



Australian Public Sector Anti-Corruption Conference
A Global Compass – Navigating Public Sector Corruption

Identifying and Dealing with Improper Influence in Local Government

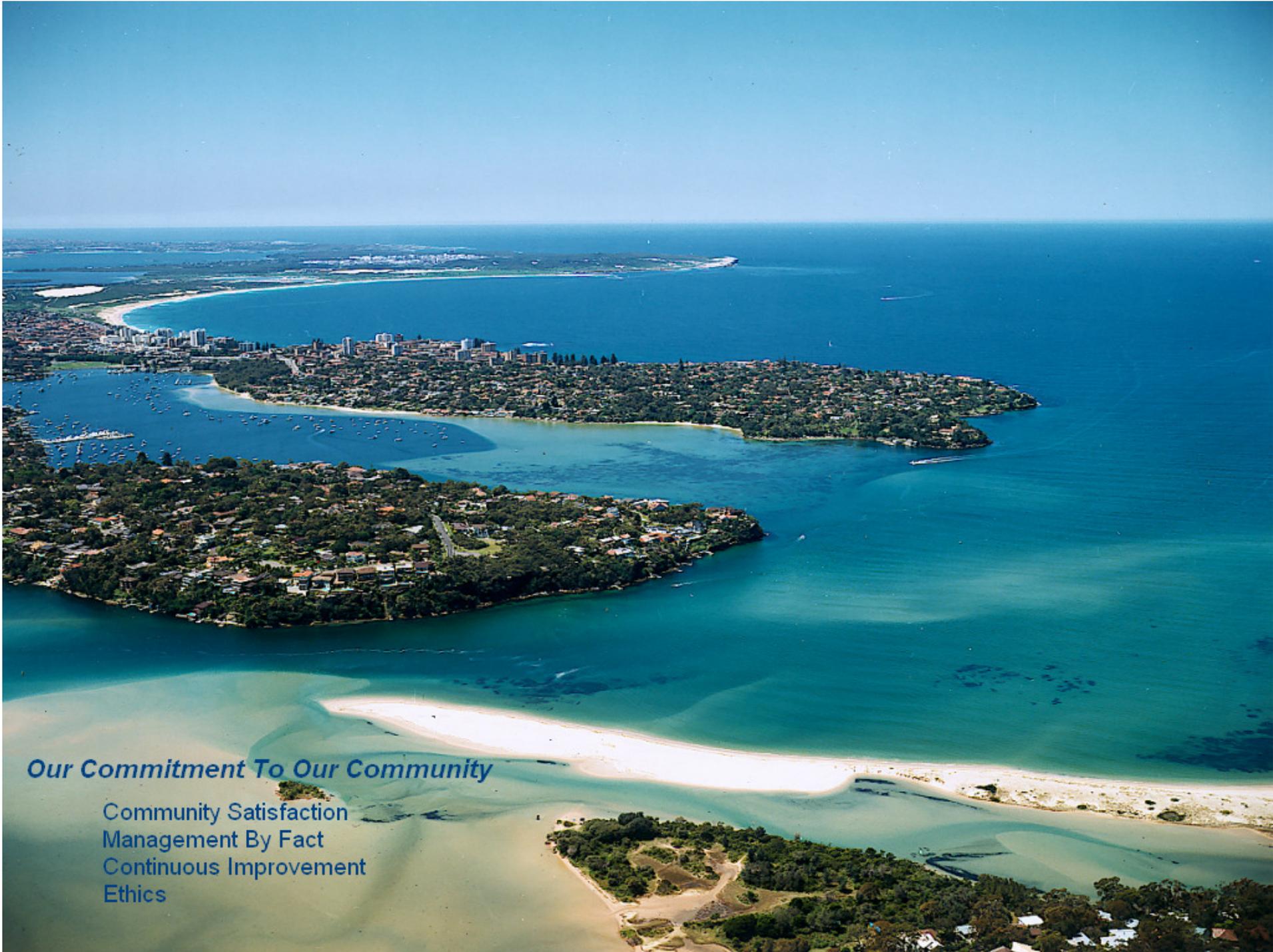
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Sutherland Shire
COUNCIL 

The logo for Sutherland Shire Council, featuring a circular emblem with a portrait of a man.



Our Commitment To Our Community

- Community Satisfaction
- Management By Fact
- Continuous Improvement
- Ethics

SUTHERLAND SHIRE COUNCIL WASTE AND CLEANSING SERVICES

PART 1: 2005 Investigation

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.

PART 2: 2007-2008 Investigation

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.
- 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.
- 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”.
- Rosters were prepared allocating like minded employees together.
- Employees known to be opposed to unauthorised waste collections being threatened with disciplinary action or allocated to less favourable roles.

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?

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.

Monitoring and ensuring implementation of reforms is a critical factor in preventing a continuation of improper influence or low level corruption.

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.
- Second, low level corruption can be a marker for at least the potential for ongoing or more serious corruption to develop.
- 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.

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.

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 aimed at addressing organisational and individual values.

PART 5: Importance of Implementation

Our conclusion is that a concerted implementation effort is the key to ensuring effective and long lasting organisational reform.

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.”

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 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).

PART 6: Revised Ethics Training Program

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.

PART 7: 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.

E: CONCLUSIONS

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.

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 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.