

Shaky foundations

In August the ICAC began public hearings as part of Operation Ambrosia – an investigation into conduct associated with the issue of contractor builder licences.

In New South Wales, a small proportion of building licences are issued under 'the 20-year rule'. While most building licence-holders obtain their licences by studying for a formal qualification, it is also possible to obtain a building licence from the Office of Fair Trading by demonstrating 20 years of experience and then passing a building licence skills assessment at the Building Industry Skills Centre (BISC).

Each person applying for a building licence under the 20 year rule must submit evidence of their experience in the industry, over a period of 20 years, when applying to the Office of Fair Trading (OFT). This evidence includes referee statements from qualified builders who know of the applicant's work history.

During the recent hearings the ICAC was told that various people associated with a company called Quatra arranged for false references to be presented to the OFT. Participants either got other builders to agree to provide false references or created them themselves. By this means, applicants with inadequate building experience were able to satisfy the OFT that they had 20 years of relevant experience. The OFT would then refer such applicants to the BISC for a building licence assessment.

The hearings also suggest that weaknesses in this assessment process were being exploited as part of the scheme.



Applicants sitting the skills assessment can arrange for an interpreter if one is needed. The ICAC was told that a particular interpreter, would, for a fee, provide the correct answers to the BISC assessor on behalf of the applicant.

Operation Ambrosia and the ICAC's earlier investigation into safety certification in the building industry

illustrate the potential for problems in one jurisdiction to spread to others.

Building licences issued in New South Wales may be the basis for applications for building licences in other states, and operators of heavy construction equipment can use competency certificates issued in New

South Wales to obtain work in other states and territories under a national certification system.

Any deficiencies in the licensing of construction workers or builders in one state, then, can have an impact on construction standards and safety throughout the entire country.

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Commissioner's editorial

This is my last editorial in *Corruption Matters*. I step down this month at the end of a challenging and rewarding five-year term as ICAC Commissioner.

The last five years has been a time of significant change, both within the ICAC itself and in the public sector.

In that period we've made many changes to the organisation, updating our skills and enhancing our capacities to deal with corruption as it adapts to a changing environment.

We have enhanced our complaint-handling processes; acquired new intelligence-gathering and analytical capabilities; and recruited staff with a range of specialist skills in investigations and corruption prevention.

These new skills and capacities have been put to the test as we respond to a steadily rising number of matters reported to us by public officials and members of the public; a large number of challenging investigations into highly specialised areas of public sector work and complex public-private sector interactions; and a strong demand for our corruption prevention and education services.

In the past few years, there have been significant shifts in the ways in which public officials and public sector organisations work. Many services are now delivered on-line, information has become a commodity in its own right and public sector organisations increasingly look to private sector contractors to deliver public services.

Each of these changes creates new opportunities for corrupt conduct and new challenges for corruption prevention.

In this issue of *Corruption Matters*, and our latest Annual Report, you'll find numerous examples of corrupt conduct which exploits opportunities created by new systems and processes.

ICAC investigations play a crucial role not only in exposing the actual corrupt conduct, but also the systems failures or weaknesses that all too often provide the opportunity for corruption to occur.

Public sector organisations have a responsibility to manage corruption risks and to report instances of actual or suspected corrupt conduct. The role of the ICAC is not only to investigate instances of corrupt conduct, but to help organisations identify and manage corruption risks. That work ranges from making specific corruption prevention recommendations to organisations involved in ICAC investigations to producing training and resource materials for use across the public sector.

During my term as Commissioner there have been many examples of cases where the ICAC has 'nipped problems in the bud', exposing corrupt conduct that

was defrauding the public or endangering public safety and identifying systems weaknesses that had provided opportunities for the corrupt conduct to occur.

Our major investigation into Rockdale City Council, for example, achieved much more than the exposure of corrupt conduct involving a councillor. That investigation highlighted deficiencies in the development approvals process generally, and played a key role in the introduction of legislative changes to increase accountability for councillors and council staff throughout the state.

This year, we've reported on investigations with similar far-reaching consequences.

In June we reported on an investigation that uncovered serious corruption by assessors accredited to WorkCover NSW. The corrupt conduct we uncovered had led to thousands of competency and safety training documents being issued to construction workers who had not undertaken the required testing or training. This corrupt conduct posed an immediate threat to the safety of construction workers, not only in NSW but throughout Australia, as holders of the fraudulent documents could find work in other states under a national accreditation system.

In September we reported on another case of contraband being smuggled into a correctional centre. The contraband included mobile phones and drugs, with the potential to endanger inmates and correctional officers' safety and to allow convicted criminals to maintain links with their associates. In our investigation report we reiterated the need for effective staff search procedures in NSW correctional centres.

As well as these major investigations, the ICAC deals with a host of other matters. Over the past two years, we have received a steadily rising number of reports of suspected corrupt conduct from members of the public and from public officials.

There is obviously no single reason for this increase, but I think among the reasons must be the high public profile of the ICAC, increased recognition of the importance of combating corruption and the community's confidence in the work we do.

I'm proud to have been part of this work over the past five years. None of it would have been possible without the dedication and commitment of the ICAC's staff and those many public sector organisations and individuals who have worked with us to build corruption-resistant organisations and processes.

This work is vitally important and it must continue. I wish my successor, the staff of the ICAC and all of you every success in this work in the years to come.

June Moss

Good business

Increasingly, private sector businesses are involved in the provision of public services, from garbage collection to highway construction.

In this new environment, it's important that these service providers have a clear understanding of public sector values and practices, and that they understand their obligation to abide by these principles when providing public services.

A number of ICAC investigations have revealed that a lack of

understanding by the private sector of core public sector values such as integrity, accountability and objectivity can be very damaging for the organisations concerned.

By contrast, the better the understanding of public sector values and practices the contractor has, the better the outcomes tend to be.

The ICAC has released a new guide to help public sector organisations establish ethical and effective business relationships with the private sector, so that contractors understand what is

expected of them from the beginning of the business relationship.

Developing a statement of business ethics is a practical guide which explains why such statements are important and how they work in practice. The guide then sets out the steps in developing a customised statement of business ethics, with links to sample statements currently in use.

Developing a statement of business ethics is available on the ICAC website www.icac.nsw.gov.au or in hard copy on request.



Corruption and contracting-out

In 2003 the ICAC published the results of its research into functions, risks and corruption resistance strategies in the NSW public sector. That research identified a number of high-risk functions – functions that can expose public sector agencies and public officials to corruption risks.

Among the 15 high-risk functions identified was the issue of qualifications or licences to individuals. Another high-risk function was having regular dealings with the private sector (other than the routine purchasing of goods and services).

In recent months, the ICAC has investigated a number of situations where the issuing of qualifications or licences has been outsourced, and where failure to recognise and manage the associated risks has led to serious problems.

In June this year the ICAC published a report on an investigation which exposed systemic corruption on the part of accredited assessors acting for WorkCover NSW. The assessors played a key role in safety certification and training in the NSW construction industry.

The ICAC has recommended that the Director of Public Prosecutions give consideration to prosecuting six accredited assessors and one accredited trainer for various criminal offences.

The report also makes a series of corruption prevention recommendations to assist WorkCover NSW manage the corruption risks associated with the competency assessment process and the certification system.



The Commission's investigation focused on three areas: competency assessment and certification for heavy machinery operators; occupational health and safety (OHS) induction training and certification for construction industry workers; and training and certification of crane operators working in proximity to overhead power lines.

The ICAC's investigation revealed deliberate and widespread abuses of the competency assessment regulations by six accredited assessors. Several thousand Notices of Satisfactory Assessment were issued where assessors had not properly conducted the specified assessment procedures. In some cases, individuals had been issued with Notices of Satisfactory Assessment without any testing at all of their actual competence in operating the specified equipment.

The investigation also found that OHS induction training certificates were issued where no induction had taken place and that training and certification practices designed to ensure the safe operation of cranes and other heavy plant operating near overhead power lines were fraudulently manipulated.

This investigation illustrates the importance of monitoring and auditing in cases where a government department or agency has out-sourced the provision of services. In this case, monitoring deficiencies in the conduct of assessments allowed assessors to manipulate the system for financial reward.

To its credit WorkCover NSW has acted promptly to address deficiencies in its processes, but the corrupt conduct has serious ramifications for workplace safety in the inherently hazardous construction industry.

Conflicts of interest – new resources

Sometimes unavoidable conflicts of interest occur in the course of normal public sector activity. There is nothing necessarily unusual or wrong with this. How a conflict of interest is managed is the important issue.

The Independent Commission Against Corruption and the Queensland Crime and Misconduct Commission have developed two new resources to assist public sector organisations to implement conflict of interest management systems.

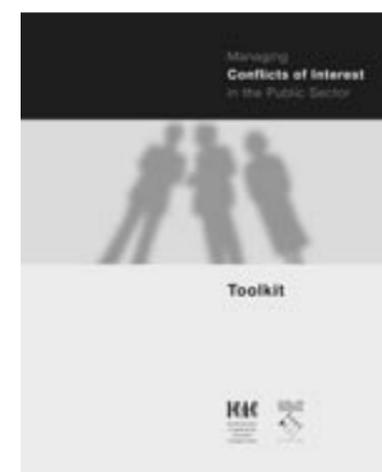
The new resources are *Managing Conflicts of Interest in the Public Sector: Guidelines* and *Managing Conflicts of Interest in the Public Sector: Toolkit*.

The purpose of the Guidelines is to assist public sector leaders in the development of a policy framework for managing conflicts of interest.

The Toolkit contains practical information and resources to support implementation of best practice policy. The tools provide options and plans that organisations can adapt to assist in the effective implementation of a conflicts of interest management system.

Managing Conflicts of Interest in the Public Sector Guidelines and *Toolkit* are available to public sector organisations. To order copies, just log on to the ICAC web site www.icac.nsw.gov.au and download an order form.

ORDER NOW



Land deals in the spotlight

The manner in which NSW Local Aboriginal Land Councils manage and dispose of land under their control came under the spotlight with an ICAC investigation into claims of financial mismanagement and improper land dealings by Koombahtoo Local Aboriginal Land Council.

The ICAC is investigating various land dealings by Koombahtoo Local Aboriginal Land Council (KLALC) between 1997 and 2002 to determine whether any members of the Executive

of the KLALC or its employees, as well as those who dealt with them in organising the various land dealings, engaged in corrupt conduct.

Four sets of transactions have been investigated by the ICAC: the Sanpine Joint Venture, the Villaworld Pipeline, the CKT Joint Venture and various transfers of residential land to certain members of the KLALC.

The Minister for Aboriginal Affairs appointed an investigator to examine the affairs of the KLALC in 2002. Following the receipt of the investigator's report, which concluded that various land

dealings by the KLALC may have been improper or fraudulent, the Minister appointed an administrator to manage the affairs of land council and it remains under administration to this date.

The ICAC's investigation has involved extensive analysis of material provided to it by the investigating accountant and the administrator. The investigation has been protracted and complex for several reasons. KLALC's record-keeping was seriously deficient and many records were destroyed by fire. Many of the documents that were available lacked details and were disjointed. As well,

information concerning the affairs of the KLALC was concentrated in the hands of a few former officers of the KLALC, who themselves were of interest to the ICAC. These difficulties were further exacerbated by the poor state of financial records maintained by the KLALC and the failure of its auditors to audit and verify the financial statements in accordance with the appropriate accounting standards.

The ICAC is currently finalising its investigation into these matters and will then table its investigation report to Parliament.



Focus on local government

New advice booklet for councillors

The ICAC has produced a new publication to help councillors give constituents information about the ICAC and to promote understanding of public sector corruption.

Providing advice on corruption issues: a guide for NSW Local Government Councillors describes what the ICAC does and how it works and explains public sector corruption. The booklet outlines the processes for reporting suspected corrupt conduct to the ICAC and includes a table of other NSW and Commonwealth bodies that deal with complaints.

Copies of *Providing advice on corruption issue: a guide for NSW Local Government Councillors* are

available on the ICAC website www.icac.nsw.gov.au or in hard copy on request from ICAC Education and Public Affairs, tel (02) 8281 5999.



Governance Health Check

In 2003–2004 the ICAC collaborated with Local Government Managers Australia NSW (LGMA) to produce a practical resource for NSW local government authorities to assess their own governance standards and processes.

The Governance Health Check – a self audit guide to good governance in local government provides a step-by-step

process for analysing and assessing a council's governance systems to ensure that corruption risk areas are being managed effectively.

The Governance Health Check is published by the LGMA, which is conducting information and training sessions throughout NSW in 2004–2005.

Accountability and councils

New legislation in New South Wales provides greater accountability for local government councillors, with a range of measures designed to deal with misbehaviour.

The Local Government Amendment (Discipline) Act 2004 requires all NSW councillors and council staff to comply with a model code of conduct and amends the *Independent Commission Against Corruption Act 1988* to specify that the ICAC has jurisdiction to deal with conduct that could constitute or involve a substantial breach of the code.

The Act was assented to on 28 September after passing through the NSW Parliament without amendment. Speaking during the second reading debate, Alison Megarity MP, Member for Menai and Parliamentary Secretary, said the bill “sets out the standards of behaviour that the community expects of

persons both in leadership positions in councils and working for councils.”

The new model code of conduct is intended to assist councillors and council staff to better understand their responsibilities and standards of behaviour in carrying out their functions on a day-to-day basis. The draft model code was drawn up by the Department of Local Government with input from the peak industry bodies for local government in New South Wales, council representatives, the ICAC and the NSW Ombudsman. In August the draft model code was circulated to councils for consideration and comment, and when finalised the code will be introduced by regulation.

The draft code can be accessed at the Department of Local Government web site www.dlg.nsw.gov.au under Local Government Circulars to Councils, Circular Ref: 04/41.

Conflicts of interest training

Councillors, general managers and senior officers from over 55 councils participated in recent ICAC workshops held throughout NSW for the better management of conflicts of interest.

The workshops were run by the ICAC to help councils use the new video-based training resource *In whose best interest*. The ‘train the trainer’ workshops presented a range of options for delivering conflicts of interest training to councillors and staff.

The kit can be a stand-alone resource for training about conflicts of interest or incorporated as a module into training sessions on such topics as codes of conduct, gifts and benefits policies or councillor / staff interactions.

The sessions were an opportunity for local government leaders to share their experiences, knowledge and best practices for dealing with pecuniary and non-

pecuniary conflicts of interest. All those who participated in the workshop received additional resources from the ICAC for defining, identifying and managing conflicts of interest and presenting training sessions using *In whose best interest*.

If you were unable to come to the workshops and would like advice on how best to use *In whose best interest* within your council, please call Education and Public Affairs, ICAC on (02) 8281 5999.

Thanks for your feedback!

In August we sent a survey to all councils to help us evaluate the use of *In whose best interest*, the latest ICAC video training resource for NSW local councils.

Our thanks to everyone who responded to the survey. Your comments will help us to develop future materials that are relevant for local government audiences.





Strengthening corruption resistance

As part of our strategic approach to strengthening corruption resistance in specific sectors, the ICAC has begun working closely with the NSW Department of Health and the area health services.

In working with particular sectors, the ICAC identifies the corruption risks that are particularly important and relevant to that area. New resources are then developed, or existing corruption prevention resources modified, to address the specific needs of each sector.

'The Commission has previously worked with universities, local government and with the waste sector

in NSW' said Linda Waugh, ICAC's Director of Corruption Prevention, Education and Research.

'What we have found is that each sector has different areas that we need to focus on and to respond to in order to strengthen their capacity to resist the risk of corruption.'

Through this project, the ICAC aims to initially identify the main corruption risks in the public health sector, gain an understanding of the health sector's operating environment, and then identify and promote realistic and appropriate corruption prevention strategies.

The project will occur in three phases. The focus of the first phase is gathering current knowledge of corruption risks in the health sector and identifying key risk areas that will be further pursued. The second phase involves a program of consultation with area health services and relevant stakeholders including professional organisations.

The third phase will focus on the development of resources to assist area health services to better manage their corruption risks. The final form of these resources will be determined based on the results of the consultation and what is most useful for area health services.

To assist with the project the ICAC has convened a reference group made

up of chief executive officers of area health services and senior executives in the Department of Health. This group will provide expert advice and support during the consultation process and the resource development phase.

'This whole sector-driven approach combines the generic corruption prevention tools developed by the ICAC in areas such as recruitment, procurement and codes of conduct, with targeted initiatives specific to the particular sector,' Ms Waugh said.

'Our whole strategy takes a best practice approach to governance and management by dealing with corruption risks in an integrated way.'

Hospital waiting lists

The ICAC has recommended the NSW Department of Health (DOH) tighten its policies in relation to the management and reporting of hospital waiting lists.

The recommendations are contained in a report released in February following an investigation into alleged misreporting of waiting list

data in the lead-up to the March 2003 election at five hospitals (Prince of Wales, Sydney/Sydney Eye, St George, St Vincent's, and Bankstown) and at two area health services responsible for those hospitals (South Eastern and South Western Sydney).

In particular the ICAC recommended that the DOH introduce greater

transparency in publicly reporting waiting lists data by clearly identifying and defining all types of procedures and categories of patients excluded from the statistics.

The ICAC found no evidence that any person had deliberately misreported or dishonestly manipulated hospital waiting

list data, but its investigation revealed the then-existing waiting list guidelines were ambiguous or failed to address particular issues, leaving them open to conflicting interpretations and confusion among staff.

The report can be found on the ICAC website: www.icac.nsw.gov.au

Corruption prevention program wins award

The New England Area Health Service has developed an award-winning corruption prevention program, with assistance from the ICAC.

The program impressed the judges of the New England Area Health Service Quality Awards, winning the Education and Training for Quality award.

The program focusses on preventing fraud and the misuse of resources. It covers organisational strategies to prevent fraud and corruption such as codes of conduct and other policies, as well as individual responsibilities and ethical decision-making.

New England Area Health Service employs some 3,000 staff in more than 20 locations over a large rural and remote area of NSW, so the program is designed for distance education and on-line delivery, as well as for use in face-to-face sessions.

The Area Health Service committed considerable resources to developing the education program, with advice and assistance from the ICAC's Corruption Prevention division.

ICAC investigates mistreatment allegations

The ICAC is currently undertaking an investigation into alleged misconduct within the South Western Sydney Area Health Service and the alleged mistreatment of a number of nurses who complained about such conduct.

The ICAC's overall investigation encompasses about 50 separate allegations. As part of its investigation, the ICAC has interviewed or obtained statements from over 100 witnesses to date and has examined over 100,000 documents and computer records.

To date public hearings have been held into two specific aspects of this investigation: the conduct of

the Honourable Craig Knowles, MP towards four nurses from Campbelltown and Camden Hospitals during a meeting held at Mr Knowles's electorate office in Ingleburn on 5 November 2002 and the conduct of Mr Knowles towards a nurse from Fairfield Hospital during a nurse practitioner workshop held at the University of Technology, Sydney on 14 February 2003 and the circumstances surrounding the subsequent treatment of that nurse.

Assistant Commissioner John Clarke QC has presided over the hearings and will report on his findings at the conclusion of the investigation.



Controlling fraud

In our last column we advised about new standards on governance that had been issued by Standards Australia (the AS 8000 series). One of the significant aspects of those Standards is that they clearly define the elements that constitute good governance – for all sectors.

Fraud can have a major impact on an organisation's business performance and its reputation. Fraud is also a resilient and adaptable form of corruption, so it's not surprising that fraud control has been given special attention in AS 8001.

Fraud control is also specifically recognised in the current Auditing Standards. In 2002 a significant addition was made to the Auditing Standards with the introduction of Auditing Standard 210, which requires all

external auditors to obtain a declaration from management concerning the prevention and detection of fraud.

How are things going in the NSW public sector with fraud control?

How can agencies evolve their prevention and detection strategies to keep pace with developments?

We are currently working on both these questions, and have been speaking to many of you to gain your insights and experiences about this. We will be publishing a performance audit report on this subject, and an update of our fraud control better practice guide (now 10 years old!), later this year.

Contact: Stephen Horne, Director Performance Audit on (02) 9285 0078 or email at stephen.horne@audit.nsw.gov.au

The Audit Office's Mission is to assist Parliament in improving the accountability and performance of the State. It does this by reporting its findings from auditing the financial reports of all the State's public sector bodies and through its performance audits on specific government activities. It also has a role in dealing with protected disclosures.



The Ombudsman and universities

The number of complaints to the Ombudsman about universities has risen 130% over the past five years. The proportion of those complaints that are protected disclosures is also much higher than the corresponding proportion of non-university complaints.

Investigating a number of complaints about one university brought to a head our concerns about rising numbers of university complaints. As a result, and to assess that university's processes from a wider perspective, we decided to commence an own motion investigation to evaluate complaint handling policies and processes at all ten NSW public universities.

In response to a questionnaire we have obtained extensive information revealing considerable divergence in practices and various deficiencies of concern. We have issued to key stakeholders a discussion

paper that suggests a number of minimum standards for complaint handling built on an amalgam of the Australian Standard, our general guidelines on complaint handling and the best practices already operating in the ten universities. After considering submissions on the discussion paper, we intend to propose a scheme that should help to bring consistency and best practice to all NSW universities. Hopefully, adoption of such a system will help to stem the flow of university-related complaints to the Ombudsman.

Chris Wheeler
Deputy Ombudsman

In the interests of the NSW community, the NSW Ombudsman works to promote good conduct and fair decision-making by all agencies and persons within jurisdiction.

5th National Investigations Symposium

The 5th National Investigations Symposium was held in Sydney on 4 and 5 November.

The symposium featured a strong line-up of speakers, including:

Gherardo Colombo, Deputy Prosecutor, Criminal Court Milan,

Jeremy Pope, Co-Director, TIRI, the London based Governance Access Learning Network and foundation managing director of Transparency International,

Alan Doig, Professor of Public Services Management, University of Teeside, UK and previously Head, Centre for Fraud Management Studies, John Moores University

Dr Kate Storey-White, CEO AudioLex, UK.

Gherardo Colombo spoke about the large-scale investigations into systemic corruption in Italy, which began in 1992 and investigated more than 5,000 people, including four former Premiers, while Dr Storey-White spoke about forensic techniques for examining sounds, voice, text and language.

Well-known journalist Quentin Dempster chaired a session with Frank Costigan QC and Justice Geoffrey Kennedy QC speaking about the legacy of significant inquiries in Australian political history, such as the 'WA Inc' inquiry and the Victorian Painters and Dockers Royal Commission.

Peter Hall QC, Counsel Assisting the Waterfall Inquiry, spoke about the importance of selecting the appropriate investigation methodology, while Dr Russell Smith, Principal Criminologist, Australian Institute of Criminology, spoke about key issues in the prosecution of financial crime and corruption.

A key theme of the symposium was integrity systems – the practices and institutions that work to sustain accountability and control corruption, misconduct and maladministration.

Professor Alan Doig presented an international perspective on integrity systems in 33 countries, while Dr AJ Brown presented findings from the Integrity Systems Assessment Project conducted by Transparency International and the Key Centre for Ethics, Law, Justice and Governance at Griffith University.

The symposium covered a wide range of other issues, including investigating document and information leaks, confronting cultural issues in investigations and investigative journalism.

The National Investigations Symposium is organised by the Institute of Public Administration Australia the ICAC and the NSW Ombudsman. For more information visit the IPAA website www.nsw.ipaa.org.au.

Annual report 03–04

In 2003–2004 the ICAC received and assessed 2,886 matters containing 3,550 allegations of corrupt conduct; conducted 48 investigations and 141 preliminary investigations and held 33 days of public hearings. The ICAC made 92 specific corruption prevention recommendations in ten investigation reports, produced a range of corruption prevention resources and conducted training and education activities, including two regional visits programs. For a full account of the ICAC's activities in 2003–2004, check the ICAC's *Annual report 2003–2004* at www.icac.nsw.gov.au





ICACnewsinbrief

NESB campaign update

The ICAC has extended its *Corruption is Wrong* campaign to advise people of non-English speaking background on ways to prevent corruption and encourage them to report corrupt conduct.



Two information brochures, *Introducing the ICAC* and *Reporting corruption to the ICAC*, have been translated into 29 community languages and are available on the ICAC website.

Other campaign materials have now also been produced in Tamil, Bengali, Urdu, Thai and Japanese to ensure that the full range of information materials is available in all 29 community languages.

During Stage 2 of the campaign the ICAC ran new radio advertisements in Tamil, Bengali, Urdu, Thai and Japanese. As well as the radio campaign, the ICAC has also produced additional materials for these languages including *Bribery=Crime* pamphlets, and the *Corruption is wrong* postcard.

The ICAC's multilingual publications can be downloaded from the ICAC website www.icac.nsw.gov.au.

For more information, contact Bill Kokkaris, Senior Project Officer, ICAC on tel (02) 8281 5877.

ICAC visits Mudgee and the Illawarra

The ICAC's Rural and Regional Outreach Strategy (RAROS) takes anti-corruption initiatives and training to regions across NSW.

In June the ICAC conducted a "mini-RAROS" program in Mudgee and in September we conducted a full RAROS program in the Illawarra region – an intensive week of workshops, agency liaison visits, school presentations and a well-attended breakfast with community leaders.

The Illawarra program included a special briefing for community workers and public officials who work with immigrant communities in Wollongong – part of the ICAC's campaign to inform non-English speaking background communities about corruption and the role of the ICAC.

The ICAC's Rural and Regional Outreach Strategy began in 2001 and has included visits to regional centres in New England, the Central West, the Hunter, the Far West, the North Coast and the Riverina.

Gifts and benefits

Managing gifts and benefits in the public sector can be a complex issue. The ICAC is finalising a new resource for public sector agencies and local councils that explores best practice for dealing with gifts and benefits that are given by external stakeholders to staff.

The resource emphasises the need to educate staff and external stakeholders through adequate policies and procedures that address the specific risks posed to the organisations due to its core business and the types of activities performed by staff.

Training modules

The ICAC offers training services to assist NSW public sector organisations build corruption resistance and to support the implementation of ICAC recommendations following investigations.

A number of training modules have been developed on such topics as reporting corruption to the ICAC, conflicts of interest and managing gifts and benefits. If you would like to find out more about the modules, please contact the ICAC's Education and Public Affairs section, tel (02) 8281 5999 or 1800 463 909 (toll free).

Profiling the public sector goes interstate

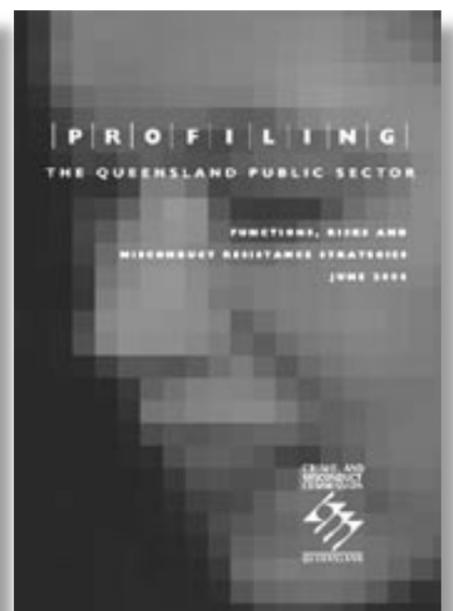
Following the ICAC's groundbreaking research into functions, risks and corruption resistance strategies in the NSW public sector, our counterpart organisation in Queensland, the Crime and Misconduct Commission (CMC) has conducted its own research based on the ICAC model.

Profiling the Queensland Public Sector was published in July and, like the ICAC research report published in January 2003, will help public sector organisations evaluate their

exposure to corruption risks and the comprehensiveness of their existing corruption prevention strategies.

The research also provides information which will allow the CMC to target its corruption prevention work to identified needs.

In launching the CMC report, Chairperson Brendan Butler SC said the research was 'a systematic way of obtaining an overall picture of the risks facing the Queensland public sector and the different types of agencies within the sector, and will enable the CMC to plan its future directions in helping the agencies deal with those risks.'



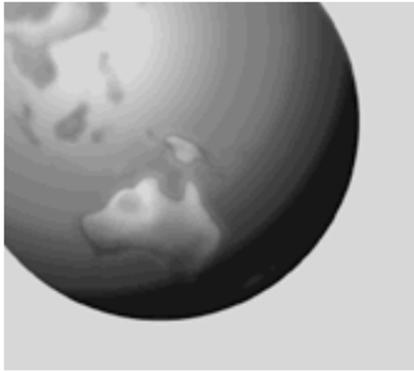
Premier announces nomination for ICAC Commissioner

On 28 October the Premier announced the nomination of the Hon. Justice Jerrold Cripps QC, former Supreme Court judge and Chief Judge of the NSW Land and Environment Court, as the ICAC's fourth Commissioner.

The Premier's nomination has been referred to the Parliamentary Joint Committee on the ICAC for approval. Justice Cripps has presided over ICAC hearings in relation to two ICAC investigations – Operation Jommelli which investigated a car rebirthing racket and Operation

Meteor which investigated allegations by a National Parks and Wildlife Service employee, John Kite.

Justice Cripps was appointed by the NSW Governor in June 2004 to conduct a review of the *Independent Commission Against Corruption Act 1988*. With the announcement of Justice Cripps's nomination as ICAC Commissioner, the Premier has recommended to the Governor that Bruce McClintock SC be appointed to complete the review of the ICAC Act by the end of January 2005.



In other news

CMC head to leave

After six years as head of Queensland's Crime and Misconduct Commission, Brendan Butler SC will be leaving the organisation in late November.

Mr Butler joined the organisation in November 1998, when it was known as the Criminal Justice Commission (CJC), and oversaw the merger of the CJC and the Queensland Crime Commission in January 2002 to form the current CMC.

Under Mr Butler's leadership, the CMC has become a well respected agency in Queensland known for its professionalism and independence.

Every year the CMC conducts more than 100 investigations exposing corruption and misconduct, such as fraud, in the Queensland public sector and police service.

The CMC also leads the nation in its fight against Internet paedophiles with several interstate police jurisdictions looking to the organisation for advice on technology and expertise in the area of paedophile crimes online.

Earlier this year the CMC was responsible for changing the face of the foster care system in Queensland after

systemic abuse of children was revealed. The Commission held a public inquiry and successfully recommended that the state government overhaul the system.

WA corruption watchdog update

In January this year Western Australia's Corruption and Crime Commission (CCC) began operations. The CCC was established following a recommendation of the recent Police Royal Commission in Western Australia and replaces the Anti-Corruption Commission, which was established in 1996.

The CCC has jurisdiction over employees in the WA public sector, including police and local government, and has extensive investigative powers. The CCC can grant police permission to use 'extraordinary powers' to combat organised crime, while monitoring the use of those powers. Secrecy provisions which were in place for the Anti-Corruption Commission have been removed in the legislation establishing the CCC.

The CCC's inaugural Commissioner is Kevin Hammond, a former Chief Judge of the District Court of Western Australia,

and the six directors of the organisation have high-level experience in the military, law enforcement and academia.

The work of the CCC is overseen by a Parliamentary Committee and by a Parliamentary Inspector, who can investigate complaints against the CCC. Malcolm McCusker, a QC and leading member of the WA Bar, has been appointed as the first Parliamentary Inspector.

Australia signs UN anti-corruption convention

On 10 December 2003 Australia signed the United Nations Convention Against Corruption, the latest in a series of international legal instruments designed to help countries deal with problems of transnational crime and corruption.

The new Convention covers corruption prevention, international co-operation and technical assistance to fight corruption, as well as provisions to assist in the recovery of misappropriated assets.

The Convention requires countries to have a range of anti-corruption measures. These include establishing effective anti-corruption policies,

ensuring transparency and accountability in public administration and ensuring that various forms of corruption (such as bribery of public officials, embezzlement and abuse of public official functions) are criminal offences.

The Convention contains a range of specific suggestions to guide countries in translating its broad provisions into practice, in accordance with the fundamental principles of each country's domestic law.

For example, the Convention suggests a range of measures to prevent corruption involving the private sector. These include promoting the development of codes of conduct for business relations with the public sector and the imposition of appropriate restrictions on the professional activities or employment of public officials after their resignation or retirement from public office.

Like other countries which have signed the Convention, Australia is currently consulting on any changes to domestic law that may be required before formally ratifying the Convention.

The UN Convention Against Corruption will enter into force once it has been ratified by 30 countries.

Corruption prevention advice

The ICAC's Corruption Prevention Officers work with public sector organisations to strengthen administrative systems and to raise awareness of potential corruption problems.

Whilst our corruption prevention advice is mostly provided to public sector organisations, ICAC staff can discuss with any member of the public the probity aspects of a particular matter and provide advice on the ideal practice that should be adopted by the organisation in the circumstances concerned.

The main benefits of contacting the ICAC for advice are that informal advice can be given promptly and the caller can be advised about relevant information such as ICAC or other agencies' publications. Sometimes, more research and consultation than a phone call will allow is required and in such cases ICAC officers would discuss the most appropriate way to assist.

For corruption prevention advice:

Telephone the ICAC between 9am and 5pm on 8281 5999 (or toll free on 1800 463 909 for callers outside Sydney).

About Corruption Matters

Corruption Matters is produced to raise awareness in the NSW public sector and the wider community about corruption-related issues. If you have any comments about the publication or would like to be put on the mailing list, please contact the Education and Public Affairs section, Independent Commission Against Corruption.

EDITOR	Peter Richardson
CONTRIBUTORS	Sue Bolton, Liza Albion, Andrew McCutcheon, Bill Kokkaris, Lynn Atkinson
DESIGN	Kylee Mexsom
PRINTING	Faast Print Kingsford

New South Wales public sector agencies are welcome to reprint articles from *Corruption Matters* in their own publications. We would appreciate notification of any such use, and the following acknowledgement:

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Independent Commission Against Corruption

GPO Box 500, Sydney NSW 2001

Tel (02) 8281 5999
(callers outside Sydney may call toll-free on 1800 463 909)

TTY (02) 8281 5773

Fax (02) 9264 5364

Email icac@icac.nsw.gov.au