

Corruption: Ethical decision making & public value

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Public value

Mark Moore

- Public sector acts in best interests of the collective
 - Uses public assets
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- Fairness
 - outcomes
 - client satisfaction

Public value

- Something that is substantively valuable
- Public managers operate in a political marketplace not an economic one
- legitimate and politically sustainable
- operationally and administrative feasible

Ethical decision making

- Helps create public value
- Shapes organisational culture
- Protects our institutions
- Impacts on stakeholders and wider community

Ethical decision making plays out in

- Individual values
- Managerial roles
- Organisational frameworks

Characteristics *(Dobel)*

- Trustworthiness
 - Truthfulness
 - Responsibility
 - Fairness
 - Caring
 - Accountability
 - Good citizenship
- Accepts responsibility
 - Acts with self control
 - Reflects on actions
 - Seeks help and support

For your information

The following four slides are talking points for a number of real cases where public integrity was breached, and public value undermined. They do not make a lot of sense listed as they are without my telling the stories, adam

Ministers

- Queensland ministers' share deal
- WA Inc poor cabinet processes
- NSW ICAC on alteration of cabinet documents

“What Bischoff started in the late 1950s grew into a murderous and ruthless system of greed that ultimately distorted the democratic structure of the state of Queensland”

Condon 2015: 35

Organisations

- Queensland police corruption and criminality pre-Fitzgerald
- WA CCC organised corrupt unit out of control
- NSW Railcorp systemic corruption

Individual

- ABS officer disclosing sensitive information for inside trader
- ATO officer editing tax records to obtain benefit
- Individual licensers and inspectors

Map/ Assess

- Threats to integrity
- Slippage points

Threats to integrity

- Peer culture
- Denial of responsibility/ accountability
- Rigidity
- Dominant informal actors
- Diversity challenges
- Silence

(Dobel)

Slippage points

- Culture
- Process
- Temptation
- Managerial incompetence/
wilful disregard

Analysis of slippage points

- Conditions
- Due Processes
- Detection
- Prevention

Slippage

Due Process

| | conditions | processes | detection | prevention |
|--------------------|-------------------------------------|--|--------------------------------------|---------------------------------------|
| Q'ld shares | Anything goes | No regard for conflict of interest | Shares not hidden, but bragged about | Not until Fitzgerald & change of g'vt |
| WA Inc | Helping mates | Appalling record keeping. Disregard of cabinet process | Royal commission | change of g'vt |
| Railcorp | Corruption not a priority for Board | Auditing deficient People lied | ICAC, but known before | Prosecution and culture change |

Slippage

Temptation - easy benefits

| | conditions | processes | detection | prevention |
|--------------------|--------------------------------------|--|-------------------------|------------------------------------|
| ATO | alteration of records for reward | Perpetrator violated process | Routine audit | Culture, not process |
| ABS | provision of information to mate | Perpetrator violated process | Intelligence used | ? |
| Railcorp | Lots of equipment | Manipulation of contracts & procedures | ICAC | Management responsibility/ culture |
| Q'ld Police | poor social policy / poor management | Police and politicians above the law | Blatant, but Fitzgerald | Long list of remedies |

Slippage

Managerial incompetence/ disregard

| | conditions | processes | detection | prevention |
|--------------------|---------------------------------------|-------------------------------------|---|--------------------------------|
| Q'ld Police | police and PS leaders poorly educated | Bureaucratic petty, and vindictive | External audit | Better process, whistleblowers |
| Railcorp | Inbred management on the make/take | Deficient and slipshod | Audit failed to make a mark | Recognise risks of corruption |
| WA CCC | Above scrutiny | Falsification of records and events | Parliamentary inspector exposed bad practices | Accountability & oversight |

End result

- Undermining of institutional legitimacy
- Subverting ethics
- Abuse of power
- Trashing of public value

Responses

- Strengthen oversight and compliance
 - Strengthen culture of integrity
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- Numerous strategies and approaches
- Tailor to risk profile and nature of agency

Thank you

Any questions?

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