

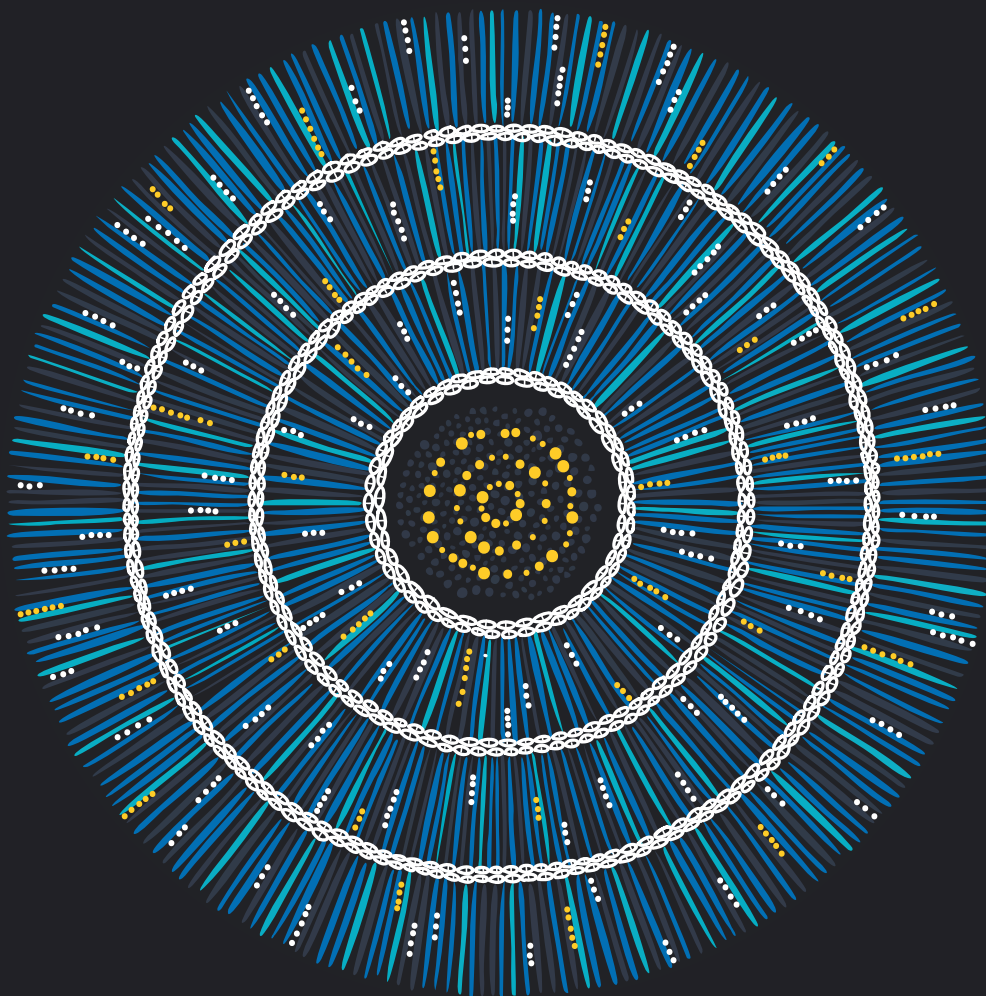


National Anti-Corruption Commission

Government Business Enterprises

What the NACC means for you

nacc.gov.au



In the spirit of reconciliation, the National Anti-Corruption Commission acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

This artwork tells the story of the National Anti-Corruption Commission's mission to enhance integrity within the Commonwealth public sector.

It is made up of many multicoloured strokes, depicting our team's many weaving histories. At the core of the artwork are three white patterned rings, representing detecting, deterring, and preventing corruption. Our approach is fearless but fair and we work towards our goals with integrity, determination, and courage. We are on a journey to build a culture of unity, inclusion, and trust as we grow.

Our people working together are represented by white dots between each of the lines. At the heart of the artwork is the central element, encapsulating our commitment to contributing to reconciliation as we work to create a culturally safe environment where First Nations staff and partners feel respected and included.

Integrity at Our Heart

The artwork concept and narrative were developed by Navada Currie. Navada is a Mununjali and Kabi Kabi artist at Gilimbaa.

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Commonwealth Government Business Enterprises (GBEs) are Commonwealth agencies within the jurisdiction of the National Anti-Corruption Commission.

This guide is for GBE directors, officers, employees, contractors, consultants and advisers. It identifies corruption risks and vulnerabilities, how to prevent them, and when and how to refer suspected corrupt conduct to the Commission.

The National Anti-Corruption Commission

The National Anti-Corruption Commission (Commission) enhances integrity in the Commonwealth public sector by deterring, detecting and preventing corrupt conduct involving Commonwealth public officials. It does this through education, monitoring, investigation, reporting and referral.

The Commission operates under the *National Anti-Corruption Commission Act 2022* (Cth) (NACC Act).

Government Business Enterprises and the Commission

The Commission's jurisdiction is concerned with Commonwealth public officials. 'Public official' is defined to include staff members of a Commonwealth agency.

GBEs are either Corporate Commonwealth Entities (CCEs) or Commonwealth companies.¹ For the purposes of the NACC Act:

- both are defined as Commonwealth agencies, along with their subsidiaries²
- staff members of GBEs are Commonwealth public officials, within the jurisdiction of the Commission.

The definition of staff member of a Commonwealth agency includes not only individuals employed by the agency, but also those engaged in assisting the agency. This captures anyone retained as a consultant or adviser.

The definition of staff member also includes:³

- a director or officer of a Commonwealth company, or of a subsidiary of a corporate Commonwealth entity or of a Commonwealth company
- individuals involved in delivering services to or on behalf of the agency under a Commonwealth contract – which includes a contract to which a Commonwealth agency (and therefore a GBE) is a party.

This means individuals providing services to or for a GBE under a contract between themselves or their employer and the GBE are also 'staff members'. As such, they are Commonwealth public officials within the jurisdiction of the NACC.

¹ Department of Finance, [Government Business Enterprises | Department of Finance](#), accessed 7 November 2025.

² NACC Act, s 11(1).

³ NACC Act, s 12.

Types of corrupt conduct

Under the NACC Act, there are 4 categories of corrupt conduct. A person engages in corrupt conduct if they:

1. are a public official and breach the public trust
2. are a public official and abuse their office as a public official
3. are a public official or former public official and misuse information they gained in their capacity as a public official
4. do something to adversely affect a public official's honest or impartial exercise of powers or performance of official duties. Any person can engage in this type of corrupt conduct, even if they are not a public official themselves.

A person also engages in corrupt conduct if they try or plan or conspire with someone else to do any of the above. This applies regardless of when the conduct took place – including before the NACC Act commenced. The NACC Act does not legislate new standards of behaviour. The conduct it characterises as corrupt has always been improper.

Mistakes, negligence and maladministration are not in themselves corrupt conduct. Generally, bad faith and/or private purpose is necessary for conduct to be corrupt.

Breach of public trust

The key feature of a breach of public trust is the exercise of a public power, or the performance of a public function, for an improper purpose. An improper purpose is one foreign to that for which the power was conferred on the public official. This could include the use of official powers to advance a private interest or applying public resources for a purpose for which they were not appropriated.

A public official can breach public trust even if they do not gain any advantage for themselves or someone else.

Abuse of office

A public official abuses their office when they intentionally engage in improper acts or omissions in their official capacity. This includes using opportunities and resources that accompany that office, for a private purpose – typically, to gain a benefit for themselves or another person (including their associates), or to cause a detriment to another person.

An abuse of office can be committed through the exercise of influence arising from the person's public office, or the misuse of information obtained in their capacity as a public official.

Misuse of official information

A current or former public official misuses official information if they use information they have because of their position for purposes other than those for which they had access to it.

Causing dishonesty or partiality in performance of public functions

Typical examples of causing a public official to act other than honestly and impartially in performing their public duties involve bribes or threats to public officials. However, this also includes public officials themselves acting dishonestly in performing their public functions.

Serious or systemic corrupt conduct

The Commission's jurisdiction is primarily concerned with serious or systemic corrupt conduct.

To be **serious**, the corrupt conduct must be significant, more than negligible or trivial, but it does not need to be severe or grave.

To be **systemic**, the corrupt conduct must be more than an isolated case, involve a pattern of behaviour or affect or be embedded in a system. It can occur in one or multiple agencies, and can involve one or multiple individuals, but does not need to be coordinated.

See [What is serious or systemic corrupt conduct?](#)

Corruption risks and vulnerabilities for GBEs

All government agencies have corruption risks, but GBEs may face particular risks and vulnerabilities because of:

- their position at the public–private interface – understood broadly as times and places where the public and private sectors interact and exchange resources⁴ – and their close relationships with industry, especially in high-risk sectors such as infrastructure, defence and national security
- the size and national significance of their projects, involving very substantial public funds, and in some cases attracting the interest of foreign actors
- complex governance structures, which can lead to issues in oversight, record keeping and reporting.⁵

Key risk areas in which corrupt conduct may occur include:

- procurement and contracting
- interference in decision-making.

Common modes of corrupt conduct include:

- favouritism (nepotism and cronyism)
- bribery.⁶

⁴ For example, when a private construction company builds a highway funded by the government, or when a GBE contracts a private company to provide ICT services.

⁵ One complexity identified by the OECD is the need to balance risks of undue influence from government with insufficient oversight, which is amplified for GBEs that fulfil a public policy role ([OECD Guidelines on Corporate Governance of State-Owned Enterprises 2024 | OECD](#), pp 6–7).

⁶ OECD (2018), [State-Owned Enterprises and Corruption: What Are the Risks and What Can Be Done?](#), OECD Publishing, p 33, table 1.6.

Procurement and contracting

Procurement and contracting present special risks for GBEs. Specific risks in procurement include:

- officials seeking a secret commission
- officials favouring a bidder with whom they have a close relationship, or with whom they contemplate seeking future employment.

Public procurement procedures should be focussed on the achievement of value for money, open, competitive, based on fair and impartial selection criteria, promote supplier diversity and be safeguarded by appropriate standards of integrity and transparency, to protect against undue advantages or disadvantages.⁷

All GBEs are encouraged to comply with the Commonwealth Procurement Rules (CPRs)⁸ and the Commonwealth Fraud and Corruption Policy.⁹ As outlined in the [introduction](#) to the [Commonwealth Fraud and Corruption Control Framework](#), the [Fraud and Corruption Rule](#) is binding on CCEs. The Framework is an element of Australia's [finance law](#) and is designed to support Australian Government entities effectively manage the risks of fraud and corruption. Adherence to all parts of the Framework is considered better practice and is likely to assist Government Business Enterprises meet their obligations under the NACC Act.

Failure to comply with proper procurement processes and procedures does not of itself constitute corrupt conduct. However, departures from proper processes tend to be a 'red flag' and can attract attention and referrals to the Commission even if they are not in fact corrupt.

The [Commonwealth Integrity Maturity Framework](#) (CIMF) is a useful tool for entities to assess the maturity of their approaches to integrity in procurement and contract management.

Interference in decision-making

Due to their position at the interface between the public and the private sectors, decision-makers within GBEs can be at risk of being unduly influenced by outside actors they are often in contact with. These may include contractors, service providers, lobbyists for private interests, and other public sector actors.

This is particularly present in highly specialised sectors, such as defence and health where a small group of agencies, corporations or individuals may hold knowledge or skills not found elsewhere. These risks can be managed through, for example, effective procurement and conflicts of interest frameworks, education or assessed by tools such as the CIMF.

⁷ Department of Finance, [Commonwealth Procurement Rules 2024](#); [OECD Guidelines on Corporate Governance of State-Owned Enterprises 2024](#) | [OECD](#), p 45. The CPRs acknowledge some circumstances in which a limited tender may be appropriate.

⁸ Department of Finance, [Commonwealth Procurement Rules](#) | [Department of Finance](#), accessed 7 November 2025.

⁹ Attorney-General's Department, [Fraud and Corruption Policy](#) | [Commonwealth Fraud Prevention Centre](#), accessed 7 November 2025.

GBE boards

GBE boards provide stewardship, strategic leadership, governance and oversight of their GBE. In accordance with the PGPA Act, the board of an entity GBE or the directors of a company GBE must keep Shareholder Ministers informed of the activities of the GBE and its subsidiaries.

The duties of directors of GBEs are set out in the PGPA Act and the *Corporations Act 2001* (Cth), and elaborated on in the Department of Finance guidelines.¹⁰

In particular, GBE directors must exercise their powers, perform their functions and discharge their duties honestly, in good faith and for a proper purpose.¹¹ Directors are expected to ensure GBEs and their officers maintain the highest standards of integrity, accountability and responsibility.¹² Under the *Corporations Act 2001* (Cth), they must not use their position or information dishonestly to gain an advantage for themselves or someone else, or to cause detriment to the corporation.¹³

As explained above, GBE directors are considered public officials for the purposes of the NACC Act, and their functions as GBE directors are public functions. As such, the concepts of corrupt conduct under the NACC Act relating to breach of public trust, abuse of office, misuse of official information, and acting honestly and impartially, substantially reflect the PGPA Act and *Corporations Act 2001* (Cth) duties of GBE directors.

Directors are expected to implement effective governance frameworks to support their role and responsibilities, and report on their implementation in the annual report. They should ensure that ethical cultures, and corruption prevention frameworks, are established and implemented within the organisations under their control.¹⁴

Directors' responsibilities for the performance of the CEO include:

- the obligation of GBE CEOs, under the PGPA Rule, as accountable authorities, to take all reasonable measures to prevent, detect and respond to fraud and corruption relating to the entity¹⁵
- the CEO's performance of mandatory referral obligations under the NACC Act (which are explained below), though this may be constrained by any non-disclosure obligations.

While board directors do not themselves have mandatory referral obligations under the NACC Act (unlike the CEO as agency head, who does), it is appropriate for them to make a voluntary referral to the Commission if they suspect serious or systemic corrupt conduct within the enterprise.

¹⁰ Department of Finance, [The role of directors in Commonwealth GBE's Guidelines | Department of Finance](#), accessed 7 November 2025.

¹¹ Public Governance, Performance and Accountability Act 2013, s 26.

¹² Department of Finance, [Government Business Enterprises \(GBEs\) \(RMG 126\)](#), 1.7diii, 2018, accessed 7 November 2025.

¹³ Corporations Act 2001 (Cth), ss 181, 182, 183, 184.

¹⁴ Joint Committee of Public Accounts and Audit, [Report 502: The never-ending quest for the golden thread – Parliament of Australia](#), June 2024, pp 98-99, para 6.62, accessed 7 November 2025.

¹⁵ Attorney-General's Department, [Fraud and Corruption Rule | Commonwealth Fraud Prevention Centre](#), accessed 7 November 2025.

GBE officers and employees

As explained above, GBE officers and employees are considered public officials for the purposes of the NACC Act, and their functions as such are public functions.

Application of the NACC Act and parallel officer duties under the *Corporations Act 2001* (Cth) mean GBE officers are obliged:

- to act honestly
- to use their powers for the purposes for which they were conferred, in good faith in the interests of the organisation
- not to abuse their position nor misuse corporate information to gain an improper benefit for themselves or another or cause detriment to the enterprise.

GBE officers and employees are best supported if their organisations have in place:

- codes of conduct
- effective internal reporting frameworks and complaints handling policies and practices
- nominated sources for advice on integrity issues
- pro-integrity education and information programs throughout all business areas.

Referrals to the Commission

Mandatory referrals

The Accountable Authority or the Chief Executive Officer (or other officer as prescribed in relevant regulations) of a GBE is the agency head for the purposes of the NACC Act.¹⁶

Under the NACC Act, agency heads have mandatory referral obligations and must refer a corruption issue to the Commission as soon as reasonably practicable after they become aware of it (including through external or third-party reporting) if:¹⁷

- it concerns the conduct of a current or former GBE officer or employee and
- the agency head suspects that the issue could involve corrupt conduct that is serious or systemic.

If the agency head becomes aware of any further relevant information, they must provide it to the Commission as soon as reasonably practicable.

A mandatory referrer is not required to provide information to the Commission if they have reasonable grounds to believe the Commission is already aware of it, or the Commission has advised that the information is not required.

Usually, it will be appropriate for the CEO to inform the Board and the Shareholder Minister that a referral has been made, except where this may compromise any investigation. This may however be constrained by any non-disclosure direction made by the Commission.

Agency heads are encouraged to consult with the Commission before making a disclosure to the Board. Otherwise, the Commission discourages publicising referrals, to avoid compromising investigations and prematurely damaging reputations.

See [Mandatory referrals](#).

Voluntary referrals

Any person, including a GBE officer or employee, an APS employee, or a member of the public, can make a voluntary referral to the Commission. Referrals are treated confidentially. Referrals can be made anonymously; however, anonymity prevents follow-up communication.

See [How to make a report](#).

¹⁶ NACC Act, s 11. The only GBE whose agency head is not the CEO is Defence Housing Australia.

¹⁷ NACC Act, s 33.

Protections for people who make referrals

Anyone who refers a corruption issue to the Commission is protected from civil, criminal or administrative liability, including disciplinary action. No contractual or other right or remedy can be enforced against them.¹⁸ It is a criminal offence for any person to take reprisal action against a person for making a disclosure to the Commission.¹⁹

However, this does not affect the criminal, civil or administrative liability of an individual for knowingly making a statement to the Commission that is false or misleading.²⁰

See [Protections for referrers, whistleblowers and witnesses](#).

In some cases, protections may also be available under the whistleblower protection regime in the *Corporations Act 2001* (Cth).

Contact the NACC

Please use our [webform](#) to report suspected corrupt conduct.

If in doubt about whether to refer a matter to the Commission, [contact us](#).

If you require further information or wish to request further engagement with the Commission, please reach out to the Commission's Corruption Prevention and Education team at prevention@nacc.gov.au.

¹⁸ NACC Act, s 24.

¹⁹ NACC Act, s 30.

²⁰ NACC Act s 25.



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