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A Global Compass – Navigating Public Sector Corruption

Identifying and Dealing with Improper Influence in Local Government

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IDENTIFYING AND DEALING WITH IMPROPER INFLUENCE IN LOCAL GOVERNMENT

A: INTRODUCTION

Public sector agencies are experiencing ongoing improper influence or repeated workplace corruption despite the presence of apparently adequate organisational integrity systems[1] (ICAC 2009)[2]. When workplace corruption or improper influence is identified it usually reported then investigated and reforms to address the problems proposed and attempted. Yet there is abundant evidence that the same or similar improper influence or workplace corruption continues. This paper will examine two case studies. The first case study is about two investigations into allegations of improper influence and corruption in the Waste and Cleansing Services of Sutherland Shire Council. The second case study involves ICAC investigations into RailCorp, the state owned railway in NSW. The ICAC conducted 8 investigations over 16 years into RailCorp and reported that similar patterns of repeated corrupt conduct continued despite being prohibited by organisational policy (ICAC 2008). This paper will attempt to offer some preliminary answers to the questions arising from these case studies : why does the improper influence or repeated workplace corruption continue; and why are the investigations and organisational integrity systems failing to deal with the problems? This analysis suggests that a major factor in repeated workplace corruption is the failure to monitor and implement reforms recommended by investigations and existing organisational integrity systems.

B: SUTHERLAND SHIRE COUNCIL WASTE AND CLEANSING SERVICES

PART 1:   2005 Investigation[3]

Sutherland Shire Council is a large metropolitan local government area in southern Sydney. It has an annual budget of $A240 million and employs about 1,500 staff. It is responsible for providing services to the local area such as: planning/building controls, road construction, children's services, waste water, environmental controls and cleaning/waste collection.

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[1]   Organisational integrity systems are policy and operational frameworks that are intended to integrate an organisation's anti-corruption strategies. They usually comprise standard elements including risk assessment, audit and investigation capacity, reporting, education and training, organisational controls and policies, administrative structures, leadership and communication.
[2] The Independent Commission Against Corruption (ICAC) was created by the ICAC Act 1988. Its aims are to protect the public interest, prevent breaches of public trust and guide the conduct of public officials. The ICAC has the authority to investigate any matter involving public sector corruption in NSW.

In 2005 Council received a number of complaints about the service provided by its Waste and Cleansing Services for the collection of commercial waste from shops and businesses. These complaints included the following.

- Cleansing Services collecting commercial waste from shops, restaurants and businesses that were not paying customers of Council.

- Extra non-contracted waste being collected from Council customers above the agreed amounts without extra payment.

- Private bins or waste being collected from private residences.

- Private waste being collected from the homes of Council employees.

- Cleansing Services employees receiving small amounts of cash or food and drinks from shops and businesses for collecting extra waste without any payment to Council.

Council's Internal Ombudsman investigated the allegations. The investigation included interviews with employees and conducting surveillance of the Waste/Cleansing Services employees. The investigation found many of the allegations outlined above proven.[4] However because the activities appeared to be infrequent and the evidence of corruption was inconclusive, the investigation was unable to make a finding of systemic corruption. The investigation also demonstrated that Council's existing Code of Conduct and process/supervisory controls were inadequate in preventing the alleged corrupt conduct. Although anti-corruption policies and controls were generally in place they were not observed by staff nor enforced by management.

At the completion of the 2005 investigation the following action took place. One employee resigned and there was a re-training program for all waste employees about Council's Code of Conduct and Gifts and Benefits Policy. The investigation concluded that as the evidence of corruption was relatively minor it was sufficient to deal with it by educating and training employees in the Code of Conduct and corruption prevention.

A number of other recommendations were made. These included changes to: workflows, rostering, management and improved supervision to reduce corruption risks. The anti-corruption training was conducted by the Internal Ombudsman's Office but the remaining

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[3] This case study is based on material presented in Canberra, Australia, at the Second Annual Ethical Leadership & Governance in the Public Sector, R. Plibersek, *"Ensuring Good Governance in Local Government – The Triple Governance track."* Canberra 2008.
[4] Internal Ombudsman Sutherland Shire Council *"Investigation into Cleansing Services"* 2005. See also EGPA: Ethics and Integrity of Government Study Group R. Plibersek & A. Mills, *"Is Monitoring Implementation the Key to Preventing Repeated Workplace Corruption?"* Malta, 2009

recommendations were left to the local mangers to implement. There was no monitoring to ensure that all the recommendations from the 2005 investigations were implemented.

PART 2:   2007-2008 Investigation

In 2007 further complaints were received that extra or unauthorised waste continued to be collected and that Sutherland's waste employees continued to receive gifts/food or payments.

These complaints suggested that the activity was more widespread than was first identified in 2005. As a result of these complaints a second investigation was made into the same area as investigated in 2005. In summary, the 2007-2008 investigation found the existence of the following activities.

- Immediately after the 2005 investigation, the waste employees that were not implicated took it as a green light to continue their corrupt activities. Training in corruption prevention and the Code of Conduct was dismissed by many employees as being theoretical and not applicable to them. For these employees it was "business as usual".
- Waste truck drivers having a large organised network of business locations where added waste collection services were being provided for their own personal gain.
- Demands that relief drivers undertake these added waste collections on corrupt employees' behalf when they are off duty to maintain the unauthorised waste collections.
- Evidence that if relief drivers refused to undertake these added unauthorised waste collections pressure was brought to bear on those drivers suggesting that their job depended on it.
- Division of Cleansing Services employees into two factions, one involved in the corrupt behaviour and another which was aware of the behaviour but "looked the other way".
- Some corrupt employees were protected from being reported because of friendships outside work.
- Rosters were prepared allocating like minded employees together. This ensured the continuation of the system of unauthorised waste collection and minimised the risk of these collections being reported by employees not involved.
- Employees known to be opposed to unauthorised waste collections being threatened with disciplinary action or allocated to less favourable roles.

The investigations by Sutherland Council in 2005 (and the ICAC into Liverpool City Council[5]) identified a number of corruption risks in waste collection. However, the 2007 complaints concerning Sutherland's Cleansing Services provided evidence of a further significant effect of improper influence or low level corruption not previously identified. They demonstrated the contagious effect that improper influence or low level corruption can have on the integrity and ability of a group to do its work efficiently.

The 2007 complaints uncovered two "factions" of employees. One group of employees participated and maintained the system of unauthorised waste collection. This group favoured its members wherever possible particularly by altering work rosters. Those outside the group were bullied or ostracised and casual staff were pressured to join the unauthorised waste collection. Any supervisors or employees that were not involved did not report it but tolerated the behaviour. This led to a loss of these supervisors' authority and their ability to effectively direct staff to do Cleansing Services authorised work. It also allowed a damaging public perception to develop amongst some of Council's waste customers that some of Council's Cleansing Services employees were corrupt and that Council management was unable to control corruption.

The 2007 complaints made it clear that despite existing policies and the program of education and training, the corrupt behaviour had continued and seemed to worsen. Thus

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[5] The ICAC has conducted investigations and issued discussion papers addressing problems of corruption in local government cleansing and waste services. An ICAC Discussion Paper *"Taking the Whiff out of Waste"* notes (page 6) that common allegations of corruption in the waste industry include:
- misuse or theft of waste resources;
- links between the waste industry and organised crime;
- failure to make or keep proper records;
- fraudulently altering waste weight records; and
- bribery and collusion between interested parties.

There is substantial money to be made operating outside the regulated industry. The threat of detection is seen to be particularly low. The ICAC concludes that government agencies are at risk of losing valuable resources through theft and misappropriation of valuable recyclable waste assets. A further risk for Councils and other agencies is the loss of income from the fees they derive in providing waste services. Council collection services may collect unauthorised waste in return for corrupt payments. Disposal charges may also be lost through corrupt activity. This represents not only a loss of fee income, but could also fall to the agency or Council to contribute to the cost of remedying any environmental damage caused by illegal dumping. The ICAC determined that Liverpool City Council had poor systems, inadequate monitoring and inexperienced staff. It lost significant amounts of revenue. The ICAC report concluded that risks for Councils in relation to waste collection and transportation generally include:
- loss of revenue from fraudulent or negligent performance;
- loss of reputation from poor service delivery;
- damage to commercial and community credibility through inadequate monitoring;
- damage to the environment from wilful or negligent waste disposal; and
- damage to the recycling of waste policy from failure to properly differentiate waste products resulting in disposal of recyclable material.

the 2005 retraining and education in corruption prevention and the Code of Conduct together with existing management controls were proven to be ineffective to prevent the reoccurring corrupt behaviour. In fact, unknown to the Internal Ombudsman or senior management, after the corruption prevention training had finished in 2005, the waste employees still did not view their own behaviour as corrupt but as a part of doing their job or just good customer service.[6] Because of the relatively low level of gifts/food/money involved and as long as the garbage was collected, the waste employees and their immediate supervisors continued to treat this behaviour as acceptable and a minor issue not requiring any remedial action. Other recommendations that had been allocated to the Waste and Cleansing Services managers had not been implemented nor had any senior manager checked implementation.

With the evidence uncovered by the 2007-2008 investigation that the corrupt behaviour present in 2005 had reoccurred – and possibly worsened, the paramount issues now became:

- what caused the improper influence or low level corruption to continue; and
- what different initiatives or reforms could prevent continual reoccurrence of these same issues?

PART 3: Why Did Improper Influence and Low Level Corruption Continue After the Initial Investigation?

It was clear that the 2005 investigation had failed to identify the full extent of the problems and action taken to address them had been inadequate. In the 2007-2008 investigation the first step was to fully analyse the causes of the corruption problem and why the response in 2005 had been ineffective in preventing ongoing corruption. The causes of corrupt behaviour are complex and the subject of much debate. Despite this complexity, or perhaps because of it, what became clear was that for any response to be effective in reducing corrupt behaviour a range of solutions had to be attempted to address the range of possible causes.[7]

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[6] The Cleansing Services employees did not see it as corrupt but rather as a perk of the job, part of the culture or just helping Council and business in keeping the Shire clean. One example of these attitudes which were found during Council's Internal Ombudsman investigation in 2005 are as follows. Mr P was a Cleansing Services employee. He also had a private lawn mowing business. He was found emptying a large amount of green waste into the back of Council's Mobile Compactor at his private address. Mr P agreed that he should not have done that . In the past he has collected garbage from his own address with permission from his supervisor. *"It's a 'perk' of the job, collecting your own garbage in Council's Cleansing Trucks. This is part of the 'culture' of garbage/waste collection."* Mr P noted that what he was doing was no different to supervisors driving into the depot and unloading waste material from their car.

[7] Frank Anechiarico 1996 at 18-26 argues that there are layers of anti-corruption controls that have been added until the basic purpose of a regulatory body becomes ancillary to its corruption monitoring and control. New corruption controls do not displace old ones but rather they supplement them. Anechiarico argues that corruption controls implemented by law enforcement personnel has become the dominant approach in municipal

One possible approach was that pioneered by the Hong Kong ICAC. This approach identifies structural factors that give rise to corrupt behaviour by evaluating how work should be done, how it is actually done and how it is controlled by managers. These structural factors include: policy weakness, inadequate instructions, unnecessary procedures, inadequate supervision, excessive discretion, unenforeced laws and regulations, and misuse or abuse of position (Doig 1995:159).

An alternative possible approach was suggested by a study of cases in 35 countries that concluded that a combined range of strategies was most effective in dealing with corruption. These strategies included: political will, new laws, new procedures, enforcement, public awareness, prevention and accountability (Spector, Johnson & Dinino 2005). Of particular relevance to the Waste and Cleansing Services, the Spector study concluded that the effectiveness of anticorruption programs should not be based on what worked in different conditions. It argued against the "tool kit" approach to reform "… *in which good ideas are pulled 'out of the box' and expected to work. Whether they will work at all and how they might interact with each other are very complicated questions."* (Spector et al 2005:228).

Drawing on these conclusions, what was needed was a careful analysis of the causes of particular instances of corruption and a targeted practical response to each of those factors that were identified as contributing to the corrupt behaviour.

This approach parallels one proposed by Sparrow for dealing with a range of 'harms' that might include poverty, disease, illegal drug trafficking, natural disasters, workplace accidents or corruption. He also advises against applying the regulator's "toolkit" recommending instead that the tools used to control a particular harm be dictated by an understanding of its 'dynamics and dependencies' (Sparrow 2008: 27). He suggests that regulators responsible for reducing harms should see them as individual problems to be solved – (or "knots to be undone") - rather than simply the absence of their opposite. In the Sutherland Waste Services case, for example, the clearly unethical behaviour of the waste employees could not be adequately addressed simply by re-emphasising their ethical obligations.

A Sparrow analysis of the action taken after the 2005 investigation might be that the agency had relied only on its 'broad prevention program' (or organisational integrity system) that aims to promote the good to be desired (general ethical behaviour) rather than attack the

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government. These controls incorporating investigation, prevention and deterrence have become ends rather than the means to more effective governing.

specific harm to be reduced (theft, misuse of resources, secret commissions, bullying, etc) (2008:36-37).

This paper will suggest that monitoring and ensuring implementation of reforms is a critical factor in preventing a continuation of improper influence or low level corruption. There were also other factors in understanding how and why the undesirable behaviour had occurred and become so entrenched. The causes of the recurring corruption uncovered in the 2005 investigation of Waste and Cleansing Services seemed to include: inadequate instructions; inadequate supervision; irregular and irrelevant ethics training, low risk of detection; discriminatory supervisory practices; unchecked discretion; unnecessary procedures; unenforeced regulations; and misuse or abuse of position. These factors will now be discussed below.

PART 4:   Can Repeated Improper Influence and Low Level Corruption be Prevented ?

This analysis of the 2005 investigation also suggested a number of lessons. First, low level or minor corruption cannot be ignored because of its tendency to corrupt the organisational structure which in turn reduces the organisation's ability to work effectively and achieve its goals. Second, just like a broken window was found to be a marker for an increased likehood of individual crime, so low level corruption can be a marker for at least the potential for ongoing or more serious corruption to develop (Wilson & Kelling 2003). In Waste and Cleansing Services, for the system of unauthorised waste collection to continue it needs to recruit and then corrupt other employees to ensure its survival. Third, because the corrupt behaviour continued after training in Council's Code of Conduct and despite the existence of process/supervisory controls, such measures are by themselves ineffective in reducing corrupt behaviour. More or different measures were clearly needed to deal with the reoccurring problems.

After analysing the reasons for the failure of the 2005 investigation to uncover all the corrupt activity, the next step was to interview a large number of waste and cleansing drivers and supervisory staff about their experience of the corruption issues. The interesting point to emerge was the large number and diversity of complaints that many of the drivers had. These complaints included: unfair rostering, unequal pay rates, unfair pay bonus system, unfair distribution of work, use of casual drivers, inconsistent supervisory practices, inadequate training, inadequate performance reviews, bullying and favouritism.

The investigation team realised that one further reason for the failure of the 2005 investigation was the failure to identify the full extent of the problems and to limit the anti-corruption response to training and reliance on ineffective management controls. What was required was a precise analysis of the full range of problems and grievances of the drivers and a comprehensive response to address all of these issues. This process took some months and resulted in a lengthy investigation report with 55 detailed recommendations for reform. The recommended reforms were allocated to a number of senior managers for implementation. A system of reporting back and monitoring the progress of implementation was put into place to allow senior managers and the Ombudsman to ensure implementation and judge whether the reforms were succeeding. The entire process of investigation, implementation and monitoring took over two years. Some of the training programs dealing with work place culture are still continuing.

A summary of the recommendations from the 2007-2008 investigation show the diverse and far reaching nature of the reforms that were recommended and implemented:

- Appoint a senior manager to ensure implementation of the reform recommendations.
- Intensive training and counselling of supervisory staff to change poor management practices to promote a team focussed approach.
- Improved management of staff disputes and inter-personal skills.
- Review of staff rosters, use of casual staff and the system of performance review of staff.
- Review of overall communication mechanisms including regular workplace meetings and improved performance reporting.
- Review of the payment of the productivity bonus, division of runs, more efficient use of staff at the end of their shift, taking meal or rest breaks, driver training, providing assistance to drivers for missed bins.
- Introduction a totally revised corruption prevention training system based on regular workplace based meetings delivered by managers specifically designed to be relevant to staff.
- Improvements in recruitment, appointment and training of staff to make them fairer and more transparent.
- Stricter driver training and annual licence checking.
- Training and cultural change program to reduce the incidence of bullying and harassment.
- Revised and more detailed reporting to allow better monitoring of the effectiveness of reforms.

Most of the reforms listed above were designed specifically to respond to the problems identified in Council's Waste and Cleansing Services and do not have general application. There are however a few solutions that may be usefully applied to a wider range of workplaces. These are: the importance of ensuring implementation of reforms, an appropriate ethics training program and addressing organisational and individual values. Having reached these conclusions we questioned whether there were other similar examples in corruption prevention or other areas that would support our approach and tentative conclusions.

PART 5:   Importance of Implementation.

After the 2007-2008 investigation was completed and we had commenced implementing the recommended reforms we looked for evidence in other studies that may have supported or challenged our conclusion that a concerted implementation effort is the key to ensuring effective and long lasting organisational reform.

One example was the ICAC reports into RailCorp. The ICAC has also investigated repeated allegations of bribery, corruption and fraud at RailCorp (a state owned railway corporation). It has conducted eight inquiries over 16 years involving this agency in its various incarnations (ICAC 1992; ICAC 1993; ICAC 1998; ICAC 2001; ICAC 2006; ICAC 2007; ICAC 2008a; ICAC 2008b). These investigations reported findings of corrupt conduct on the part of 31 individuals including 14 RailCorp employees and staff of 16 private firms. The investigations exposed 'endemic and enduring' (ICAC 2008b:11) corruption involving employees and managers at many levels of the organisation. They uncovered fraud, bribery, improper allocation of contracts, unauthorised secondary employment, failure to declare conflicts of interest, false time sheets, and the cover-up of a safety breach. RailCorp employees were found to have improperly allocated contracts totalling almost $19 million to companies owned by themselves, their friends or their families, in return for corrupt payments totalling over $2.5 million (ICAC 2008b:5). Over 400 suggested criminal charges were referred for possible prosecution (ICAC 2008b:12).

The ICAC investigation found that the structure of RailCorp and the way it operated allowed and encouraged corruption. Contracting and purchasing procedures, reporting processes and poor management controls were all found to contribute to endemic corruption. The ICAC concluded that (ICAC 2008b:11):

> '…*the decision to outsource the provision of certain goods and services in an*
> *environment of dysfunctional markets, a lack of internal firewalls within procurement*
> *positions, the inability of management to effectively manage the procurement*

process, and the weak oversight by the RailCorp Board of an activity fraught with corruption risks, worked in concert to allow the widespread corruption to develop'.

The investigations exposed widespread corruption in many levels of RailCorp from workers to senior managers. Corrupt employees seemed confident that they would not be caught. The ICAC inquiry heard intercepted telephone evidence of conversations between RailCorp employees showing that corrupt purchasing practice were continuing at the same time as evidence about the same type of corrupt conduct by other RailCorp employees was being heard by the inquiry and reported in the media.

The investigations revealed serious and widespread management failures in the Asset Management Group (AMG) within RailCorp. These failures worsened the problems associated with the procurement process and assisted the continuation of corrupt conduct. Managers within the AMG failed to properly check the work of their staff, failed to take action to manage known corruption risks, and failed to ensure proper recordkeeping or to conduct proper checks. As a result, the ICAC inquiry found there was no credible threat of detection to act as a deterrent to prevent corrupt conduct (ICAC 2008b:5).[8]

The ICAC reported preventing corruption in RailCorp was not a priority for the senior executive managers. It noted that whilst RailCorp had an Internal Audit unit which had identified problems including corruption, senior management had failed to implement its recommendations (ICAC 2008b: 56). In December 2006 the RailCorp Board commissioned Deloitte Touche Tohmatsu to undertake an independent review of issues brought to its attention relating to three individuals. The Deloitte report found that (ICAC 2008b:56):

> " ... *many of the procurement and contract management issues raised in this report were investigated and referred to the ICAC by RailCorp's investigations and internal audit. We note however that had the recommendations made by the* [Internal Audit] *unit in several investigation and internal audit reports been effectively implemented, the need for further investigation and referral to ICAC may have been avoided.*"

The Deloitte report went on to state that (ICAC 2008b:56):

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[8] Because of the size and seriousness of these management failures the ICAC made a number of recommendations to reduce the corruption uncovered by the investigation. These include the appointment of an external expert to develop and implement change in the AMG, a review of the responsibilities of managers in AMG and a continuous program of management training to improve management skills. The investigation made recommendations to improve significant gaps and deficiencies in RailCorp policies and procedures. These recommendations included: limiting secondary employment of RailCorp staff, a prohibition on the receipt by procurement staff of gifts and benefits from contractors and tenderers, and procedures to ensure that staff, contractors and subcontractors comply with RailCorp's Statement of Business Ethics

> "*It appears that many of* [Internal Audit's] *recommendations have not been adopted or are still in progress, despite the ongoing efforts of Internal Audit to persuade management of the importance and necessity of change.*"

Thus the key lesson from both the eight ICAC RailCorp investigation reports and that of the independent Deloitte audit report, is that the explanation for the failure to prevent reoccurring corruption was the failure to implement identified recommendations. Had the recommendations been effectively implemented, the need for further investigations and repeated anti-corruption work may not have been necessary. This conclusion is similar to that reached in the Sutherland Waste and Cleansing Services case.

A second example is the UK Cabinet Delivery Unit. The head of the Delivery Unit, Michael Barber, concluded that many reforms failed because of there was no effective strategy to implement the reforms. When establishing the Unit, the question Barber asked was: "why does reform fail?" This is similar to the questions posed by this paper: "why does corruption reoccur?" or "why do anti-corruption measures fail?" When analysing these questions about corruption, we realised that some of Barber's solutions for ensuring successful implementation of policy reforms are also applicable to ensuring anti-corruption measures that address improper influence.

A number of key lessons developed by the Delivery Unit to ensure the successful delivery of reforms can be summarised as:

- Agree on a number of key reform priorities.
- Identify and use key relationships to drive reforms.
- Identify what you are trying to do; are you succeeding; if not, can that be changed (Barber 2008: 73).
- Appoint a leader to be personally responsible and accountable for delivery (Barber 2008: 76).
- Set targets, measure progress and report regularly on results, then advise on what to do next (Barber 2008: 101-107).
- Ensuring successful delivery requires a "long grind" of steady, persistent implementation and "gentle pressure, relentlessly applied" (Barber 2008: 112, 119).
- Give regular feedback and suggestions for improvement (Barber 2008: 114-118).

Thus the lessons from both the RailCorp inquires and Barber's experience is that ensuring successful and enduring reforms requires monitoring and persistent implementation. This is

very similar to the conclusions we reached when analysing Sutherland's Waste and Cleansing Services cases and consistent with the measures taken by Sutherland Council to address the improper influence and corruption it had discovered.

PART 6:   Revised Ethics Training Program

Sutherland Shire Council's previous ethics training system was based on imparting detailed information about each individual Council policy to all staff. Because this was found to be ineffective the focus switched to teaching values and ethics principles with less emphasis on imparting detailed knowledge of the policies.

Council's revised ethics training program consists of three steps. The first step is two brief information sessions given on employee commencement. These sessions give new employees an overview of Council policies on ethics as they relate to their employment with Council.

The second step aims to deliver detailed knowledge and skills about relevant legislation and Council's policies and procedures to managers and supervisors based on the nine key principles in the Code of Conduct. This second step consists of four sessions of training for all senior staff on the general principles of ethics and good decision making contained in Council's policies such as its Code of Conduct. Those nine principles are: Integrity, Selflessness, Objectivity, Honesty, Accountability, Openness, Respect, Leadership, Economy and Efficiency. . These sessions are delivered to staff in procurement or purchasing or senior management where their job requires a detailed working knowledge of Council's policies.

The third step is four short (about 15 to 30 minutes) ethics training courses delivered by all managers and supervisors directly to the teams they supervise. The courses are on : Conflicts of Interest, Gifts and Benefits, Use and Release of Information, Fraud and Corruption. The training is delivered by local managers at the workplace. This level is entitled "Management Assurance" training.

The aim of these courses is to impart to all staff basic knowledge, ethical values and principles contained in Council ethics and anti-corruption policies. These courses ensure that staff have a good understanding of the principles which form the basis of corporate policies on staff conduct and ethics. It allows staff to understand the type of behaviour expected of them and to differentiate proper from improper conduct.

Each local manager is provided with notes, training resources and support. Local managers give short presentations on the four courses and also provide regular briefings to staff in relation to new policy or other issues directly relevant to those employees at that workplace. This type of targeted training is designed to capture staff attention as it is short, focussed specifically on their needs and relevant to their workplace. As it is delivered regularly it acts as a reminder to staff as to what ethical conduct and decision making is expected of them. It is intended to overcome past criticism made by some staff that the previous training was too theoretical focused too much on detailed rules and did not relate to their workplace or job . This model of regular, short and tailored training is based on proven successful models of workplace occupational health and safety training used in Australia.

At the completion of each training course managers are required to provide a brief course evaluation. These evaluations have shown that both managers and staff experienced much higher satisfaction, comprehension and acceptance of Council's ethics policies and procedures. This is because the courses are short, relevant and tailored for each workplace by every manager. This approach has also resulted in organisational benefits. Staff have shown heightened awareness of ethics and anti-corruption policies. This is demonstrated by staff initiating changes to workplace procedures and significant increases in reports of non-compliance with Council's procurement and purchasing polices and Code of Conduct.[9] This increased reporting has lead to a number of potential frauds being uncovered and addressed.

PART 5:   Measuring and Evaluating the Reforms
A review of the reporting and implementation of the reforms disclosed the following results. The great majority of reforms recommended by the 2007-2008 investigation were broad ranging. Rather than exclusively targeting corruption prevention, the reforms were designed to respond to the whole range of problems identified or perceived by the staff. The intention was that by addressing all the entrenched problems, in a holistic way, the entire work process would be improved including reducing corruption.

The reforms have led to a complete revision of the way that the work is done, allocated and supervised. The drivers now see the system of recruitment, rostering, work allocation, bonus payments and supervision as fairer and more structured. The perception of staff has changed to be more trusting and team based perspective. The culture of the whole group has been changed so that corruption, bullying and harassment is clearly seen as

unacceptable. Staff morale and skills have improved. After lengthy consultation agreement was reached with the drivers and unions to introduce GPS tracking and data logging devices on waste vehicles for safety and data collection purposes. This has resulted in improved efficiency and an ability to pay productivity bonuses based on the work actually recorded as being done. All the reforms have resulted in increases of between 5-10% in: revenue, commercial waste customer numbers and improved productivity by reduction of lost on-the-job time. There has also been a reduction of about 5% in operational costs.

E: CONCLUSIONS

Many of the lessons learnt about why the initial 2005 investigation Waste and Cleansing failed to prevent ongoing improper influence or repeated workplace corruption are applicable only to that workplace. However some broader conclusions with more general application to the public sector can be made. The key differentiating factors accounting for the failure of the 2005 investigation and the success of the 2007-2008 investigation seem to be:

- the causes of repeated corrupt behaviour or problems in a workplace need to be analysed in a specific, rather than generalised, way in their own context;
- the proposed solutions need to target all the relevant behaviours occurring in that workplace; and
- the successful delivery of reforms aimed at reducing repeated workplace corruption, can be best assured by steady and persistent monitoring and implementation of the reforms recommended after careful investigation of the causes of improper influence or corruption in that particular workplace.

These conclusions are similar to those reached by the ICAC in its RailCorp inquiry, that the explanation for the failure to prevent reoccurring corruption was in part the failure to implement identified recommendations. It is also consistent with Barber's experience in the Cabinet Office that ensuring successful and enduring reforms requires monitoring and persistent implementation.

The case studies referred to above do provide some lessons that may have more general application in the public sector in identifying and dealing with improper influence or repeated workplace corruption. Each factor that may contribute to improper influence or a risk of corruption must be identified and addressed. What is required is attention to multiplicity of 'little' things that individually might seem insignificant but together may lead to improper

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[9] Plibersek, R 2010a *Effective Ethics Training,* EGPA 2010: Ethics and Integrity of Government Study Group, Toulouse, France, September 2010

influence or corruption. Not every factor that works in one workplace will work in another, but there are two factors that appear to have general application to most workplaces. One is the crucial role that a well designed ethics training program has in entrenching a culture of probity and the importance of implementation as the key to ensuring effective and long lasting organisational reform.

AUTHOR

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