Awareness of Corruption in the Community and Public Service: a Victorian Study

Adam Graycar
Australian National University

Abstract

Corruption hurts the public and undermines government. This study of perceptions of corruption in Victoria and in the Victorian public service shows that the community believes corruption is on the increase, yet this view is not shared by public servants. In general corruption is not on the radar of senior Victorian public servants. There are more perceptions of corruption in line agencies than in central agencies. Behaviours most commonly suspected and observed were hiring family and friends, conflict of interest, abuse of discretion and abuse of information. One- third o public servants surveyed thought there were opportunities for bribery, yet only 4% had suspected bribery and less than one per cent had personally observed it. Almost half do not believe they would be protected from victimisation should they report corruption. The data reported here poses challenges in thinking about corruption when devising integrity standards in the public service.

Corruption, the public service and the community: a Victorian study[1]

1. Introduction

How do people perceive the level of corruption in the Victorian public sector? What are the risks? And do they know how to respond?

In 2012, the Independent Broad-based Anti-corruption Commission (IBAC) commissioned the Australian National University (ANU) to conduct research into the perceptions of the risks of corruption within the Victorian Public Sector (VPS). The aim of the research was to explore perceptions of public sector corruption in Victoria, and public servants' views of how agencies in Victoria deal with corruption, and what preventive approaches could be considered to reduce corruption risks. The studies also were to compare public perceptions of corruption in Victoria with those across Australia, and to assess how non-Victorian integrity agencies dealt with corruption that fell within their jurisdiction. As part of this research several surveys were undertaken: a national opinion poll on corruption and ethical conduct, focus groups with different populations in Victoria and a survey of senior public servants and a survey of print media's reporting of corruption. This paper reports some results that have been analysed to date.

2. Setting the context

This paper reports some data from a survey of perceptions of public sector corruption in Victoria. The data reported here will continue to be analysed so that more lessons can be learned from this study. The author contends that these findings can be generalised to other state public services.

The main finding is that corruption is not on the radar of most Victorian public servants. There certainly are suspicions and observations of corrupt behaviour, and a significant task

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[1] A version of this paper was given at the IPPA (Victoria) conference held in Melbourne on September 18, 2013.

for public administration is to have a corruption free public service while at the same time not tying up every process and procedure with unproductive restrictions.

Whether corruption should or should not be on the radar is a moot point but if corrupt activities are not identified or are left unchecked, people's trust and respect in government is undermined, public money is wasted, services are diminished and the reputation of the public sector as a whole is damaged.

In essence corruption is about breaching trust, about abusing public position for private gain, and generally involving the unauthorised trading of entrusted authority. Corruption is different to maladministration and misconduct, examples of which are noted and dealt with in regular public service processes.

How do we know how much corruption there is?

It is important to try to measure corruption for two main reasons. First, it is an indicator of how well a society is performing in terms of a government's contract with its citizens. Second, knowing how much corruption there is and the nature and quantity of those corrupt events allows preventive actions to be implemented.

However, there is very little administrative data on corruption. As the activity is nearly always covert, then it is in neither party's interest to report it in a survey and have the activity counted in any way. If the corrupt behaviour was reported, and if a charge were brought it might be classified as obtaining money with menaces, some form of theft, or breach of a public service provision. Many other infractions under these headings might be defined as misconduct rather than corruption, making it difficult to disentangle figures.

Because of its clandestine nature many of the measures of corruption are not therefore measures of corrupt *behaviour*, but instead measures of people's *perception* of corruption – perceptions of its incidence and perceptions of its nature. They are, in effect, proxy measurements. These measurements are usually not measures of the damage caused by corruption.

Method

Three data sources were used for this paper.

1. a national poll of perceptions of corruption in Australia (oversampled for Victoria)
2. seven focus groups of Victorian residents
3. a survey of senior Victorian public servants (VPS 6 and above)

3. Public perceptions of corruption.

A national survey (as part of the ANUPoll series) was undertaken in September 2012 to ascertain perceptions of corruption in Australia. This was followed in November 2012 by a number of focus groups held in Melbourne and regional Victoria.

The sample size was 2,020. 505 interviews were conducted in Victoria; approximately 300 interviews were conducted in each of New South Wales, Queensland, South Australia and Western Australia and approx. 100 interviews were conducted in each of: Tasmania, Northern Territory and the Australian Capital Territory.

Results

The data reported here are the Victorian results only[2]. While the Victorian sample totalled 505 respondents, the breakdown of individual answer percentages are generally consistent with those in the national sample.

Is corruption on the rise?

When asked, in the past 3 years, to what extent has the level of corruption in Australia had changed, the responses were that 7.3% thought it had decreased, while almost half thought it had increased. 40% replied that they thought it was about the same. The responses in

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[2] For comparison with the national results , the Australia-wide ANUPoll can be found at
http://politicsir.cass.anu.edu.au/polls-and-surveys/anupoll

Victoria mirrored those received nationally. This is consistent with national and international findings.

Table 1 : Perceptions of the level of corruption Victoria (N= 505)

Past 3 years, has corruption	%
Increased	44
Stayed the same	40
Decreased	7
Don't know/ can't say	9
	100

There was a difference in terms of gender -- 48.2% of Victorian women thought corruption had increased, compared with 38.2% of men. There was also a difference in terms of age -- 53% of Victorians over 55 years of age thought corruption had increased compared with 39% of people under 55 years of age.

The global NGO Transparency International has recently completed its 2013 Global Corruption Barometer (GCB)[3] in which it took a sample of approximately 1000 in each of 107 countries. When the same question was asked of the Australian sample 59% thought it had increased, 36% thought it had stayed the same, and 5% thought it had decreased, reflecting the results of the ANU/IBAC survey.

Democracy and Institutions

Table 2 below shows that while most people were satisfied with Australian democracy, their confidence in Federal and state government was wanting. However, half had confidence in Local Government, and half did not. Almost one in three believe the federal government is affected by corruption, while one in five believe that of state and local government. (The

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[3] http://www.transparency.org/whatwedo/pub/global_corruption_barometer_2013

percentages do not add to 100 as for the corruption question there was a 5 point scale, and those responding to the middle option were not included in the table)

Table 2: Democracy and institutions
Victorian respondents (N=505)

	Confidence in …		Affected by corruption?	
	Yes %	No %	Yes %	No %
Federal government	29	67	31	32
State government	29	69	21	36
Local government	49	49	20	43

Respondents were asked to report on whether they regarded certain institutions as being affected by corruption. This question had a 5 point scale and table 3 below subtracts the "not corrupt" percentage from the "corrupt" percentage. Respondents were asked if they were satisfied with the way democracy works in Australia, and of the Victorian respondents 70% said they were satisfied, and 27% replied that they were not.

Table 3: To what extent do you see the following institutions being affected by corruption?
Victoria:

	Corrupt %	Neither %	Not Corrupt %	Don't Know %	Corrupt minus Not Corrupt %
The armed forces	8	18	68	6	-59
The public service	13	29	53	5	-41
The police	18	26	55	1	-36
Local government	18	32	47	3	-30
Banks and financial institutions	25	28	44	4	-20
The state government	21	36	39	4	-18
The legal system	23	34	40	3	-16
Major Australian companies	21	38	34	7	-13
The Federal government in Canberra	29	35	34	3	-5
Political parties	34	36	24	5	10
The media	41	34	23	2	19
Trade unions	41	32	20	6	20

The institutions regarded by Victorian respondents as least corrupt, in rank order were the armed forces, the police and the public service. Note however, that when the "not corrupt" percentage is subtracted from the "corrupt" percentage the rank order of the public service

and the police is reversed. This is because 18% perceive the police as corrupt, compared with 13% which thinks the public service is corrupt.

At the other end, the institution perceived as most affected by corruption are trade unions and the media with political parties also significantly in the mix. In the national poll, the media stood out as the institution most affected by corruption, well ahead of trade unions.

This finding is consistent with the Global Corruption Barometer in which the media were deemed corrupt by 58% of Australian respondents, and again they topped the list, coming equal with political parties and well ahead of any other institutions. (The GCB did not ask about trade unions).

In response to the question "if you suspected or observed corrupt activity would you know where to report this corrupt activity" 51% of Victorians said yes, and 46% said no.

Table 4: If you suspected or observed corrupt activity would you know where to report this corrupt activity

	Yes %	No %
Victoria	51.3	46.5
NSW	49.5	49.1
Queensland	46.5	53.6
Western Australia	53.6	42.7
South Australia	51.7	43.0

Those that thought they did know where to report corrupt conduct were then asked where they would actually report. About half of the respondents who did know where to report nominated the police.

Places people said they would report to included: Police, Anti-corruption authority, Consumer affairs/ fair trading, Australian Competition And Consumer Commission (ACCC), Australian Commission for Law Enforcement Integrity (ACLEI), Local bank manager, Local

councillor, Ombudsman, Parliament / member of parliament, Public servant, School principal, Australian Securities And Investments Commission (ASIC), Crime stoppers, Internet, Work superior/ boss/ senior management, Media (TV/ Newspapers).

Western Australia has a Corruption and Crime Commission, and WA, together with Victoria and South Australia, which at the time had no anti-corruption commissions, had a slight majority of respondents saying they would know where to report. In NSW and Queensland, the states with the most prominent anti-corruption authorities, fewer than 10% said they would report to those authorities.

Table 5: Where would you report this corrupt activity? (%)

	Police	Anti-Corruption authority	Ombudsman
Victoria	54.7		18.9
NSW	49.5	9.2	15.9
Queensland	54.3	9.8	9.8
Western Australia	37.9	25.9	7.8
South Australia	60.5		14.5

Note: survey conducted before IBAC (Victoria) and ICAC (South Australia) commenced.

Bribes

When asked "In the last five years, how often have you or a member of your immediate family come across a public official who hinted they wanted, or asked for, a bribe or a favour in return for a service in Australia?" 93.7% in Victoria answered "never". This is slightly higher than the national response (91.2%) but the numbers in the remaining categories are too small for real analysis.

These findings are consistent with the GCB. Of the Australian sample there, less than 1 per cent of Australians reported that that had paid a bribe in the last 12 months, and 96 per cent reported that they had never been asked to pay a bribe.

4. Focus group results

To complement the quantitative survey, a qualitative study was also undertaken to gain a deeper understanding of how people perceived corruption and to explore potential ways corruption in the public sector could be tackled. Specific objectives included exploring: how people defined 'corruption', perceptions of corruption, observations of corruption in the public sector, issues related to reporting corruption, and views on anti-corruption strategies, including communication strategies and approaches around prevention, deterrence and detection. Seven focus groups were conducted in Melbourne and in regional Victoria.

In general, respondents could not give examples of corruption affecting them personally, though they felt uneasy about greed, power and opportunism which they perceived in public life. There was agreement that corruption in the public sector was unacceptable and of considerable concern.

In exploring perceptions of public sector corruption, participants outlined the sectors, departments and agencies in which they knew or suspected corruption to occur. Most commonly discussed was the political sector both local council and state politics – followed by the police force. Other areas in which corruption was believed to have occurred included: emergency services; the health and education sectors; public housing and welfare; and the legal system.

Participants were generally not willingly report corruption. The primary concern for participants was the potentiality for danger or repercussions as a consequence of speaking out, based on past experiences of whistle-blowers as reported on in the media.

5. Survey of Senior Victorian Public Servants

Method

An online survey on perceptions of corruption within the Victorian public sector was conducted in December 2012 with senior public officers (VPS Grade 6 and above). Of the 4,625 public servants eligible to take part, 839 or 18% completed the survey. Based on

previous projects with opt-in online panels a response rate of 15-20% was typically expected.

The main objectives of the survey were to:

> measure senior Victorian public servants' perceptions and observations of corruption in the Victorian public service,

> identify the prevalence of suspected and personally observed corruption,

> quantify propensity to report corrupt practices and measure awareness of reporting channels , and

> explore perceptions of future corruption risks.

Results

Corruption in Victoria - on the increase?

Public servants in general had few views about whether corruption had increased or decreased in the past five years – 17% of the public servants surveyed thought that corruption had increased in Victoria in the past 5 years, while 9% thought it had decreased. Three quarters either did not know or thought it had stayed the same.
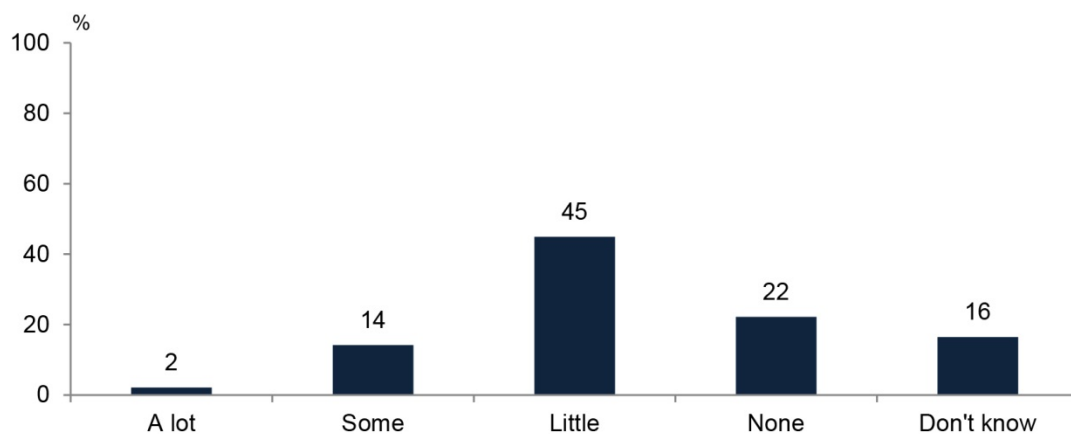
FIGURE 1
Perceived change in level of corruption in Victoria (N= 839)
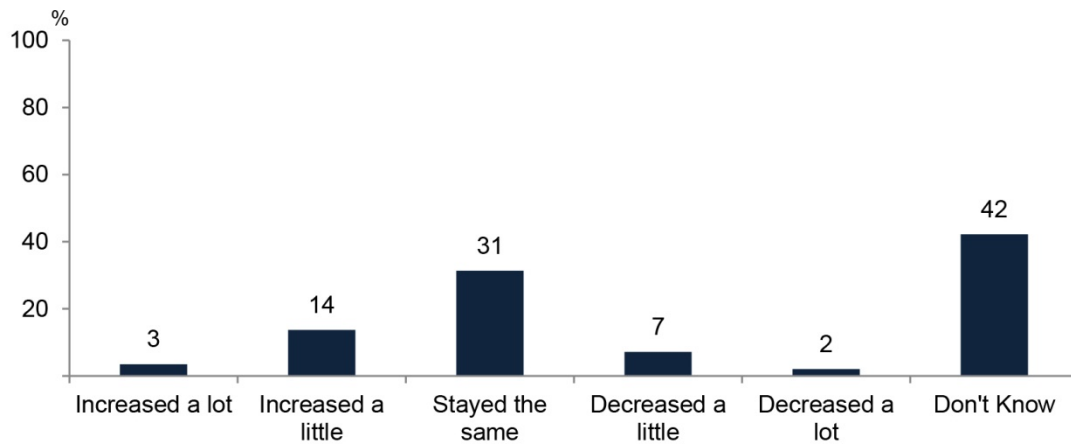

Extent of corruption within home Department/Agency

61% thought that some corruption existed in their departments, though most of these (45% of the total) thought there was little corruption, while fourteen per cent of the respondents thought there was some corruption and only a handful (2%) thought there was a lot of corruption. One-fifth (22%) indicated there was no corruption within their Department or Agency.

FIGURE 2
Extent of corruption within respondents' Department/Agency (N= 839)

When perceptions of extent of corruption were compared between line agencies and central agencies respondents from central agencies believed there was less corruption in their agencies than did respondents from line agencies.

FIGURE 3
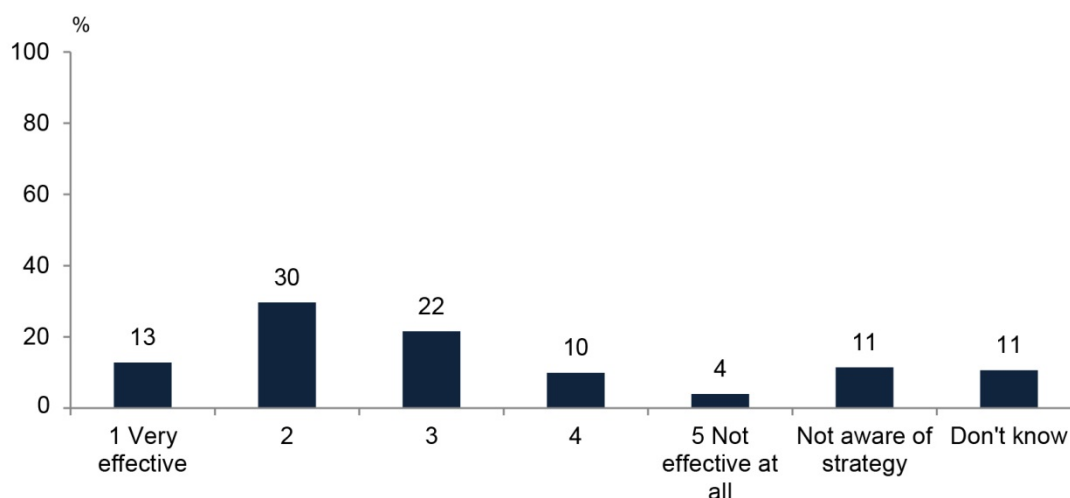**Extent of corruption within respondents' Department/Agency by central vs line agencies**
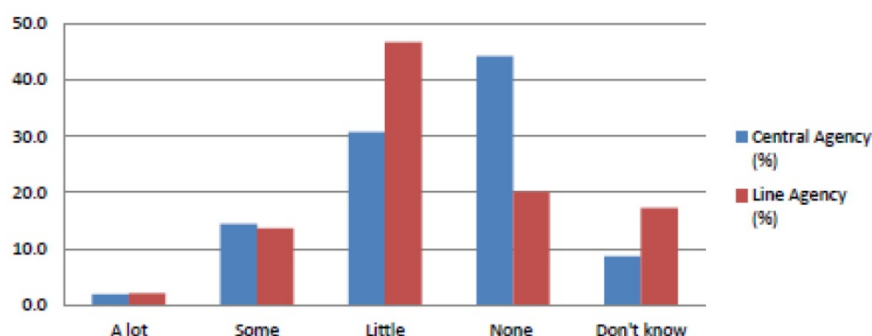
Departmental responses

All survey respondents were asked to rate the effectiveness of their Department/Agency's integrity framework on a 5 point scale (where 1 meant very effective and 5 not effective at all).

Just over two-fifths (43%) of respondents thought their organisation's integrity framework was effective, while one-fifth (22%) thought it was neither effective nor ineffective (see Figure 4). One-fifth (22%) were either not aware of their Department or Agency's integrity strategy or did not know how effective it was. Respondents employed at VPS 6 level were more likely than those employed at more senior levels to be unaware of their Department/Agency's integrity framework (14% vs. 8%).

FIGURE 4
**Effectiveness of strategy (N= 839)**

Perceptions of Corruption in the Victorian Public Service

Following general questions about corruption levels, respondents were presented with lists of activities typically occurring in VPS Departments/Agencies, and asked the extent to which they thought each to be a corruption risk in their home Department/Agency. Those who identified risks were also asked to rate their organisation's handling of corruption risks. Following this, the respondents were presented with a list of behaviours commonly perceived as corruption, and asked to indicate whether they thought there was an opportunity for these corrupt behaviours to occur in their Department/Agency and whether they had either suspected or personally observed any such behaviour within their organisation or elsewhere in the VPS.

Corruption risk

All respondents were asked about their perceptions of potential risks of corruption within their Department or Agency in relation to 10 activities commonly taking place in departments and agencies (Figure 5). Respondents were asked to rate the extent they considered each activity to be a corruption risk within their Department or Agency on a 5 point scale (where 1 meant not a risk and 5 a major risk).

FIGURE 5
Perceived risk of corruption
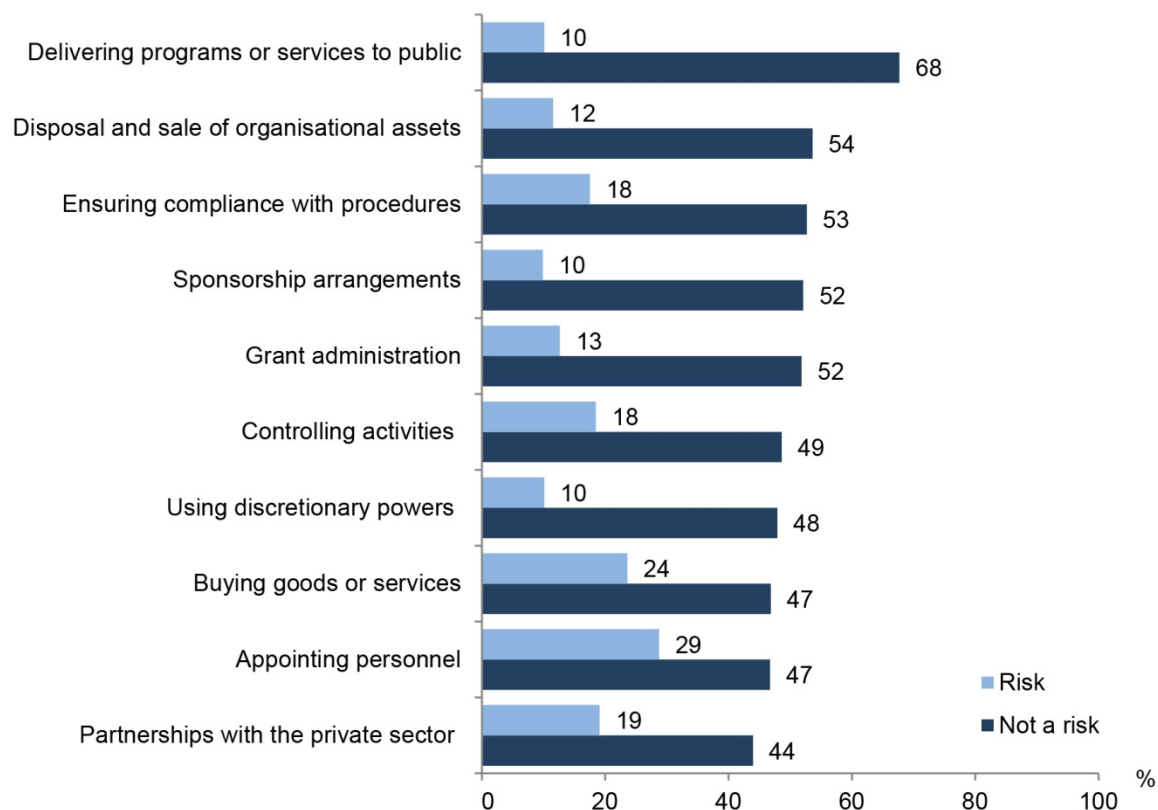
Base: Those who gave a rating of 1-2 (not a risk) or 4-5 (risk)

Delivering programs and services to the public (68%), disposal and sale of organisational assets (54%) and ensuring compliance with procedure (53%) were rated as carrying no corruption risk by the largest proportion of respondents. For those who identified risks, appointing personnel (29%), buying goods and services (24%) and partnerships with private sector (19%) were most commonly rated as carrying the risk for corruption within respondents' organisations.

Departmental handling of corruption risk

Those who identified some level of corruption risk in relation to any activity were further asked whether they thought that the corruption risk was well handled by their organisation. Nearly half of respondents (47%) who had identified corruption risks were of the opinion that their organisation handled corruption risks well. One-fifth (21%) neither agreed nor disagreed with the statement and 14% thought corruption risks were not well handled by their Department/Agency.

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Perceptions and experiences of corruption within current Department/Agency

All respondents were presented with a list of seven different types of corruption and asked whether they thought there was an opportunity them to occur within their Department/Agency Respondents were also asked whether they had ever suspected or personally observed these corrupt behaviours.

As shown in Table 6 conflict of interest was the most commonly identified possible corrupt behaviour occurring within their organisation, with close to three-quarters (72%) of surveyed respondents reporting there was the opportunity for this to occur in their Department/Agency. This was followed by misuse of information or material (68%), abuse of discretion (58%) and hiring friends or family for public service jobs (53%). One-in-ten (8%) did not believe there was the opportunity for any the specified corrupt behaviour to occur within their Department/Agency.

Table 6: Suspected and observed corruption within current organisation

Corruption in Department/Agency	Opportunity %	Suspected %	Observed %
Hiring friends or family for public service jobs	53	38	25
Conflict of interest	72	38	20
Misuse of information or material	68	32	15
Abuse of discretion	58	28	15
Hiring one's own company, or the company belonging to close associates or relatives to provide public services	33	18	9
Perverting the course of justice	16	3	2
Bribery	32	4	1
Don't know	3	6	4
Prefer not to say	0	1	4

N= 839

The table above further illustrates that the same four activities were the most commonly identified causes for suspicion of corruption within the respondents' home Departments/Agencies.

- Two-fifths indicated they had suspected conflict of interest to have occurred (38%)
- Similarly with hiring friends and family for public service jobs (38%).
- Approximately one-third reported suspicion regarding misuse of information or material (32%)
- More than a quarter suspected abuse of discretion (28%).

One-quarter (26%) of respondents had not suspected any specified corrupt behaviour within their Department/Agency.

Hiring friends or family for public service jobs (25%) was the most commonly mentioned corrupt behaviour respondents had personally **observed**. This was followed by conflict of interest (20%) and misuse of information or material (15%). Nearly half of respondents (46%) had not observed any of the described corrupt activities within their home Department/Agency.

The following significant sub-group differences were observed:

> Respondents working in justice and regulatory services were more likely than other employment groups to identify abuse of discretion (75%), misuse of information or material (80%), and perverting the course of justice (36%) as corruption **opportunities** within their organisation.

> Those with 15-25 years of service in the VPS (51%) were more likely than others to have **suspected** conflict of interest within their Department/Agency.

> Respondents working in corporate services (41%) were more likely than others to have **suspected** misuse of information or material within their organisation.

> Those employed as VPS 6 27%) indicated they had **personally** observed the hiring of friends or family to public service jobs. This is a higher percentage than that observed by those at more senior levels.

There were, as would be expected, differences between what was suspected and what was observed. Except for bribery (where the numbers of suspected and observed cases was very small) the ratio of suspected to observed was about two to one.

FIGURE 6
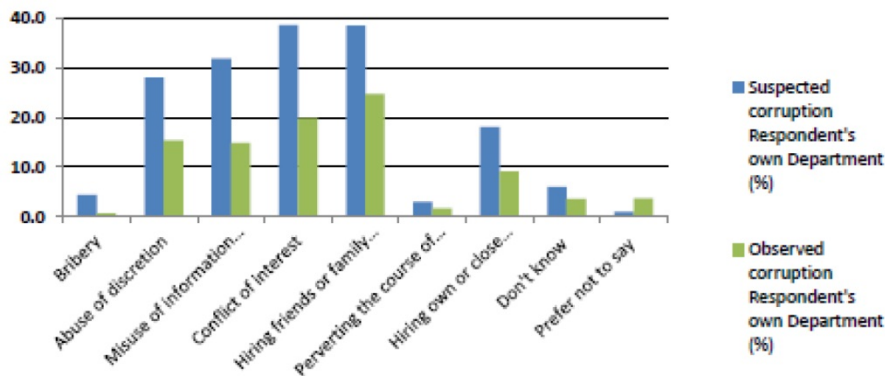
For all types of corruption, respondents thought there was more elsewhere in the VPS than in their own departments but these suspicions did not always translate into observations.

Reporting corruption

All survey respondents were asked a number of questions about reporting corruption within their Department or Agency, including

> Whether they had personally reported corrupt behaviour or activity in the VPS,

> How effectively their report had been dealt with,

> Whether they knew where to report corruption and on what basis they would report corruption, and

> Whether they were confident that they would be protected from victimisation if they were to report corruption.

Results indicate that approximately one-in-ten respondents (9%) had personally reported corruption, either suspected or observed, in the past. Among those who had made a report, 42% said it had been handled 'effectively'. 40% said it had not been handled effectively while 18% did not know.

Nearly three-quarters (69%) of respondents said they knew where to report corruption (if they suspected or observed it), while one-fifth (22%) did not know. When asked about the basis on which they would report corruption, over half (56%) indicated they would only report corruption on the basis of hard evidence. One-third (34%) would be comfortable with reporting corruption on a suspicion of corruption only.

Notably, just under half (46%) of those surveyed said they would not feel confident they would be protected from victimisation should they report corruption. One-third (29%) indicated they have confidence in the whistle blower protections in place.

In terms of sub-group differences, the following were notable:

> Those employed as EO2 and above were more likely than less senior public servants to indicate they would report corruption on mere suspicion (68%) and be confident they would be protected from victimisation (70%) when doing so.

> Additionally, those employed as VPS 6 (50%) and those working in social, educational and health services (56%) were more likely than others to indicate that they do not feel confident they would be protected from victimisation should they choose to report corrupt behaviour.

Those in line agencies were significantly less confident than those in central agencies that they would be protected from victimisation should they report corruption.

FIGURE 7
If you were to report corruption, are you confident that you would be protected from victimisation by central vs line agencies
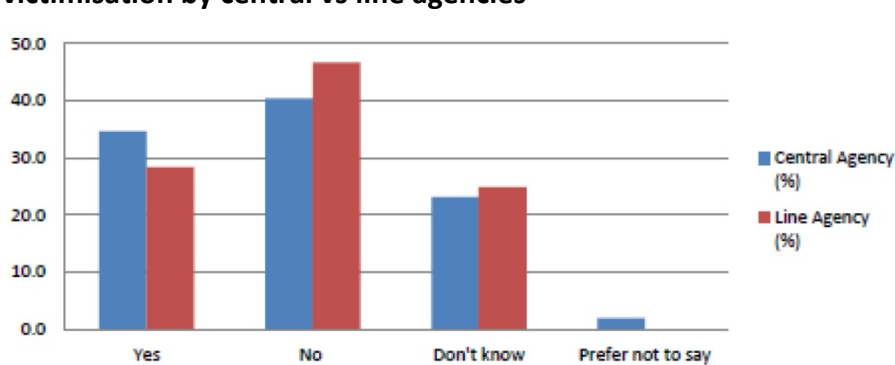
Future corruption risks

All respondents were asked to identify possible emerging corruption risks for their organisation over the next three to five years. This was an open ended question and answered by about 20 per cent of respondents, so any inferences from the table should be treated with great caution.

Those who had been employed by more than five different Departments or Agencies over their career (54%) were more likely than others to mention 'abuse of power' as an emerging corruption risk within their organisation.. While the table reports the most frequent responses, the "other" category includes comments such as inexperienced / underqualified staff; inadequate levels of regulation / supervision / accountability; staff job dissatisfaction / low morale; risks / problems relating to procurement; interference / influence from external parties, governing bodies, ministers, etc; misappropriation of funds / improper use of finances

TABLE 7
Emerging corruption risks within Department

Corruption risks	Total %
Abuse of power	36
Risks concerning outsourcing / awarding of contracts / grants	8
Nepotism / Unfair recruitment / promotion processes	7
Lack of resources / downsizing	5
Inadequate levels of regulation / supervision / accountability	5
Conflict of interest	5
Disregard / violation / deterioration of policies and guidelines	5
Other	20
Don't know	59
Prefer not to say	7

N= 839
Total exceeds 100% – multiple responses permitted

6. Summary and Conclusions

This initial set of descriptions provides data for officials to consider when building integrity structures in their agencies. The one key finding is that corruption is not on the radar of senior Victorian public servants. This is not to say that it does not exist, nor is it to say that it is a significant problem that is going undetected. A second finding is that almost half of the public servants surveyed did not feel confident that they would be protected from victimisation should they report corruption.

Perceptions and experiences

There is a strong feeling among the public in Victoria that corruption is on the increase, but respondents can provide few examples of personal experiences of corruption or corruption impacting on their lives directly. Public servants on the other hand did not perceive corruption to be on the increase. Fewer than half as many public servants as members of the general public thought corruption in Victoria had increased.

While not able to give examples of direct corrupt acts affecting them, many people indicated that media reports and portrayals in documentaries and telemovies shaped their perceptions of corruption.

Globally more than one in four survey respondents report having paid a bribe in the last 12 months. In Victoria and in Australia the number is negligible, yet bribery is the most common face of corruption.

Victorian public servants generally were satisfied that there was little corruption in their agencies. They generally thought there was more, out there in other agencies, than in their own, and overall felt there was less in central agencies than in line agencies.

Risks and their management

Again the spectre of bribery looms over the results, though in practice bribery is very rare. One- third of public servants thought there were opportunities for bribery, yet only 4% had suspected bribery and less than one per cent had personally observed it. When asked what the most damaging corruption threat facing the Victorian government might be, bribery was listed more than all the other threats combined. Yet, the evidence shows that bribery as observed by public servants and experienced by the general public is very rare in Victoria, and in Australia as a whole.

When considering mainstream public sector activities, public servants rated corruption **risks** as generally low. The most commonly identified potential corruption risks were in relation to appointing personnel, buying goods and services, and partnerships with private sector. Behaviours most commonly **suspected** and **observed** were hiring family and friends, conflict of interest, abuse of discretion and abuse of information

Fears and concerns - reporting corruption

Most public servants had confidence in their agency's integrity framework, though interestingly one tenth of these senior public servants were not aware of their Agency's/ Department's integrity framework.

One in ten public service respondents had reported corruption, and 42% thought their report of corruption had been handled effectively.

The general public was not always aware of where to report suspected corruption, with about half nationally not knowing where to report. Mostly people would report to the police and in NSW and Queensland, states with prominent anti-corruption agencies, fewer than 10% would report to the anti-corruption agency. They would most likely report to the police.

Protecting people who report corruption or uphold integrity standards in the face of opposition is a challenge. Almost half of the respondents did not feel confident they would be protected from victimisation should they report corruption. Those who felt less confident were the more lower ranked of the respondents (VPS6) and those in line agencies, especially in social, educational and health services. Members of the general public also had

reservations about reporting, some believing that lone individuals cannot do much, and others fearing reprisals.

The Global Corruption Barometer shows a strong desire on the part of the general public to resist corruption, report wrong doing and campaign for the reduction in corruption. It must be noted, however, that this comes from many countries with terrible practices and massive corrupt exploitation, and the situation in rich countries, and in Victoria is very different.