

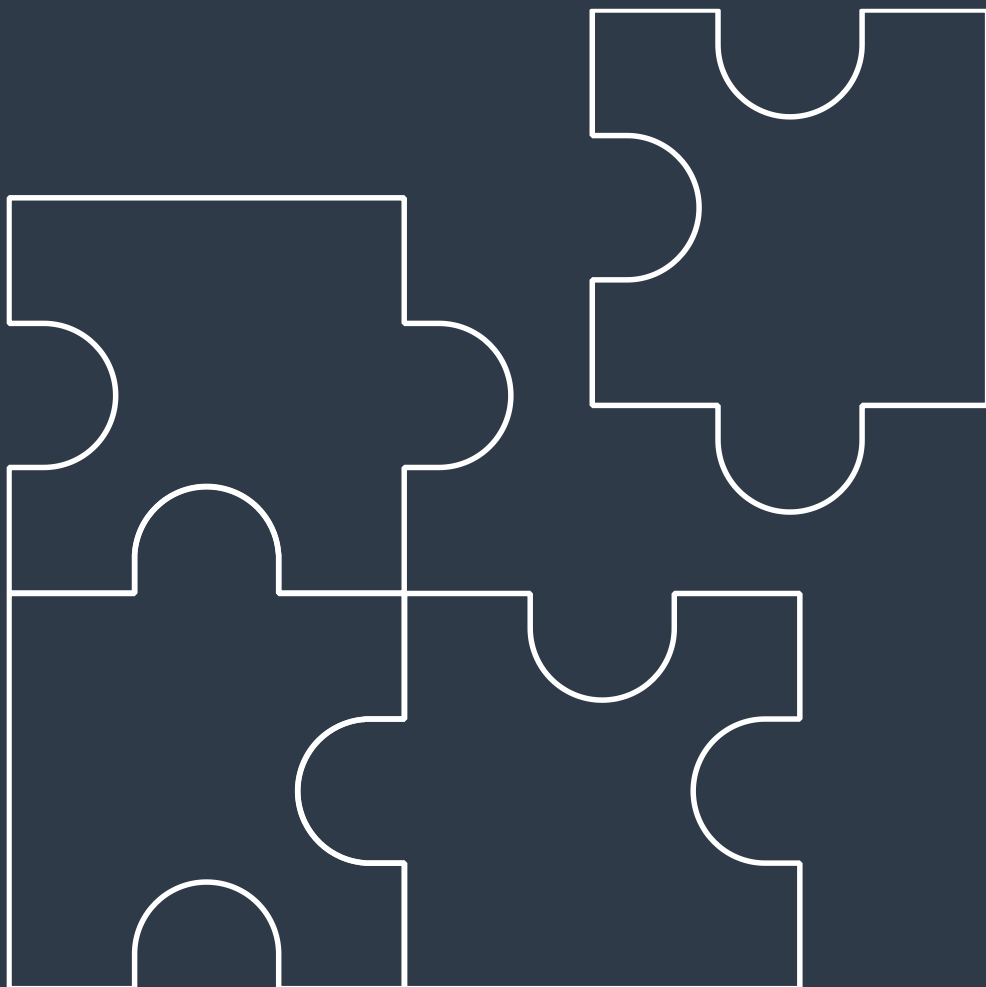


Australian Government

National Anti-Corruption Commission

Towards Integrity Maturity: Mapping the Commonwealth integrity landscape

Commonwealth Integrity Maturity Framework



CONTENTS

TOWARDS INTEGRITY MATURITY: MAPPING THE COMMONWEALTH INTEGRITY LANDSCAPE	1
INTRODUCTION	3
Integrity Maturity Framework	3
Self-Assessment Guide and FAQs	3
Towards Integrity Maturity: Mapping the Commonwealth integrity landscape	3
COMMONWEALTH FRAMEWORK FOR PROMOTING INTEGRITY AND PREVENTING CORRUPTION	5
Multi-agency integrity approach	5
Australian Government Security Vetting Agency (Department of Defence)	6
Specialist governance bodies and inspectors-general	9
Networks and communities of interest	10
Integrity arrangements for key workforce sectors	11
Australian Public Service Values	12
Codes of Conduct and Duties of Officials	14
Mandatory integrity responsibilities	17
Integrity policies and procedures	23
ENDNOTES	31

Introduction

The Commonwealth Integrity Maturity Framework provides accessible information to support Commonwealth agencies to design, implement and review the effectiveness of their integrity frameworks so that they are tailored to their risk profiles, size and contexts.

The following suite of products have been produced to support the Framework:

Integrity Maturity Framework

- The Integrity Maturity Framework is a set of 8 integrity principles, that are derived from the key Commonwealth integrity laws, policies and procedures. Each principle summarises the corresponding governance obligations and controls.
- Each integrity principle is accompanied by a 4-level maturity scale, with each level of maturity building on the previous level.

Self-Assessment Guide and FAQs

- The Self-Assessment Guide and FAQs provides guidance for Commonwealth agencies to undertake a self-assessment of their integrity maturity, by interpreting and applying the most appropriate indicators and indices.

Towards Integrity Maturity: Mapping the Commonwealth integrity landscape

- This is a directory of the Commonwealth integrity landscape. It describes the roles of Commonwealth integrity agencies and the wide range of integrity-related laws, policies and procedures that govern the actions of Commonwealth officials and agencies.



Commonwealth framework for promoting integrity and preventing corruption



Multi-agency integrity approach

The Australian Government uses a multi-agency approach to promote integrity, transparency and accountability and to prevent corruption, fraud and misconduct. Key Commonwealth agencies with integrity-related functions include:

National Anti-Corruption Commission

The National Anti-Corruption Commission (NACC) is an independent agency responsible for preventing, detecting, investigating and reporting on serious or systemic corruption in Commonwealth agencies. It is responsible for educating the public service, and the public, about corruption risks and prevention. The NACC is independent from government. This means government cannot tell the NACC what to investigate (or what not to investigate), or how to do its job. The NACC is led by a Commissioner and up to three Deputy Commissioners, with support from a Chief Executive Officer.

Australian Federal Police

The Australian Federal Police (AFP) has primary law enforcement responsibility for investigating serious or complex fraud against the Commonwealth. The Economic, Corporate Crime, and Corruption (EC3) Command liaises with other Commonwealth agencies to inform a strategic approach to detecting, disrupting, responding to, and investigating criminal fraud against the Commonwealth.

Attorney-General's Department

- The Attorney-General's Department (AGD) is responsible for a range of integrity and anti-corruption policies and programmes that apply across governmental departments and agencies. This includes the Commonwealth Fraud Prevention Centre, freedom of information regime, open government, public interest disclosure scheme, and the Protective Security Policy Framework (PSPF) covering the security of people, information, and assets.
- AGD is also responsible for leading Australia's implementation of the UN Convention against Corruption and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. AGD represents Australia in key international

anti-corruption fora, including those under the auspices of the UN, G20, OECD and APEC.

Australian Government Security Vetting Agency (Department of Defence)

The Australian Government Security Vetting Agency is the central personnel vetting agency. Under the PSPF, personnel that need ongoing access to classified resources must hold a security clearance at the appropriate level. A person may also need a security clearance if they occupy a position of trust requiring additional assurance about integrity. In the security vetting context, integrity includes character traits of honesty, trustworthiness, maturity, tolerance, resilience and loyalty.

Australian Human Rights Commission

The Australian Human Rights Commission investigates and manages discrimination and human rights complaints and advocates for human rights to be considered in laws and policy making, and promotes human rights in Australia. The Commission may conduct reviews into workplace or organisational culture and behaviours, such as the Independent Review of Commonwealth Parliamentary Workplaces (2021).

Australian National Audit Office

The Australian National Audit Office supports accountability and transparency in the Australian Government sector through independent reporting to the Parliament under the Auditor-General's mandate and in accordance with the *Auditor-General Act 1997*, the *Public Governance, Performance and Accountability Act 2013* (PGPA Act); and the *Public Service Act 1999*.

Australian Public Service Commission

The Australian Public Service Commission (APSC) is responsible for promoting the Australian Public Service (APS) Values, Employment Principles and Code of Conduct. This role includes evaluating the extent to which agencies incorporate and uphold the APS Values and Employment Principles and evaluating the adequacy of agency systems and procedures for ensuring compliance with the APS Code of Conduct. The Australian Public Service Commissioner's Directions 2022 are made under the Public Service Act and prescribe standards that Agency Heads and APS employees must comply with, including in relation to integrity. The APSC conducts the annual APS Employee Census and issues an annual State of the Service report which includes information on corruption across the service.

Commonwealth Ombudsman

The Commonwealth Ombudsman provides assurance that Commonwealth agencies and prescribed private sector organisations act with integrity, treat people fairly, and promote enduring systemic improvement in public administration. The Ombudsman produces a range of guidance resources on integrity and good governance.

Department of Finance

The Department of Finance is responsible for various statutes and standards promoting accountability, transparency, efficiency and effectiveness, including the PGPA Act; the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule); the Commonwealth Risk Management Policy; the Commonwealth Procurement Rules 2022; and the Commonwealth Grants Rules and Guidelines 2017.

The Commonwealth Risk Management Policy was updated on 1 January 2023. The policy is mandatory for all non-corporate Commonwealth entities and recommended as best practice for corporate Commonwealth entities.

The updated policy sets out the principles and mandatory requirements for effectively managing risk. The policy requires Commonwealth agencies to establish and maintain appropriate systems of risk oversight, management and internal control for the agency.

Changes to the policy include:

- a new element requiring entities to regularly review control effectiveness
- a new element requiring entities to have arrangements in place for identifying, managing and escalating emerging risks
- the inclusion of specific risk management responsibilities that should be defined in an agency's risk management framework
- the simplification and consolidation of existing elements, including the use of clearer language and a reduction in complex risk management terminology.

Independent Parliamentary Expenses Authority

The Independent Parliamentary Expenses Authority (IPEA) is an independent statutory authority with advisory, reporting and auditing responsibilities for the work and travel expenses of parliamentarians, and the travel expenses of the staff they employ under the *Members of Parliament (Staff) Act 1984*.

IPEA functions include:

- provision of advice to parliamentarians and staff about travel expenses and allowances
- administration of parliamentarian and staff travel expenses and allowances
- audit and reporting of work-related expenses under the Parliamentary Business Resources Framework.

Merit Protection Commissioner

The Merit Protection Commissioner (MPC) provides independent review of actions or decisions affecting APS or Parliamentary Service staff employment. The MPC may also investigate complaints about the handling of certain public interest disclosures and conduct inquiries and investigations, including into breaches of the APS Code of Conduct.

Office of the Australian Information Commissioner

The Office of the Australian Information Commissioner (OAIC) is the independent national regulator for privacy and freedom of information, including upholding rights to gain access to government-held information and protecting personal information.

Office of the Commonwealth Director of Public Prosecutions

The Office of the Commonwealth Director of Public Prosecutions (CDPP) is an independent prosecution service established by Parliament to prosecute alleged offences against Commonwealth law, including corruption and bribery.

The CDPP also produces integrity reports and guidance materials, including the 'Best Practice Guideline: self-reporting of foreign bribery and related offending by corporations'.



Specialist governance bodies and inspectors-general

- Integrity in the Commonwealth is also served by bodies to oversee specific sectors, including five inspectors-general:
- The Inspector-General of the Australian Defence Force conducts reviews of administrative action, investigates Service Police professional standards breaches and other significant incidents including Service personnel deaths, and reviews and audits the operation of the military justice system independently of the chain of command.
- The Inspector-General of Biosecurity provides assurance over Australia's biosecurity risk management systems through independent evaluation and verification; may review the exercise of powers by the Director of Biosecurity in the Department of Agriculture, Fisheries and Forestry; and make recommendations for system improvements.
- The Inspector-General of Intelligence and Security (IGIS) provides independent assurance to ministers, the Parliament and the public that the activities of the six Australian intelligence agencies under IGIS jurisdiction, and the use of Network Activity Warrants by the Australian Federal Police and Australian Criminal Intelligence Commission, are conducted legally and with propriety and consistency with human rights.
- The Inspector-General of Live Animal Exports promotes continuous improvement in regulatory practice, performance, and culture of the Department of Agriculture, Fisheries and Forestry in its role as the regulator of livestock exports; and reviews the associated conduct of officials.
- The Inspector-General of Taxation and Taxation Ombudsman investigates and reports on administrative actions taken by tax officials under tax law, including those that are the subject of unresolved complaints; investigates and reports on tax administrative systems, including those established by the tax laws; and provides independent assurance to the community that tax laws are administered fairly, transparently and in accordance with community expectations.
- Sport Integrity Australia nationally coordinates all elements of the sports integrity threat response, including regulation, monitoring, intelligence, investigations, policy development and program delivery. It provides support services on sports integrity issues; countering manipulation of sporting competitions; avoidance of doping, bullying, intimidation, discrimination, harassment, or abuse, including of children.



Networks and communities of interest

Under the multi-agency approach to good governance and integrity, cooperation between agencies is promoted through various fora, including the:

- Integrity Agencies Group
- Criminal Justice and Law Enforcement Forum
- Commonwealth Risk Managers Forum and the Commonwealth Senior Officers Fraud Forum
- Counter Fraud Reference Group
- Fraud Prevention and Fraud Detection and Measurement Communities of Practice.

Cooperation with the States and Territories in the field of integrity and corruption prevention is facilitated through a variety of fora including the Corruption Prevention Practitioners' Forum and the biannual Australian Public Service Anti-Corruption Conference.



Integrity arrangements for key workforce sectors

The Commonwealth's approach to promoting integrity varies by agency type and category of employment.

The APS employs staff under the Public Service Act. This includes all Commonwealth departments, and over 100 other Commonwealth agencies. Generally, APS agencies are 'non-corporate', being components of the legal entity that is the Commonwealth.

Corporate Commonwealth agencies (CCEs) are generally established through legislation. Although there are exceptions, employees of CCEs are generally not employed under the Public Service Act and so are not formally under the purview of the APSC integrity and governance arrangements. Instead, CCEs are subject to the integrity, accountability, transparency, efficiency and effectiveness provisions of the PGPA Act and the subsidiary PGPA Rule, which apply to all 189 Commonwealth agencies.¹

Non-Corporate Commonwealth agencies (NCEs) are created through enabling legislation and may have specific values, codes of conduct and integrity arrangements that apply to their staff. Some Commonwealth agencies can engage officials under enabling legislation as well as the Public Service Act.²

The Departments of Parliamentary Services, the House of Representatives, the Senate, and the Parliamentary Budget Office are directly accountable to the Parliament, not the Government or a minister. Staff employed under the Parliamentary Service Act are subject to the Parliamentary Service Code of Conduct. Parliamentarians employ staff under the Members of Parliament (Staff) Act on behalf of the Commonwealth and are responsible for directing the day-to-day work of their employees under that Act. The Members of Parliament (Staff) Act is administered by the Minister for Finance and the Special Minister of State.

The Australian Government Contract Management Guide describes the ethical obligations of contractors, and contract managers, arising from the Resource Management Framework, the Commonwealth Procurement Rules, the PGPA Act, and the policy on Ethics and Probity in Procurement principles.³



Australian Public Service Values

The APS Values set out the Parliament's expectations of public servants in terms of performance and standards of behaviour.⁴

The principles of good public administration are embodied in the APS Values. The APS Values require behaviour and performance that is:

- **Impartial:** The APS is apolitical and provides the Government with advice that is frank, honest, timely and based on the best available evidence.
- **Committed to service:** The APS is professional, objective, innovative and efficient, and works collaboratively to achieve the best results for the Australian community and the Government.
- **Accountable:** The APS is open and accountable to the Australian community under the law and within the framework of ministerial responsibility.
- **Respectful:** The APS respects all people, including their rights and their heritage.
- **Ethical:** The APS demonstrates leadership, is trustworthy, and acts with integrity, in all that it does.

The Australian Public Service Commissioner's Directions 2022 provide detailed guidance on the scope and application of each of the APS Values. The guidance on values that directly relate to integrity includes:

- ensuring policy advice and decision-making is impartial
- acting in a way that models and promotes the highest standard of ethical behaviour, including complying with all relevant laws and standards and reporting and addressing misconduct in a fair, timely and effective way
- being respectful by dealing with all people honestly and with integrity
- being open to scrutiny and transparent in decision-making
- being accountable for actions and decisions through statutory and administrative reporting systems
- demonstrating that resources have been used efficiently, effectively, economically and ethically.

The Secretaries' Charter of Leadership Behaviours (DRIVE Charter) sets out the behaviours Secretaries expect of themselves and SES, and want to see in leaders at all levels of the APS. The DRIVE Charter focuses on behaviours that support modern systems leadership within the construct of the APS Values and APS Code of Conduct.

The integrity component of the DRIVE Charter calls for APS leaders to:

- Be open, honest and accountable.
- Take responsibility for what happens around you.
- Have courage to call out unacceptable behaviour.





Codes of Conduct and Duties of Officials

Several frameworks govern the conduct and duties of officials in Commonwealth departments and Commonwealth agencies, depending on relevant governing legislation, regulations, and employment sectors, as summarised below.

Australian Public Service (APS) Code of Conduct

The APS Code of Conduct is set out in section 13 of the Public Service Act and requires that an APS employee must:

- behave honestly and with integrity in connection with APS employment.
- act with care and diligence in connection with APS employment.
- when acting in connection with APS employment, treat everyone with respect and courtesy, and without harassment.
- when acting in connection with APS employment, comply with all applicable Australian laws.
- comply with any lawful and reasonable direction given by someone in the employee's agency who has authority to give the direction.
- maintain appropriate confidentiality about dealings that the employee has with any minister or minister's member of staff.
- take reasonable steps to avoid any conflict of interest (real or apparent) and disclose details of any material personal interest of the employee in connection with the employee's APS employment.
- use Commonwealth resources in a proper manner and for a proper purpose.
- not provide false or misleading information in response to a request for information that is made for official purposes in connection with the employee's APS employment.
- not improperly use inside information or the employee's duties, status, power or authority:
 - to gain, or seek to gain, a benefit or an advantage for the employee or any other person; or
 - to cause, or to seek to cause, detriment to the employee's Agency, the Commonwealth or any other person.
- at all times behave in a way that upholds the APS Values and Employment Principles, and the integrity and good reputation of the employee's agency and the APS

- while on duty overseas, always behave in a way that upholds the good reputation of Australia, and
- comply with any other conduct requirement that is prescribed by the regulations.⁵

Conduct and duties of officials under the Public Governance, Performance and Accountability Act (PGPA Act)

Officials are required to exercise their powers and perform their functions under the PGPA Act and rules in accordance with certain standards of behaviour. The PGPA Act does this through the following list of general duties on officials:

- duty of care and diligence (section 25)
- duty to act honestly, in good faith and for a proper purpose (section 26)
- duty in relation to use of position (section 27)
- duty in relation to use of information (section 28)
- duty to disclose material personal interests (section 29).

To meet these duties, officials need to consider and, where relevant, comply with:

- finance law, which includes the PGPA Act and rules and instruments made under the PGPA Act, as well as appropriation Acts
- the systems of risk management and internal control in their agency established by their accountable authority (including any delegations or authorisations).

Although not identical, the duties in the PGPA Act are consistent with duties in APS Code of Conduct. For APS employees, adherence with the APS Code of Conduct will ordinarily meet the requirements of the duties under the PGPA Act.

Non-corporate Commonwealth agencies, Parliamentary Staff, Defence Force Personnel, and Federal Police

The duties in the PGPA Act are in addition to any other legal duties that an official may have under their employment framework or through an employment contract.

As described above, non-corporate Commonwealth agencies engage or have the option of engaging staff under their enabling legislation rather than under the Public Service Act and the associated APS integrity arrangements. Staff in non-corporate Commonwealth agencies may be subject to the agency's own arrangements in relation to values, codes of conduct and integrity.

Parliamentary staff employed under the Parliamentary Service Act are also subject to the Parliamentary Service Code of Conduct.⁶

Defence Force personnel have duties, values or professional standards of employment set out in the Defence Values, the Defence Force Discipline Act 1982 and the 'ADF – Philosophical – Military Ethics Doctrine'. AFP officers are subject to the standards set out in the Australian Federal Police Act 1979.

Commonwealth agencies and individuals that are contracted to provide services to Commonwealth agencies are subject to the terms of the Resource Management Framework, the Commonwealth Procurement Rules, the PGPA Act, and the policy on Ethics and Probity in Procurement. Contractors are not necessarily subject to the terms of the PGPA Act as they are generally not officials under the PGPA Act directly. Instead, contractors are subject, generally, to what is contained in their contractual agreements.

[Code of Conduct for ministers and ministerial staff](#)

In June 2022, the Australian Government published a Code of Conduct for Ministers.

The Ministerial Staff Code of Conduct published by the Special Minister of State, sets out the standards that ministerial staff employed under the Members of Parliament (Staff) Act are expected to meet in the performance of their duties.



Mandatory integrity responsibilities

Leadership obligations

APS Senior Executive Service (SES) employees are required to:

- uphold the Values and Employment Principles and promote them by personal example and other appropriate means.⁷
- comply with the Australian Public Service Commissioner's Directions regarding conduct and values.
- ensure that conflicts of interest are effectively managed:
 - monitor compliance with the agency's policy for disclosing and managing conflicts of interest to meet the requirements of the PGPA Act.
 - submit, at least annually, a written declaration of their own and their immediate family's financial and other material personal interests.
 - consider appropriate steps to manage any conflicts if they themselves are offered employment outside the APS which they intend to accept.
 - an agency head can implement broad policy guidelines, for example, including a suggested period of time for an employee to wait after leaving the APS, before engaging in work in direct contact with their former agency.
- uphold merit in recruitment and selection.
- ensure APS employees are engaged on probation, and ensure processes are in place to assess the employee's suitability for the role.
- arrange for employees new to the APS to undergo training about integrity.
- ensure each employee is given a clear statement of the performance and behaviour expected of the employee.
- consult the APS Commissioner about a potential agreement to settle a dispute about sexual harassment including non-disclosure or confidentiality provisions, and suspected breaches of the Code of Conduct by SES employees.
- exercise care in appearing in government advertising or information campaigns, or in public commentary.
- manage risks to the health and safety of their employees.
- implement the Commonwealth Risk Management Policy.

Agency heads must also publicly disclose all gifts or benefits accepted if valued at \$100 or more.

Organisational obligations

Risk Management

The Commonwealth Risk Management Policy supports section 16 of the PGPA Act which requires Commonwealth agencies to establish and maintain systems and internal controls for the oversight and management of risk.⁸

Risk management underpins an agency's integrity framework, as integrity controls are generally established and implemented based on identified corruption risks.

Under the Commonwealth Risk Management Policy, most Commonwealth agencies must comply with the following 9 key elements for effective risk management:

1. Risk management must be embedded into the decision making activities of an agency.
2. Agencies must formalise their approach to the management of risk in a risk management framework.
3. An agency's risk management framework must support a culture where risk is managed and communicated across all levels of the agency and individuals are encouraged to adopt positive risk behaviours.
4. An agency's risk management framework must clearly define the risk management responsibilities of officials.
5. The effectiveness of controls must be periodically reviewed.
6. Agencies must collaborate to manage shared risks.
7. Agencies must implement arrangements for identifying, managing and escalating emerging risks.
8. Agencies must maintain an appropriate level of risk management capability.
9. An agency's risk management approach must be regularly reviewed.

Protective Security Policy Framework (PSPF)

The PSPF applies across the Commonwealth and is designed to protect people, information and assets. While the PSPF focuses on security, it also has an integrity function in safeguarding official information, premises and equipment from corruption.

Effective implementation of the PSPF complements integrity controls such as employee suitability vetting and assists to counteract corruption vulnerabilities such as misuse of information.

The PSPF sets out government protective security policy and supports Commonwealth agencies to effectively implement policies in the following areas:

- **Security governance:** management structures and responsibilities that determine how security decisions are made, how to plan, manage, monitor and report on protective security, and governance arrangements for contracted service providers and foreign partners.
- **Information security:** how Commonwealth agencies classify and handle official information to guard against information compromise; how to provide appropriate and secure access to official information, mitigate common and emerging cyber threats; and safeguard official information and communication technology systems.
- **Personnel security:** how to screen and vet personnel and contractors to assess their eligibility and suitability, including integrity and honesty; how to assess the ongoing suitability of entity personnel to access government resources; how to manage personnel separation.
- **Physical security:** policies outline physical security, control, and building construction measures to minimise or remove the risk of harm to people and safeguard government resources.

Fraud risk assessment and control

The Commonwealth Fraud Control Framework outlines the Government's requirements for fraud control. Commonwealth agencies must maintain an up-to-date fraud control plan under the framework, including through the implementation of the following measures:

- **Risk assessment:** conduct regular fraud risk assessments that identify threats, vulnerabilities and impacts that can adversely affect Commonwealth agencies and the services they deliver, and covers prevention, detection, investigation and reporting.
- **Education:** ensure officials and contractors are aware of what fraud is and how to report it, and ensure staff engaged in fraud control are trained.

- **Procedures:** maintain instructions and procedures to help staff prevent, detect and deal with fraud.
- **Remediation:** ensure fraud is recorded, investigated and reported. Make all reasonable attempts to recover financial losses from fraud, and share lessons with other agencies.

Commonwealth Grants Rules and Guidelines

Grants are widely used to achieve government policy objectives, involving the payment of billions of dollars each year to the non-government sector.

The Australian Government grants policy framework applies to all non-corporate Commonwealth agencies subject to the PGPA Act. The Commonwealth Grants Rules and Guidelines 2017 (CGRGs) establish the Commonwealth grants policy framework. The CGRGs contain the key legislative and policy requirements, and explain the better practice principles of grants administration. The CGRGs apply to grants administration performed by ministers, accountable authorities, officials and third parties who undertake grants administration on behalf of the Commonwealth. It is the responsibility of officials to advise ministers of the requirements of the CGRGs. Commonwealth agencies are required to undertake a risk self-assessment, in consultation with the Department of Finance and Department of the Prime Minister and Cabinet before the release of new or revised program guidelines.

Division 6A of the PGPA Rule governs grants made by or on behalf of corporate Commonwealth agencies. This provision places similar requirements to the CGRGs on Corporate Commonwealth agencies where a Minister is the decision maker for grants.

Public interest disclosure (PID)

Public officials (disclosers) who suspect wrongdoing within the Commonwealth public sector can raise their concerns to a PID authorised officer under the Public Interest Disclosure Act 2013 (PID Act). The PID Act promotes integrity and accountability in the Australian public sector by encouraging the disclosure of information about suspected wrongdoing, protecting people who make disclosures, and requiring agencies to act. All Australian Government agencies, Commonwealth companies and public authorities have responsibilities under the PID Act to investigate suspected wrongdoing and take appropriate action.

Conduct which may be the subject of a PID include:

- a contravention of the law
- corrupt conduct
- perverting the course of justice
- maladministration

- an abuse of public trust
- falsifying scientific research
- wastage of public money, or
- conduct that is a danger to health, safety or the environment.

The PID Act offers protection to disclosers from reprisal action.

Commonwealth agencies must provide employees an effective means for reporting suspected wrongdoing under the PID Act, including how to contact authorised PID officers.⁹

PID Officer

The PID Act requires the principal officer of an agency to establish procedures for facilitating and dealing with public interest disclosures relating to the agency. The principal officer may delegate any of their functions or powers to a public official who belongs to their agency.

Authorised officers are officers authorised by their home entity or agency for the purposes of the PID Act. They have a range of decision-making, notification and other responsibilities under the PID Act, including:

- receiving disclosures from current or former employees
- receiving disclosures from other public officials about conduct concerning the OAIC
- deeming a person to be a public official to allow them to make a public interest disclosure
- confronting any workplace prejudices about making a disclosure
- supporting an employee who they know has made a public interest disclosure and ensuring they are protected from reprisal
- ensuring identified problems in the workplace are corrected, and
- the keeping of all records provided and retaining copies of all notifications on an official file until the matter is completed.¹⁰

Mandatory referral

An important element of the *National Anti-Corruption Commission Act 2022* is that agency heads and PID officers now have mandatory obligations to refer corruption matters to the National Anti-Corruption Commissioner if they suspect a corruption issue is serious or systemic.

Who may make a disclosure?

A person must be a current or former public official to make a disclosure. This includes public servants (ongoing, non-ongoing and casual) and parliamentary service employees, service providers under a Commonwealth contract, statutory office holders, staff of Commonwealth companies and temporary employees engaged through a recruitment agency. A public official also includes any other person deemed by the authorised officer to be a public official for the purposes of the PID Act.

Types of wrongdoing

A public official can disclose information that they reasonably believe contravenes a law, is corrupt, perverts the course of justice, results in wastage, is an abuse of public trust, unreasonably endangers health and safety, endangers the environment, or conduct that is unjust, oppressive or negligent.

Protecting people who make a disclosure

A person making a disclosure will be protected by a range of measures, including protection of identity as far as practicable, immunity from civil, criminal and administrative liability for the disclosure, and criminalising reprisal.

Disclosures must only be made to certain officials, including a supervisor and/or an authorised officer, and in some cases a relevant inspector-general, the Ombudsman, or a prescribed investigative agency. In limited circumstances, an external disclosure outside government is permitted, such as a case of substantial and imminent danger.

Complementing other investigative schemes

The PID Act complements other investigative and complaint schemes that apply to the Commonwealth public sector, such as a suspected breach of the APS Code of Conduct which can be investigated under the Public Service Act. Evidence of a criminal offence may be referred to competent criminal law enforcement authorities.



Integrity policies and procedures

Conflicts of Interest

The public is entitled to have confidence in the integrity of public officials, and to know that Commonwealth employees' personal interests do not conflict with their public duties. The appearance of a conflict can be just as damaging to public confidence in public administration as a real conflict. For this reason, the disclosure and effective management of real, apparent and potential conflicts of interest is an important element of an integrity framework.

Obligation to avoid conflicts of interest

The APS Code of Conduct requires employees to take reasonable steps to avoid any conflict of interest, real or apparent, in connection with their employment. This obligation is similar to the general duty of officials to disclose interests under section 29 of the PGPA Act.

Obligation to report conflicts of interest

The APS Code of Conduct requires APS employees to 'take reasonable steps to avoid any conflict of interest (real or apparent) and disclose details of any material personal interest of the employee in connection with the employee's APS employment'.

Examples of financial and personal interests

Financial interests may include directorships, shareholdings, real estate, trusts or involvement in self-managed superannuation funds which have the potential to conflict with official duties. Personal interests may include family relationships, sexual relationships or relationships formed through work or engagement with the local community, including sporting, social, cultural or voluntary activities.

Disclosing material interests

To be 'material' a personal interest needs to give rise to a real or apparent conflict of interest. Personal interests do not give rise to a conflict of interest unless there is a real or sensible possibility of a conflict. If no reasonable person could draw a connection between the employee's personal interest and their duties, then the personal interest is not 'material'. The Department of Finance has published guidance about the meaning of a 'material' interest.¹¹

The purpose of disclosure is to ensure that agency heads are aware of any personal interests or relationships of employees which improperly

influence, or could be seen to improperly influence, employees in their duties, and to make arrangements to avoid the conflict (e.g. duties can be reassigned, or the employee can stand aside from relevant decisions).

Adapting reporting requirements to manage risks

Agencies may choose to require regular written declarations of other employees at particular risk of conflict of interest. It may be useful to require declarations when certain events occur, for example on appointment to a board or committee or before making certain types of decisions. The extent to which routine declarations are required of employees in each agency will depend on assessments of the sensitivity of the work, the administrative and resource implications, and the risks involved.

Registering conflicts of interest

A system for registering conflicts of interests is necessary to ensure that conflict of interest disclosures are:

- managed in accordance with the Privacy Act
- monitored to ensure they remain current
- brought to the attention of the agency head and any nominated SES delegate if there are serious actual, perceived or potential conflicts of interest
- recorded in relation to specific decisions.

Risk mitigation action may include withdrawing from particular discussions, restricting the flow of information, abstaining from decisions, reassignment of duties, or relinquishing the interest or the position.

Activities which may involve a heightened risk of conflict of interest for employees are shown in Table 1.

Table 1. Agency activities with heightened risk of conflict of interest.¹²

Function	Potential Risk Activity
Procurement and recruitment	<ul style="list-style-type: none"> • procuring goods or services • tendering for and managing contracts • engaging and promoting employees • making appointments to statutory positions
Regulating individual or business activities	<ul style="list-style-type: none"> • inspecting, regulating or monitoring standards, businesses, equipment or premises • issuing qualifications or licences • issuing or reviewing fines or penalties
Distributing goods, services, grants or funds	<ul style="list-style-type: none"> • providing a service • allocating grants of public funds • allocating subsidies, financial assistance, concessions or other relief
Making binding decisions	<ul style="list-style-type: none"> • issuing determinations on matters • passing binding judgements • exercising statutory powers • voting as a member of a board or committee
Law enforcement	<ul style="list-style-type: none"> • investigating organised criminal activities • exercising coercive law enforcement functions • accessing sensitive law enforcement information

For APS employees, the [APSC website](#) provides guidance on implementing the APS Values and Code of Conduct to target potential corruption vulnerabilities, such as abuse of office or unmanaged conflicts of interest.

Gifts and benefits

Agencies may require some or all employees to declare gifts and benefits offered or received, including where particular risks must be managed, such as involvement in procurement, recruitment, regulating business activities, and distributing goods, services or funds.

Acceptance of a gift or benefit that relates to an employee's employment can create a real or apparent conflict of interest that should be avoided. In some circumstances, it could be perceived as a bribe.

It is not possible to establish definitive rules about accepting gifts or benefits, as the appropriate course of action will depend on the circumstances of the offer and the roles and responsibilities of the employee and the agency.

When deciding whether to accept a gift or benefit, an employee is advised to:

- consult their agency's policy
- consider discussing the matter with their manager or supervisor
- consider whether the gift could create a real or perceived conflict of interest
- note that it is usually inappropriate to accept a gift or benefit from a person or company if they:
 - are involved in a tender process with the agency, either for the procurement of goods and services or sale of assets
 - are the subject of a decision within the discretion or the sphere of influence of the APS employee concerned
 - are in a contractual or regulatory relationship with the agency, or if the organisation's primary purpose is to lobby Ministers, Members of Parliament or agencies.

A gift or benefit may generally be accepted if the offer is open to the community, or to the APS generally. If a gift or benefit is accepted, and its acceptance creates a material conflict of interest, it must be disclosed. All valuable gifts or benefits should be registered. Any gift accepted by an employee because of their employment becomes the property of the agency unless there are agency policies to the contrary.

Hospitality, entertainment, and sponsored travel

The nature of work in the APS and the relationship of the APS with external clients and stakeholders is such that employees, particularly at senior levels, often deal with heads of corporations and senior business representatives, heads of non-government organisations, and international officials. In many of these sectors, offers of gifts and hospitality are commonplace.

When deciding whether to accept such an offer, an employee should:

- balance the benefits to their agency and the APS with the risks that acceptance will raise, including the risk that agency employees or the public may view acceptance as compromising the employee's integrity.
- consider bringing the offer to the attention of the agency head.
- note that it is not generally appropriate for them to accept offers of paid travel or accommodation associated with their attendance.

Political activity

APS employees should not engage in party political activities at work, such as distributing political material, producing political publications, or conducting market research. While acting as private citizens, APS employees nonetheless enjoy most of the same rights to participate in the political life of the community as other citizens.

When APS employees make public comment in an unofficial capacity, it is inappropriate to make comment that is, or could be reasonably perceived to be, made on behalf of their agency or the Government.

Further information is available in the APSC's guidance on the APS Values and Code of Conduct in practice.

Lobbying

The Lobbying Code of Conduct (Lobbying Code) defines lobbying activities as communications with Australian Government representatives in an effort to influence federal government decision-making.

Any person who acts on behalf of third-party clients for the purpose of lobbying Australian Government representatives must register and comply with the requirements of the Lobbying Code. Under section 12 of the Lobbying Code, registered lobbyists must observe the following 5 principles when engaging with Australian Government representatives:

- use truthful and accurate statements
- do not engage in corrupt, dishonest, illegal or unlawful conduct
- do not make misleading or exaggerated claims

- keep lobbying activity and personal activity on behalf of a political party separate
- always make clear that you are a registered lobbyist representing a client, the reason for the meeting and, if applicable, that you are a former Australian Government representative within a prohibition period.

Social media

APS employees have obligations to uphold the good reputation of agencies and the APS and not to undermine trust and confidence in public administration. The APSC has issued guidance for APS employees and agencies on personal use of social media. Personal behaviour on social media should involve understanding and assessing the risks, including the following factors:

- **Seniority:** the more senior an employee, the more likely the comments are to influence public confidence in the APS.
- **Connection between the topic and work:** the closer that the content of an employee's post is to an employee's area of work, the higher the risk of it affecting public confidence and trust in the APS and relevant agency.
- **Norms of expression:** the further the tone, language, or expression of comments fall outside the norms of acceptable social behaviour, the higher the risk of damage to public confidence in the integrity and professionalism of the APS.

Managers should discuss social media policies with their staff and be available for employees to raise questions, and ensure any proposed response is proportionate to the situation.

Ethics and probity in procurement

Officials undertaking procurement must act ethically throughout the procurement. Probity is the evidence of ethical behaviour, and can be defined as confirmation of integrity, uprightness and honesty in a particular process. The principles underpinning ethics and probity in Australian Government procurement are:

- **Act ethically:** Officials must act ethically, in accordance with the APS Values (section 10 of the Public Service Act) and Code of Conduct (section 13 of the Public Service Act). Officials must not make improper use of their position.
- **No gifts or hospitality:** Officials must not accept hospitality, gifts or benefits from any potential suppliers.
- **Treat equitably:** All tenderers must be treated equitably. This means that all tenderers must be treated fairly - it does not necessarily mean that they are treated equally.

- **Manage conflicts of interest:** Probity and conflict of interest requirements should be applied with appropriate and proportionate measures informed by sound risk management principles. Officials should avoid placing themselves in a position where there is the potential for claims of bias.
- **Conduct due diligence:** Agencies must not seek to benefit from supplier practices that may be dishonest, unethical, or unsafe, which may include tax avoidance, fraud, corruption, exploitation, unmanaged conflicts of interest and modern slavery practices.
- **Assure probity:** Mechanisms for assuring probity should be applied sensibly in procurement processes, with the management of probity issues tailored to each individual process. External probity specialists should only be appointed where justified by the nature of the procurement.
- **Achieve value for money:** Outcomes are best served by effective probity measures. Do not exclude suppliers from consideration for inconsequential reasons.
- **Protect confidential information:** Treat confidential information appropriately during and after a procurement process.
- **Manage complaints:** If a complaint about procurement is received, relevant Commonwealth agencies must apply timely, equitable and non-discriminatory complaint-handling procedures.

Integrity advice and guidance

The APSC Ethics Advisory Service is available to all APS employees, including agency heads and SES staff, who wish to discuss and seek advice on ethical issues that occur in the workplace and make sound decisions.

Measuring, monitoring and reporting on integrity performance

The APSC has produced the Integrity Metrics Resource to support agencies to strengthen the integrity culture and maturity of an organisation through measuring, monitoring and reporting on integrity performance.

Agencies that can effectively measure, monitor and report on their integrity performance will be better positioned to:

- identify risks
- action and remedy integrity issues
- embed integrity into all aspects of workplace culture and practice.

By monitoring integrity measures over time, agencies can note any trends occurring or integrity maturity levels within the organisation. Some specific examples include:

- leadership teams can review the integrity performance of the organisation as a whole and make informed decisions.
- corporate teams can use the information to make informed decisions on organisation-wide policies and processes.
- business areas can assess information relevant to their teams and functions.

Endnotes

- ¹ Department of Finance [Flipchart of PGPA Act Commonwealth agencies and companies - Public Governance, Performance and Accountability Act 2013 \(finance.gov.au\)](#), Department of Finance, 2019.
- ² Department of Finance, [Flipchart of PGPA Act Commonwealth agencies and companies](#).
- ³ Department of Finance [Australian Government Contract Management Guide](#), Department of Finance, 2023.
- ⁴ APSC (Australian Public Service Commission) [APS Values | Australian Public Service Commission \(apsc.gov.au\)](#), APSC, 2020.
- ⁵ APSC (Australian Public Service Commission), [APS Code of Conduct](#), APSC, 2022.
- ⁶ [Parliamentary Services Act 1999](#), section 13.
- ⁷ APSC (Australian Public Service Commission), [APS Values, Code of Conduct and Employment Principles](#), APSC, 2021.
- ⁸ Department of Finance, [Implementing the Commonwealth Risk Management Policy \(RMG 211\)](#), Department of Finance, 2016.
- ⁹ Australian Government, Federal Register of Legislation, [Public Interest Disclosure Standard 2013](#).
- ¹⁰ Office of the Australian Information Commissioner (OAIC), [Public interest disclosure procedures](#).
- ¹¹ Department of Finance, [Duty to disclose interests](#), 2023.
- ¹² Adapted from VPSC (Victorian Public Sector Commission), *Managing Conflicts of Interest: A guide to policy development and implementation*, VPSC, October 2014, p.5.