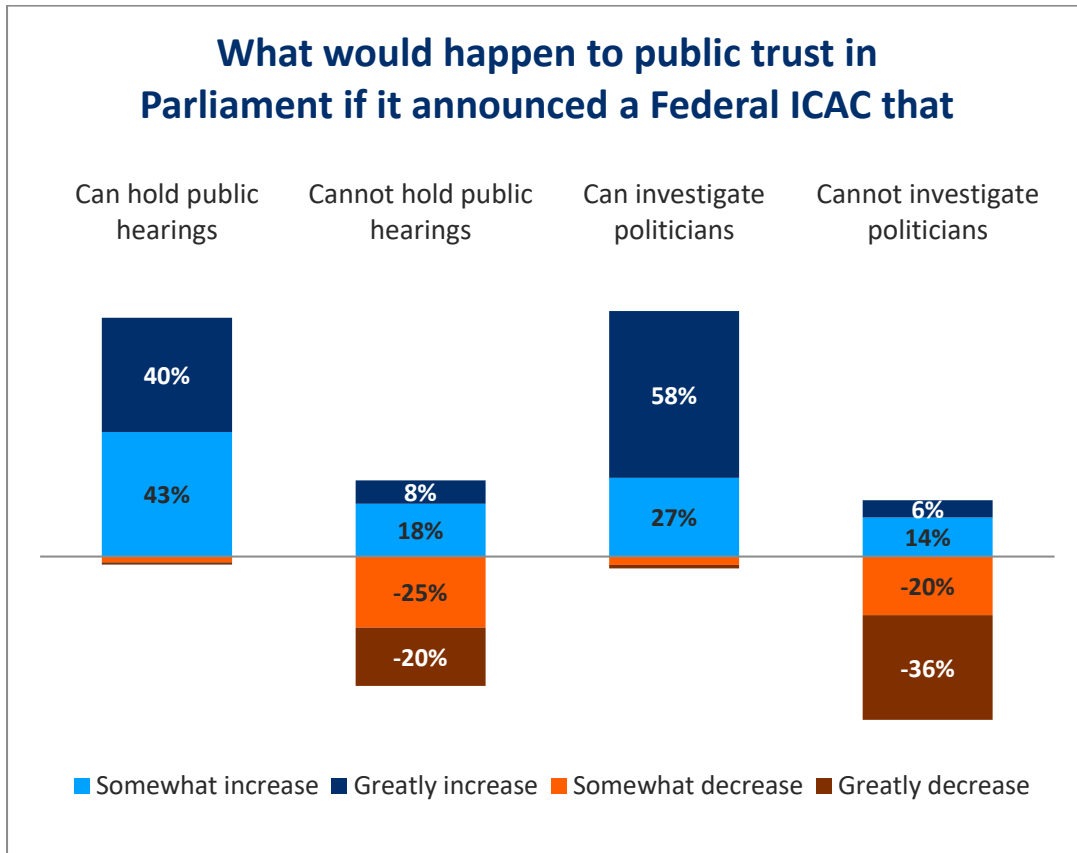
- 63% said they there was low trust in Parliament amongst people like them; only 10% saying there was a high level of trust.
- 63% said a Federal ICAC would increase public trust in Parliament.
- 78% agreed a Federal ICAC should be able to hold public hearings.

In September 2017 respondents were asked how trust in Parliament amongst people like them would be impacted by the announcement of an ICAC that could or could not hold public hearings, and that could or could not investigate politicians.

- **More than four in five said a Federal ICAC would *increase* trust in Parliament if it can hold public hearings (85%) and can investigate all holders of public office, including politicians (83%).**
 - A clear majority (58%) said trust would *greatly* increase if a Federal ICAC could investigate politicians.
 - Two in five (40%) said trust would *greatly* increase if the Federal ICAC could hold public hearings.
- **There was also a strong view that announcing a Federal ICAC that does not have these powers would *decrease* trust in Parliament.**
 - If Parliament announced a Federal ICAC that could not investigate politicians, 57% thought public trust would decrease, while only 20% thought trust would increase.
 - If Parliament announced a Federal ICAC that could not holding public hearings, twice as many thought public trust would decrease (45%) as thought it would increase (26%)

⁴¹ The Australia Institute (January 2017) *Polling – National ICAC*, <http://www.tai.org.au/content/perceptions-corruption-highest-among-one-nation-xenophon-and-independent-voters-poll>; The Australia Institute (March 2017) *Polling – Support for federal ICAC*, <http://www.tai.org.au/content/support-federal-icac-poll>

Figure 1: Polling results – public trust and a federal ICAC with public hearings



Source: The Australia Institute national poll, September 2017

Note: “Somewhat decrease” and “Greatly decrease” responses have been coded as negative numbers to provide a visual representation.

Conclusion

It is likely that Australia will continue to fall in the international Corruption Perception Index while allegations of corruption in the public sector are investigated entirely behind closed doors, or not at all.

85 per cent of Australians think that there is corruption in federal politics. They see ongoing scandals involving corruption allegations in the federal public sector and government. They see the scandals unfold in the media, but don't see investigations into these allegations being carried out in public view.

Many recent allegations of corruption have not been adequately investigated, and many are dealt with through internal audits by the same agencies or departments who are implicated in the allegations. This leaves the perception that allegations are not being dealt with independently, and as stated by High Court judge Justice Anthony Mason when discussing private investigations:

an atmosphere of secrecy readily breeds the suspicion that the inquiry is unfair or oppressive.⁴²

88 per cent of Australians want a federal corruption watchdog set up to deal with these allegations properly. 78 per cent want this body to be able to carry out investigations in public, and 85 per cent think this will increase public trust.

Establishing a federal corruption watchdog with a broad jurisdiction and strong investigative powers, including the ability to conduct hearings in public, is the first step in tackling the perception of corruption and falling public trust.

⁴² In *Victoria v Australian Building Construction Employees and Builders Labourers Federation* (1982) 152 CLR 25 at 97.