



What is serious or systemic corrupt conduct?

The National Anti-Corruption Commission (the Commission) investigates **serious or systemic corrupt conduct** involving Commonwealth public officials. Agency heads must refer suspected corrupt conduct in their agency to the Commission if they suspect it could involve corrupt conduct that is **serious or systemic**.

The [National Anti-Corruption Commission Act 2022](#) (Cth) (NACC Act) does not define serious or systemic corrupt conduct.

This guideline is issued by the Commissioner under section 279 of the NACC Act and replaces the previous guideline issued on 19 April 2024. It provides guidance as to what is ‘serious’ or ‘systemic’ corrupt conduct, and examples of corrupt conduct that could meet that threshold.

What does ‘serious’ corrupt conduct mean?

The references to ‘serious’ corrupt conduct in the NACC Act recognise that there is a spectrum of conduct that falls within the definition of ‘corrupt conduct’, not all of which qualifies as serious.

‘Serious’ means **significant, severe or grave**. It relates to the **scale, impact and/or gravity** of the conduct. Conduct that technically meets the definition of corrupt conduct but does not result in or risk significant harm or improper benefit is unlikely to be considered serious.

Conduct is more likely to qualify as serious if it involves:

- significant misuse of public money
- substantial personal benefit
- an impact (even indirectly) on vulnerable persons: for example, National Disability Insurance Scheme participants, Child Support customers, Centrelink recipients
- senior decision-makers
- major harm to public confidence in government
- the commission of a criminal offence
- planning or co-ordination, particularly over an extended period, of deception.

Examples of serious corrupt conduct

- ◆ **Procurement manipulation** – A public official approves a \$1 million contract to a company owned by a personal friend and conceals the relationship.
- ◆ **Secret commission** – A public official solicits a \$250,000 bribe from a tenderer to influence the process for awarding a multi-million contract in favour of the tenderer.
- ◆ **Bribery** – A public official accepts tickets to a private box at a sporting event from a company in exchange for influencing compliance findings in their favour.
- ◆ **Large-scale grant fraud** – A public official falsifies assessment scores to ensure significant funding is allocated to an applicant in which they have an interest.
- ◆ **Misuse of information** – A public official provides sensitive official information to the media.

These involve significant impact, deliberate misconduct and/or senior officials.

Examples of corrupt conduct that is not serious

- ◆ **Approving expenditure without proper authority** – A public official approves the making of grants without proper legal authority but genuinely believes that it is in the public interest and have been approved in principle by government.
- ◆ **Small-scale one-off misuse of entitlement** – A public official uses a corporate credit card to pay for a \$50 taxi fare incurred for a personal trip.
- ◆ **Misuse of information** – A public official accesses information without a business need out of curiosity but makes no further use or disclosure of it.

These do not involve significant impact, deliberate misconduct and/or senior officials. However, the fact that this conduct is not serious corrupt conduct under the NACC Act does not mean it is not a breach of some other law or policy.

What does ‘systemic’ mean?

‘Systemic’ means ‘something that affects or relates to an entire system, organisation or body’.

‘Systemic corrupt conduct’ refers to conduct that is a **pattern of behaviour that relates to a process or agency**. It refers to conduct that is the product of a process or system. Its hallmark is that there will be multiple instances, typically involving multiple officials, and that those instances reflect weaknesses or failures in a system, such as:

- organisational tolerance of corrupt conduct
- organisational pressures
- involves the participation, whether conscious or not, of multiple agents
- absence of appropriate controls.

Corrupt conduct can be systemic even if it is not serious.

Examples of systemic corrupt conduct

- ◆ **Pattern of misuse of resources** – Across an agency, Commonwealth resources, including official vehicles and travel entitlements, are regularly used for private purposes. Despite repeated concerns being raised internally, over time the conduct has become an accepted practice – due to weak oversight, inconsistent enforcement of standards, and a culture of tolerance across the organisation.
- ◆ **Normalised non-disclosures of conflicts of interest** – Multiple areas of an agency regularly fail to declare conflicts in order to influence grant decisions to benefit close friends. Inadequate governance arrangements, longstanding cultural practices and widespread awareness of the behaviour across the organisation allow the conduct to continue unchecked.
- ◆ **Recruitment and promotion bias** – Recruitment and promotion processes across an agency are influenced by personal relationships, favouritism or informal networks rather than merit-based assessment. Preferred candidates are given unfair advantages through tailored selection processes, access to insider information or predetermined outcomes. Despite repeated concerns from staff and audit findings, the practices continue and become embedded within the organisation's culture and decision-making processes.
- ◆ **Widespread misuse of confidential data** – Multiple staff at different levels improperly access and share sensitive information for unauthorised purposes. Concerns about inappropriate access practices have been raised previously, but poor internal controls, inadequate supervision and organisational complacency enable the behaviour to continue.

These examples indicate cultural or structural failure, not isolated error.

The Commission does not generally investigate:

- administrative errors and minor policy breaches where there is no improper purpose or dishonesty
- failure to declare a conflict of interest where there is no element of benefit and/or dishonesty
- performance management issues or workplace grievances
- recruitment and panel outcomes, where there is no improper purpose and/or dishonesty
- lower-level misuse of resources, such as personal use of office supplies
- individual cases of credit card misuse

While the conduct in the above does not meet the Commission's threshold of serious or systemic, such conduct should, where appropriate, be dealt with by agencies internally or reported to the Australian Public Service Commission.

Mandatory referrals

Under the NACC Act, agency heads and public interest disclosure (PID) officers of Commonwealth agencies and of intelligence agencies must refer suspected serious or systemic corrupt conduct in their agency to the Commission as soon as reasonably practicable, unless they believe on reasonable grounds that the Commission is already aware of it.

See [Mandatory referrals: a guide](#).

If an agency head or PID officer is in doubt about whether to refer a matter, they should contact the Commission.

Consider relevant factors

This guideline provides examples to help identify serious or systemic corrupt conduct, but each matter needs to be considered on its own facts. Usually, a range of factors will influence that judgment. When considering whether corrupt conduct may be serious or systemic, you should look at:

- what happened
- who did it
- the intent behind it
- whether anyone was improperly advantaged or disadvantaged
- the level of the impact
- whether it is part of a broader pattern or culture.

If there is reasonable suspicion that the conduct could meet the threshold, agencies should consider their obligation to refer it to the Commission.

Contact us

Please use our [webform](#) to make a report of corrupt conduct. If in doubt about whether to refer a matter to the Commission, [contact us](#).

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