Corruption: Ethical decision making & public value

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• Public sector acts in best interests of the collective
• Uses public assets

– 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 administratively 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
  – Accepts responsibility

• Truthfulness
  – Acts with self control

• Responsibility
  – Reflects on actions

• Fairness
  – Seeks help and support

• Caring

• Accountability

• Good citizenship
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
#### Due Process

<table>
<thead>
<tr>
<th></th>
<th>conditions</th>
<th>processes</th>
<th>detection</th>
<th>prevention</th>
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<tbody>
<tr>
<td><strong>Q’ld shares</strong></td>
<td>Anything goes</td>
<td>No regard for conflict of interest</td>
<td>Shares not hidden, but bragged about</td>
<td>Not until Fitzgerald &amp; change of g’vt</td>
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<tr>
<td><strong>WA Inc</strong></td>
<td>Helping mates</td>
<td>Appalling record keeping. Disregard of cabinet process</td>
<td>Royal commission</td>
<td>change of g’vt</td>
</tr>
<tr>
<td><strong>Railcorp</strong></td>
<td>Corruption not a priority for Board</td>
<td>Auditing deficient People lied</td>
<td>ICAC, but known before</td>
<td>Prosecution and culture change</td>
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## Slippage

### Temptation - easy benefits

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<tr>
<td><strong>ATO</strong></td>
<td>alteration of records for reward</td>
<td>Perpetrator violated process</td>
<td>Routine audit</td>
<td>Culture, not process</td>
</tr>
<tr>
<td><strong>ABS</strong></td>
<td>provision of information to mate</td>
<td>Perpetrator violated process</td>
<td>Intelligence used</td>
<td>?</td>
</tr>
<tr>
<td><strong>Railcorp</strong></td>
<td>Lots of equipment</td>
<td>Manipulation of contracts &amp; procedures</td>
<td>ICAC</td>
<td>Management responsibility/culture</td>
</tr>
<tr>
<td><strong>Q’ld Police</strong></td>
<td>poor social policy / poor management</td>
<td>Police and politicians above the law</td>
<td>Blatant, but Fitzgerald</td>
<td>Long list of remedies</td>
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Slippage

Managerial incompetence/ disregard

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<tr>
<td><strong>Q’ld Police</strong></td>
<td>police and PS leaders poorly educated</td>
<td>Bureaucratic petty, and vindictive</td>
<td>External audit</td>
<td>Better process, whistleblowers</td>
</tr>
<tr>
<td><strong>Railcorp</strong></td>
<td>Inbred management on the make/take</td>
<td>Deficient and slipshod</td>
<td>Audit failed to make a mark</td>
<td>Recognise risks of corruption</td>
</tr>
<tr>
<td><strong>WA CCC</strong></td>
<td>Above scrutiny</td>
<td>Falsification of records and events</td>
<td>Parliamentary inspector exposed bad practices</td>
<td>Accountability &amp; oversight</td>
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End result

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

• Strengthen oversight and compliance
• Strengthen culture of integrity

• Numerous strategies and approaches
• Tailor to risk profile and nature of agency

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Thank you

Any questions?

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