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**DEVELOPING POLICY ASSESSMENT MEASURES FOR INTEGRITY AND CORRUPTION
PREVENTION ACTIVITIES: THE AUSTRALIAN EXPERIENCE**

**Symposium on How to Assess Measures for Promoting Integrity
and Preventing Corruption in the Public Service**

**9-10 September 2004
Château de la Muette, Paris**

This background document provides detailed information on the experience of Australia to support discussion in Session 2.

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**DEVELOPING POLICY ASSESSMENT MEASURES
FOR INTEGRITY AND CORRUPTION PREVENTION ACTIVITIES:
THE AUSTRALIAN EXPERIENCE**

by

Dr A J Brown, Dr John Uhr, Dr Arthur Shacklock and Ms Carmel Connors¹

EXECUTIVE SUMMARY

Background

Good governance requires proper assessment, and policies promoting integrity and countering corruption are no exception. Defining adequate approaches and developing appropriate frameworks for assessing the impacts of integrity measures is an emerging priority in OECD countries in order to verify the effectiveness of their policy in this critical area. The 2000 OECD report, *Trust in Government*, concluded that the weakest point in anti-corruption efforts is the lack of impact assessment. However, it is essential to have feedback on measures that have already been implemented for the preparation of successful future policy design.

The OECD project on Developing Policy Assessment Measures for Integrity and Corruption Prevention Activities in the Public Service aims at assisting a more empirically and evidence-based policy-making by improving governments' understanding of possible approaches, processes and methods for assessing integrity and corruption prevention measures.

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Objectives of the report

This report reviews assessment strategies and practices used in Australia for measuring the impact of integrity and anti-corruption policies in the public service. Australia is one of a series of selected country studies contributing to a synthesis OECD report and supporting an OECD expert symposium on the development of integrity policy assessment measures.

The report is primarily intended for government practitioners responsible for the design and implementation of government policy for promoting integrity and preventing corruption in the public service. As such, the report reviews current approaches, identifies potentials and constraints, and seeks to place in context the practical options currently available to decision-makers and managers.

The findings here have been largely made possible by an Australian Research Council-funded National Integrity System Assessment (NISA) of Australia, a collaborative project with Transparency International Australia, which is due for completion in December 2004.

Introduction

Contemporary post-colonial Australian government has a number of interlocking integrity frameworks, much of which has developed in three waves of reform since the 1970s. Despite accumulating over time, these correlate highly with the OECD Ethics Infrastructure.

However, recent trends in Australian public integrity have not necessarily sat easily with one another, nor with previous traditional approaches. Since the 1970s, more resources and policy effort have been put into integrity and anti-corruption strategies but initiatives sometimes conflict, have faced co-ordination and accountability issues, and are sometimes suspected to be a diversion from important accountability problems. This highlights the need for, but complexity of, adequate frameworks for assessing the impacts of integrity measures.

Drivers of Integrity and Anti-corruption Policy Evaluation

The report outlines some of the existing history of integrity system performance assessment in Australia, including the four different international and national drivers of the National Integrity System Assessment (NISA) work: economic, democratic, administrative and personal. While democratic, administrative and personal conceptions of integrity are all especially important, they carry different foci and methodological implications. These differences further highlight the theoretical and practical complexity of achieving an overall assessment framework. The optimum directions appear to lie in a more integrative approach, as emphasised by the detail of Australian experience.

Current Practice in Policy Assessment Measures

Four overlapping categories of policy measures are currently used or available, to assess the take-up and impacts of integrity policies in Australia:

Implementation measures	Directed toward major, one-off or occasional initiatives – including institutional reforms – to ensure agreed actions have been implemented;
Activity and efficiency measures	Directed towards more routine, ongoing activities, such as the day-to-day operations of integrity bodies or ethics officers, to ensure that agreed systems are functioning, and providing basic value-for-money;

Institutional effectiveness	Directed towards evaluation of the overall performance of particular integrity agencies, or justifications for the creation of new ones, and tend to be more qualitative and political;
Outcome measures	Directed to measuring the substantive outcomes of integrity activities, to ensure these activities are positively enhancing ethical standards, corruption resistance, public trust, and the quality of democratic life.

This review divides these four categories into 26 sub-categories, and lists a wide variety of examples of measures and sources of performance information relevant to each. These include national-level and a variety of state-level measures. Each category is briefly summarised according to its relationship with other types of measures, and a general assessment.

Three **case studies** have been selected as examples of latest developments, sometimes cutting across a number of these categories, and demonstrating a mix of best practice, potential practices and current complex issues:

- | | |
|---------------------|---|
| Case Study 1 | State of the Service Reporting and ‘Embedding Values’ Studies – Australian Public Service Commission. Emphasises recent advances in implementation measures. |
| Case Study 2 | Case handling by Ombudsman’s offices and Anti-Corruption Bodies. Emphasises difficulties of comparative analysis and severe limitations in routine activity and efficiency measures even for like bodies. |
| Case Study 3 | An Australian Anti-Corruption Commission? Emphasises the volatility of political decision-making about the roles, effectiveness and establishment of key integrity bodies, typified by recent debate over new anti-corruption bodies at a federal level and in the state of Victoria. |

Conclusions: Towards an Assessment Framework

In Australian experience, most prominent evaluation efforts are still ad hoc, and sometimes scandal-driven, while standard reporting is often driven by agencies’ need to justify existing or requested resources, or by central agencies as justifications for decisions already made. Integrity institutions and practices are not immune from institutional politics, but subsist in a real policy and political environment.

Nevertheless, there are a range of more routine efforts in the public sector that could potentially be used to more systematically gauge the impact and effectiveness of integrity policies. There is no existing clear performance assessment framework for political decision-making regarding integrity systems, nor may there ever be, hence the need for performance assessment to be embedded in a broader methodology. Some performance indicators will be quantitative, some will be qualitative, and many will provide a mixture of both, with the final interpretation always necessarily political. The question becomes how to structure a methodology that combines the best, and avoids the worst of administrative performance assessment, in a holistic assessment process. While we identify a number of promising ‘better practices’ in the ‘doing’ of integrity assessment, we emphasise the importance of best practices in the even harder work of ‘theorising’ integrity assessment.

Six **threshold issues** – practical and conceptual – are identified as particularly important in the design of any assessment framework:

1. Ethics co-ordination;
2. Benchmarks;
3. Institutional interests of the assessors;
4. Allowing for the unmeasurable in public administration;
5. Personal dimensions of integrity;
6. Relating back to fundamental drivers.

We also make eight **key recommendations** for the future, relating to:

1. The institutionalisation, but broadening and better integration and co-ordination, of empirical social-science-based employee surveys as an invaluable counterpoint to formal reports of policy implementation;
2. Additional measures to cross-check or validate the accuracy of information being received through public sector surveys;
3. Benchmarking of the relative costs of performance assessment and quality assurance regimes in other policy areas;
4. New research and policy development to rationalise, standardise and expand the basic activity and efficiency measures applying to integrity bodies with predictable workloads;
5. In-depth comparative study of the different types of information collected and/or used by parliamentary committees when evaluating integrity bodies;
6. Expansion and systematisation of substantive integrity ‘outcomes’ measures;
7. Cross-jurisdictional review of the relative value and accuracy of independent, central agency and internally-run survey and research activities to determine the most cost-effective mix; and
8. Legislative support for a central coordinating mechanism, with representation of key integrity agencies and parliamentary and community representation, to develop and implement an ongoing evaluation strategy.

1. INTRODUCTION

*If individuals should act with integrity, and public office needs integrity, then managerial leadership and institutional design should aim to sustain it. **No easy cost-benefit analysis justifies this central role of integrity.** But I believe integrity anchors personal moral life, is true to the role of office in democracy, and results in better governance and higher quality of judgment and political life.*

Dobel (1999: 21)

'Efficiency', narrowly defined, rather than social values, often dominates policy in this climate of 'economic correctness'. Yet, the thinking bureaucrat knows that 'efficiency' is meaningless if you do not know what values you are supposed to be efficiently achieving.

Preston, Sampford and Connors (2002: 5)

1.1. Australian integrity and anti-corruption systems

Integrity and corruption prevention measures in the Australian public sector have a long history. For most of Australia's post-colonisation history – from the establishment of responsible democratic government in the 1850s until the consolidation of the modern welfare state in the 1970s – integrity and anti-corruption measures were defined by the traditional accountability institutions of Western liberal democracies, namely:

- A professional, salaried public service accountable to a democratically elected executive;
- Accountability of the executive to the elected legislature (in Australia's case on a British rather than American model); and
- Criminal and public law sanctions applying to appointed and elected officeholders alike, enforceable in a largely independent judicial system.

Since the federation of Australia's six original colonies in 1901, these traditional systems have existed in each of the six states (in order of population size, New South Wales, Victoria, Queensland, Western Australia, South Australia and Tasmania), two federal territories (the Northern Territory and Australian Capital Territory) and for the national or Commonwealth Government. Australia also has approximately 900 elected local governments, part-federally funded since 1973 but otherwise treated as units of state/territory administration.

Since the 1970s, a more complex integrity and anti-corruption system has evolved, as a result of three historical changes:

- From the 1970s, the enlarged size and complexity of the liberal democratic welfare state provoked two types of accountability reform: the introduction of the Scandinavian inquisitorial

tradition of the Ombudsman to investigate citizen grievances against appointed (but not elected or judicial) officials; and simplification of traditional British public law remedies to enable 'aggrieved persons' to more easily challenge the merits and legality of administrative actions in the courts;

- From the late 1980s, the complexity of detecting and prosecuting *intentional* wrongdoing or gross misconduct by public officeholders (appointed and elected) led to introduction of additional, independent commissions against corruption in three states (NSW 1988; Western Australia 1989; Queensland 1990), with ongoing debate about the need for similar bodies in Victoria and at a federal level (Case Study 3);
- In parallel, the introduction of 'new public management' approaches has seen devolution of primary responsibility for public sector standards to the managers of and within individual units of administration. Ethics and accountability are dealt with through contractual, results-oriented management, as well as more recently through rediscovery of 'values-based governance' and 'results-oriented accountability' approaches.

Figures 1-3 below present different schematics of the public accountability systems reflected in each of these post-1970 developments. *Figure 1* depicts a matrix of accountability controls for the Commonwealth and most state governments in 1987, after the first of the above changes. *Figure 2* depicts the web of institutional relationships created by the second type of change (showing national private sector as well as typical national or state government). *Figure 3* depicts the role of ethics as a theoretical foundation stone for good corporate governance in individual units of public administration, in the modern 'values-based governance' period.

These different phases of reform arise from a variety of drivers. Australian society is generally regarded as having high standards of public integrity, and yet the strength of its democratic, egalitarian culture is partly related to its own very real experience of political, official and corporate corruption in a variety of forms. The few general studies of corruption conclude that despite its convict origins and poor record of indigenous dispossession, Australia deserves its reputation for high public standards, and is not a "wicked place" – but that its "wish to be well regarded as honestly governed has usually been accompanied by a [corruption] tolerance level too elevated for comfort and a resistance to corruption too slowly aroused" (Perry 2001: viii, 129; see also Dickie 1988; O'Brien and Webb 1991; Tiffen 1999). Public integrity regimes matter in Australian public policy, in large part because few people, if any, believe that high levels of public integrity can necessarily be taken for granted.

Figure 1. Forms of Accountability and Control for Federal Officials
(Thynne and Goldring 1987: 11)

	Formal	Informal
Internal	Ministers and administrative superiors	Peers and subordinates
	Public Service Board, Treasury, Department of Finance, Department of the Prime Minister and Cabinet, and Auditor-General	Conscience, loyalty, personal values and ethics
	Associated departments (especially in the case of non-departmental officials)	Professionalism
	Ombudsman and administrative tribunals	Anticipated expectations and reactions of Ministers, administrative superiors, peers and subordinates
	Requirements to provide statements of reasons for decisions	
	Conventions and codes of conduct	
External	Parliament and parliamentary committees	General public
		Political parties and party committees
	Cabinet and cabinet committees	Politicians and officials at other levels of government
	Courts	Interest groups and their representatives
	Enabling legislation	Mass media and media representatives
	Freedom of Information legislation	

Note: cf Kernaghan's fourfold classification of internal and external controls and influences over officials and their decision-making: Kenneth Kernaghan, "Responsible Public Bureaucracy: a Rationale and a Framework for Analysis" (1973) 16 *Canadian Public Administration* 581-586. Also cf Peters' internal-external (or policy-survival) and formal-informal (or formality) schema for distinguishing "several basic dimensions of the political activity of administrators": B Guy Peters, *The Politics of Bureaucracy*, New York, Longman, 1978, pp. 138-141.

Figure 2. Regulatory Relationships in Australia's National Integrity System (Brown 2003a)

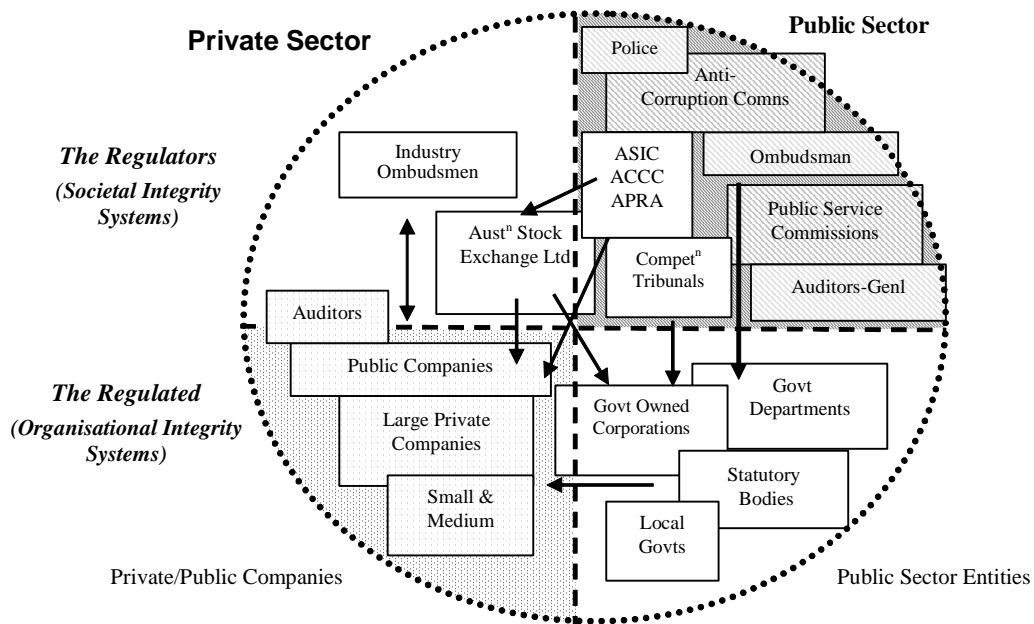
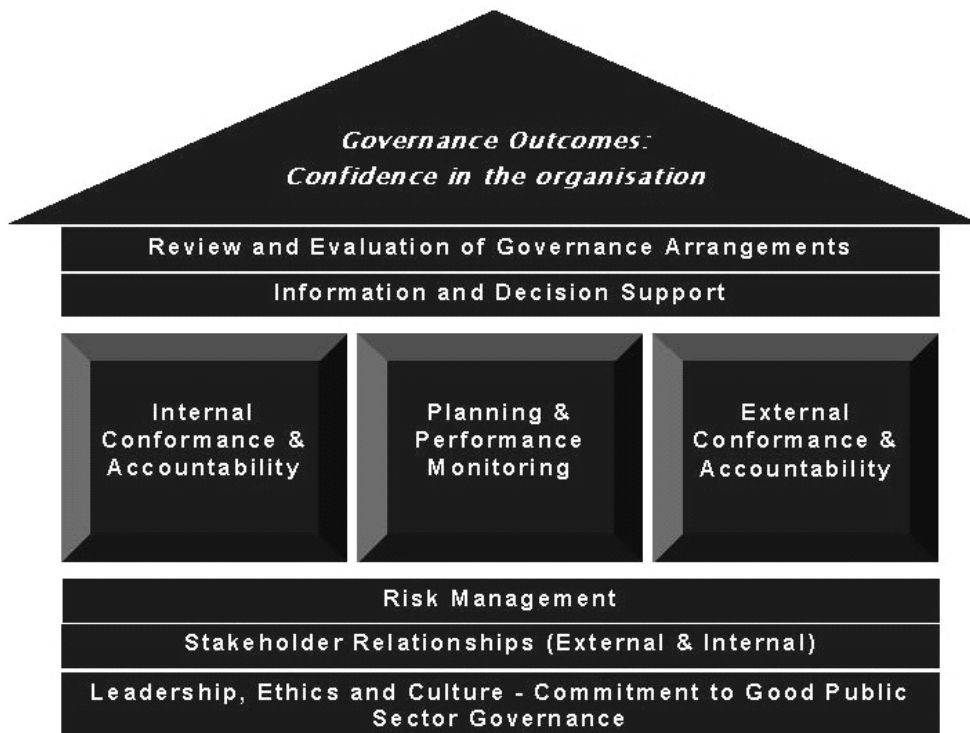


Figure 3. 'The House of Public Sector Governance' (ANAO, Better Practice Guide on Public Sector Governance 2003, adapted from Qld Department of Transport 2001, see Barrett 2004)



Australia's interlocking integrity frameworks, despite accumulating over time, correlate highly with the OECD Ethics Infrastructure identified since 1996 (OECD, 1996: 45; 1999: 12; 2000: 23). Indeed Australia has contributed directly to the OECD description, having been an active participant in the surveys leading to the 2000 *Trust in Government* report and present project.

In comparing Australian experience with the OECD 'model', however, it is important to note that recent trends in Australian public integrity have not necessarily sat easily with one another, nor with previous traditional approaches. Since the 1970s, more resources and policy effort have been put into integrity and anti-corruption strategies but initiatives sometimes conflict, have faced co-ordination and accountability issues, and are sometimes suspected to be a diversion from society's more important accountability problems. Major components have been criticised by the present federal government as harbouring a 'grievance industry' rather than ethics regime (Mulgan and Uhr 2001: 162). Debate over the right institutional framework to support agreed policies is ongoing in several jurisdictions.

This situation highlights both the need for, but complexity of, adequate frameworks for assessing the impacts of integrity measures. Judgments as to 'effectiveness' remain highly subjective, and in many cases political, given that integrity regimes do not exist wholly within day-to-day public administration but intersect constantly with the legislative and party-political spheres, executive accountability and bureaucratic tensions. This reality is implicit in the OECD Ethics Infrastructure, at least three of whose eight 'pillars' – political commitment, an effective legal framework and active civil society – lie outside the control of the permanent public sector (OECD 2000: 24-5).

This report reviews current and potential Australian methods for assessing the performance of public integrity policies, but concludes with what is, in effect, an unresolved dilemma. On one hand, a more precise performance assessment framework, including empirical measures and cost-benefit analysis would be enormously useful in helping steer the development of integrity regimes. On the other hand, given the inherent complexity, subjectivity and political nature of integrity policies, traditional performance assessment approaches may only ever provide a partial basis for judging ultimate 'effectiveness'.

The major decision is whether a routine assessment framework should try to internalise the political dimensions, or recognise that the political dimensions cannot be internalised into such a framework, whose purpose is to supply diagnostic tools as inputs into more general policy review processes. This is the primary issue to which we return at the end of the report.

1.2. National Integrity System Assessment (NISA) project

The National Integrity System Assessment (NISA) project (2002-2004) is a collaborative project between the Key Centre and Transparency International Australia. The project leader is Professor Charles Sampford. Participating researchers are drawn from the Australian National University, Charles Sturt University, University of Sydney, Royal Melbourne Institute of Technology and Monash University as well as Griffith University.

The NISA project closely informs this report because it is dedicated to mapping and assessment of the nation's integrity systems, including public sector systems, and was established with international applications in mind. The National Integrity System (NIS) concept was popularised in the 1990s by Jeremy Pope, foundation managing director of TI, based on two experiences: the post-Fitzgerald Electoral and Administrative Review Commission (EARC) process in Queensland, Australia in 1989-1994 (Pope 2003: 5) and a National Integrity Workshop in Tanzania in 1995 (Sedigh and Muganda 1999: 171; Pope

2000: 36; 2003: 10). The concept has been used in qualitative assessments of 33 countries, with another 22 in progress (TI 2001; Doig and McIvor 2003a; 2003b; Larmour and Barcham 2004).

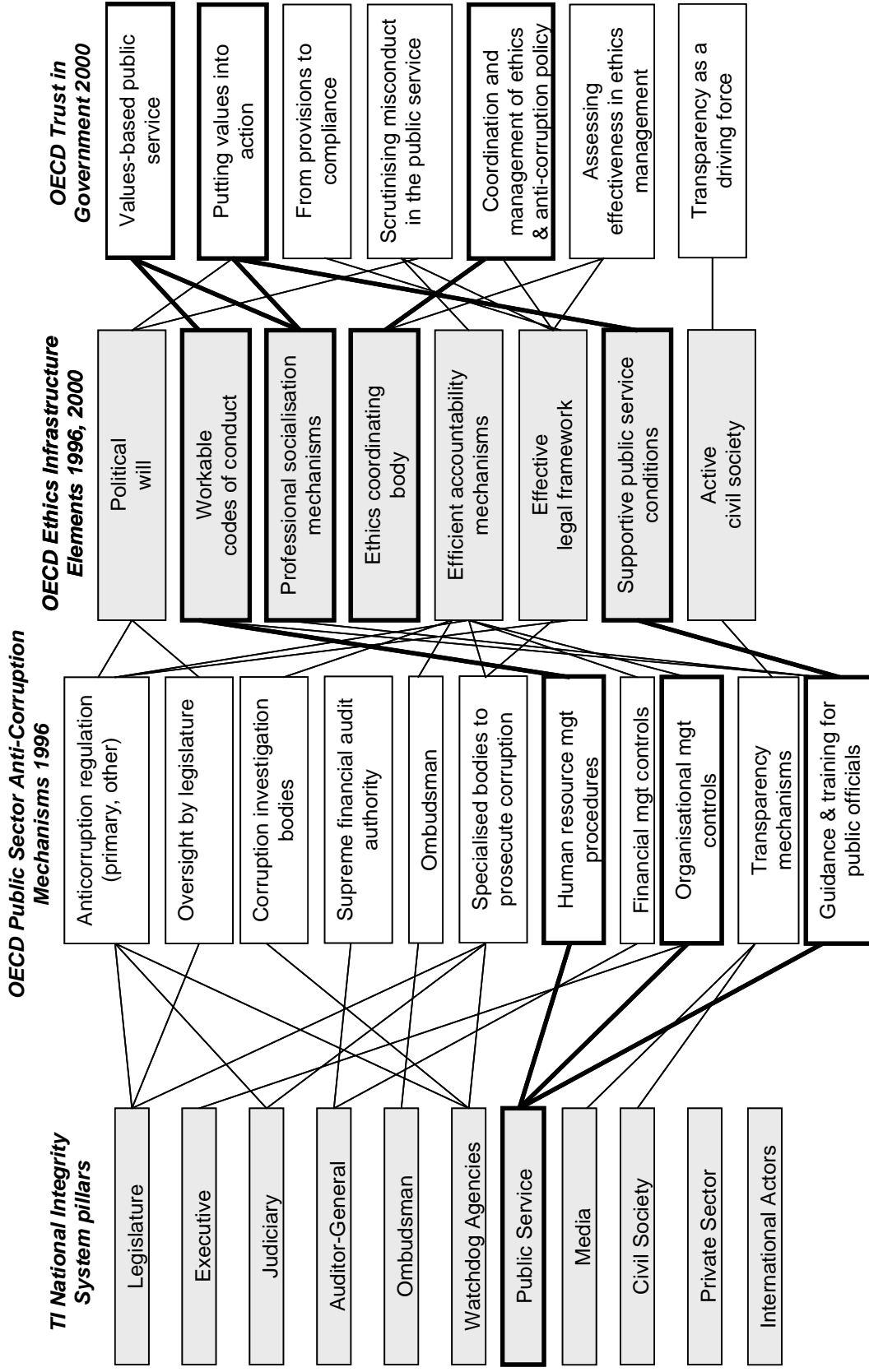
The 'NIS' concept reflects a commonality of experience between different countries, in which accountability and corruption control rely on a diversity of efforts. No single reform is promoted as the key to integrity, but rather a mix of interreliant reforms. The development of the NISA methodology is directly relevant to the present OECD project for three reasons:

- Notwithstanding its use as a framework for developing countries, the NIS concept is based largely on a developed-country representative democratic model familiar to OECD members;
- The focus is as much on the “inter-relationships, inter-dependence and combined effectiveness [of integrity measures] in an holistic approach” as on individual institutional reforms (Pope 2000: 37). This is consistent with recognition that the value of the OECD Ethics Infrastructure lies in its eight elements, working in a “complementary and mutually reinforcing fashion” (OECD, 1996; 1999:12; 2000: 23);
- There is high correlation between the various institutional pillars seen by the NIS approach as fundamental to an effective integrity system, and the specific elements of the OECD Ethics Infrastructure (Figure 4).

This report does not concern itself with the private sector or business integrity dimensions of the NISA project, but otherwise draws heavily on the emerging NISA methodology. Consequently, it also draws from existing and forthcoming publications in the NISA series, in particular:

- KCELJAG and TI (2001);
- Preston, Sampford and Connors (2002);
- Brown and Uhr (2004);
- Shacklock, Gorta, Connors and O'Toole (2004); and
- Uhr (2004).

Figure 4. TI National Integrity System Pillars and OECD Ethics Infrastructure



The NISA methodology as a whole is provisionally structured around a range of models for describing and ‘mapping’ the integrity system, followed by a threefold assessment framework, evaluating the **capacity** of the identified systems (variously defined), the **coherence** and their impacts or **consequences**. This report focuses on areas under investigation for performance information addressing the ‘consequences’ theme. However, the final part also briefly discusses issues of ‘coherence’ arising from the question of who does, or should, co-ordinate performance assessment activities. It also foreshadows some of the reasons for, but difficulties of, a broad, holistic approach to performance assessment. We rank consequences as the most relevant focus because it is the one most closely affected by debates over appropriate standards or benchmarks for integrity assessment. The choice of benchmarks is an assessment choice of considerable importance. Measuring consequences against different benchmarks will generate quite different results: hence, the issue of consequences is bound up with this issue of standards or benchmarks, which we will examine at greater length later.

1.3. Concepts and terminology

Our operational definitions for the following terms are as follows:

Integrity	The use of entrusted power according to the values and purposes for which it has been entrusted, ideally in fulfilment of a justified sense of public honour.
Corruption	The abuse of entrusted power, however defined; particularly intentional conduct fundamentally opposed to public duty.
Corruption Prevention or Resistance	Activities intended to build organisational and personal resistance to corruption, and increase the likelihood of officials acting with integrity. Corruption resistance is a preferred focus, as levels of corruption resistance can be empirically measured through risk assessment, unlike the amount of corruption ‘prevented’ by educative and other strategies.
Accountability Responsibility	There is frequent terminological conflation of the terms ‘accountability’, ‘responsibility’ and ‘integrity’ in values-based governance. However there are critical distinctions between them as discussed in detail elsewhere (Brown and Uhr 2004: 19).

2. BACKGROUND: DRIVERS OF AUSTRALIAN AND INTERNATIONAL INTEGRITY AND ANTI-CORRUPTION POLICY EVALUATION

2.1. Introduction

This part of the report outlines some of the existing history of integrity system performance assessment in Australia. The National Integrity System Assessment (NISA) has identified four major drivers for its work, internationally and nationally, to the main ways in which governments and international agencies approach the performance assessment task: economic, democratic, administrative and personal. By considering these drivers, we are able to clarify to what extent the aim of integrity system assessment is to:

- a) Pursue greater, i.e. liberalised and deregulated, economic development;
- b) Promote and enhance democracy;
- c) Establish whether existing ‘ethics infrastructure’ is performing cost-effectively, irrespective of political or economic change; and/or
- d) Promote ‘integrity’ as a desirable personal quality among individuals as well as organisations.

This section reviews each set of drivers in turn, highlighting differences in assessment approaches implied, as well as the need for an integrative approach. These challenges provide a background against which to consider the utility of the performance assessment activities reviewed in part 3.

2.2. Economic drivers of integrity system assessment

More efficient, productive economic development is a major objective of international integrity efforts, and hence also their evaluation in individual countries. This objective has translated into different drivers in different countries depending on their degree of industrialisation and/or liberalisation:

- In developing countries and economies-in-transition, aid and other forms of economic support and inclusion (including membership of OECD and the EU) can now be directly dependent on integrity reforms, if only to reduce the amount of aid lost to corruption; and
- In the 1990s, the transnational business community also became less tolerant of the costs and uncertainties associated with foreign bribery, creating a desire for greater consistency and uniformity in anti-corruption and integrity systems between all countries (Glynn, Kobrin and Naim 1997; McCoy 2001; Sajo 2003).

As a still relatively ‘lucky’ developed country, Australia has joined many of the longer-established OECD countries in the role of exporter rather than importer of their integrity and anti-corruption principles. Economic change has thus not been a primary internal driver for Australian integrity policies.

Nevertheless, economic change has been a secondary driver in Australia, and the international picture makes highly relevant the place of economic measures in any assessment framework. This fact is

emphasised by the role of international financial institutions in a variety of assessment endeavours, including the role of the World Bank in promotion of the National Integrity System concept. The economic approach casts integrity and ‘good governance’ reforms not as ends in themselves, but rather as means to “greater economic development” and “growth”, particularly for developing and transitional economies (Pope 1999; Johnston in Johnston and Doig 1999: 20; see also Marquette 2001: 399). This approach has two practical implications:

- Integrity reforms are often enmeshed in international prescriptions for economic development – for example “state of the art” macroeconomic reform based on public sector reduction, minimisation of official discretion, deregulation, privatisation, enhanced competition and market liberalisation (e.g. Kaufmann 1999b: 95);
- Consequently, measures for assessing the effectiveness of governance reform have often been led by the application of economic performance indicators, since it follows that if the ultimate aim of anti-corruption reforms is economic, their success can be measured by the health of the economy. For example, among the six groups of Governance Indicators developed by World Bank authors (voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption: Kaufmann et al. 2003):
 - The ‘rule of law’ issue that is consistently identified as most important for measurement is security of private property rights and contracts (Stapenhurst and Kpundeh 1999: 238; Kaufmann et al. 2003: 4, 19, 85, 96 etc; Knack, Kugler and Manning. 2003: 360); and
 - ‘Telephone wait times’ and ‘phone faults’ are ranked as two of a small group of “Objective Indicators of Good Governance” against which otherwise largely perception-based evidence can be assessed (Kaufmann et al. 2003: 50).

Our aim here is not to question the accuracy of such indicators as measures of ‘governance quality’, though clearly that is an issue. Nor is it to ask whether integrity and anti-corruption reforms should be so explicitly tied to such a “specific, Western-based understanding of market discipline” (Williams and Beare 1999: 122). The fact is that Australia’s experience of integrity and anti-corruption reforms has moved away from a relatively brief close association with economic liberalisation, onto a distinctive ‘third way’ path, increasingly integrated with traditional, broader notions of public service and duty. With its long history of a strong and proactive public sector, Australia’s public policy tide has ebbed away from neo-classical economics as a primary fount of governance values, with cross-fertilisation between private and public approaches to accountability rather than one-way ‘privatisation’ or ‘publicisation’ (Sampford 1991; Whincop and Keyes 1997; Preston et al. 2002: 3-5; Uhr 1999: 97; Brown 2003b; Mulgan 2003: 228-9). The Business Integrity System Assessment (BISA) component of the NISA project confirmed that a frequent Australian public response to the perceived “abuse of power and influence” under self-regulation includes a preference for “stricter regulatory regimes, more law and order, [and] more education and training in the importance of human values” (Kimber, Lucas and Segon. 2001: 29-30). The first 18 National Integrity System country studies auspiced by TI also produced signs that economic deregulation was not necessarily a support for integrity reforms (TI 2001: 11-12, 26-7; Doig and McIvor 2003a: 326).

The question becomes, given the international priority given to the economic value of integrity-based governance reform, what is the real role of economic approaches in measuring the performance of integrity reforms in practice? In Australia, they play little or no role, raising the ironic possibility that even if economic goals are acknowledged not to be paramount, econometric sources of information might currently be underutilised.

2.3. The democratic driver

The second major driver of integrity reform, more applicable in Australia, is democracy. Particularly in the wake of corruption tied to ‘entrepreneurial’ closeness between governments and the private sector, and popular disquiet regarding the impacts of economic liberalisation, integrity reforms have provided a key vehicle for bolstering public trust in government.

Internationally, like economic development, democratisation has also been promoted as a ‘cure’ to corruption in its own right, as again demonstrated by the National Integrity System concept. Democratisation is often seen as key to reducing corruption “in the long run” (Elliott 1997: 176) and as affording “less fertile ground in which corruption can flourish” (Stapenhurst and Sedigh 1999: 2; Pope 2000: 1; cf Lipset and Lenz 2000: 122; Hindess 2004). In Australia, the position is somewhat the reverse: democracy is not seen as automatically supplying a body of desirable anti-corruption reforms, rather anti-integrity and anti-corruption reforms are pursued in order to enhance and protect the quality of democracy (Preston et al. 2002: 198). At least this is the case in theory.

The conceptual distinction between pursuing democracy as a means of reducing corruption, and pursuing integrity reforms as a means of enhancing democracy, is crucial to performance measurement. If international agencies or particular countries assume that a particular choice and configuration of representative democratic institutions will deliver higher levels of public integrity, then performance can be measured, at least in the first place, by assessing whether those institutions exist and how well they have been embedded. Hence:

- The starting point of National Integrity System assessment, until now, has been documentation of the institutions and practices serving integrity, on an assumption that “the most usual ‘integrity pillars’ of a society which is seeking to govern itself in an accountable fashion” are the institutions of representative democracy, as depicted in Figure 4 (Pope 2000: 36; see also TI 2001: 8, 40-1 cf 25; Doig and McIvor 2003b);
- The Centre for Public Integrity’s Global Integrity Report (Camerer 2004) is based on a similar but more structured and comprehensive comparative evaluation of the democratic infrastructure of 25 countries “that hold elections”, using institutional categories that again correlate highly with the National Integrity System concept, as well as the OECD Ethics Infrastructure (as seen by comparing Figure 4 above and Figure 8 below).²

Similarly the OECD’s ethics and anti-corruption surveys have produced a comprehensive guide to key democratic processes in its member countries. The primary distinction is that the Ethics Infrastructure remains couched as a description of what members do (or self-report themselves as doing), not necessarily a template against which to assess what *should* be done.

The key problem with the democratic driver is that comparative constitutional or institutional analysis does not *in itself* provide reliable insights into whether those institutions are working as intended, let alone working well. The existence of the base institutional framework is not *itself* a guide to its integrity levels. This is because integrity and corruption are always relative – the only ways in which entrusted power can be judged as having been honourably discharged, or abused, is with reference to the powers, trust, officeholders and communities concerned. Democratic institutions reinforce this configuration of relationships, but the institutions in themselves do not guarantee the ethical standards of officeholders. Indeed, the very accumulation of integrity protections in many developed nations tells a different tale: the

² NB Dr John Uhr, an author to this report, was the lead social scientist for the Global Integrity Report’s evaluation of Australia: see Camerer (2004).

array of institutional protections reflects the need for safeguards against risks to public integrity. The great number of measures to protect public integrity does not mean that the war for integrity has been won, but the reverse.

The international problem of the democratic driver is that integrity and anti-corruption strategies may take on the character of a program of political normalisation, without necessarily tackling a society's main corruption issues (Hindess 2004). They may become another case of "reform proposals that emphasise the same factors everywhere, and thus do not really fit anywhere" (Johnson in Quah 2003: 244; Lindsey and Dick 2002: v-vi; Jayasuriya 2002; Kotkin and Sajo 2002). It is thus noteworthy that TI would interpret early National Integrity System country studies as showing that "most countries had nearly all the [integrity] pillars and few had additional or different pillars" (TI 2001: 39), but that often these pillars appeared to be "hollow" (Larmour and Barcham 2004: 29; TI 2001: 16, 27).

Australian governments still sometimes import 'model' institutions that have not been custom-designed or adapted into political practice. For example:

- Whistleblower protection suffers some of this problem, with the adaptation of U.S. legislative approaches to Australian circumstances often regarded as poorly achieved and further disseminated within Australia, with a significant gap between these laws' symbolic existence and implementation in practice (de Maria 1999; Brown and Magendanz forthcoming);
- This problem, and the parallel problem of partial take-up of laws requiring agency codes of conduct, were noted in the Key Centre's pilot assessment of Queensland's integrity regime (KCELJAG and TI 2001: 120; Preston et al. 2002: 139);
- The same can be said for the electoral disclosure regimes intended to support the integrity of legislators, one of the biggest problems exported with democracy. In Australia, as elsewhere, there is a mismatch between the formal notions of democracy on which integrity typically hinges, and "the reality of democratic life" (Dobel 1999: 10), confirmed by empirical evidence that even their supporters like the *principles* of representative democracy more than they think it actually works (Cowling 2004: 19). In its recent self-assessment for the Asian Development Bank/OECD Asia Pacific Anti-Corruption Action Plan, the Australian Government omitted to supply details of official and electoral disclosure requirements, even though such requirements exist on paper (Australian Government 2004).

Clearly, this problem of performance assurance is the very reason for this project. Left to themselves, governments or countries will always self-report favourably. Symbolic reforms will rarely be admitted to be such. In the OECD *Trust in Government* report (OECD 2000: 69-72), many governments responded to the request for performance assessment information by simply restating general faith in the outcomes of their reforms. The best answer so far has often been to simply compare the 'formal provisions' or *de jure* framework of integrity institutions and practices, and the *de facto* reality or 'what actually happens.' In this way, assessment methodologies such as the NIS and Public Integrity Index have the potential to help empower the citizenry to hold governments to account for these reforms. The OECD Ethics Infrastructure recognises the same principle, since 'political will' and an 'active civil society' are recognised as two fundamental elements in member countries, on which 'an effective legal framework' and many other elements directly depend.

Overall, approaches to performance assessment in response to this democratic driver can be seen as posing four problems:

1. The democratic approach comes with a heavy focus on institutions and laws. This is for good reason, since institutions and laws usually underpin the implementation capacity for reform, and ‘constitutional practice’ is an important way of capturing the larger public purpose of administrative arrangements (Rohr 1998) – but as discussed, institutional frameworks do not automatically carry with them their own means of evaluation.
2. Simple assessment of reality (implementation) against theory (intent) does not necessarily reveal (a) when the original intent was misguided or insufficient; (b) when a major shift in political and legal institutions is required; or (c) what the solutions to implementation problems might be, other than the general solution of ‘try harder’.
3. While citizen confidence in government may be the ultimate measure of performance, current measures of ‘public trust’ have proved less useful than originally hoped, as a catch-all indicator of good governance (Bouckaert and Van de Walle 2003). In the absence of more effective measures of trust, the only measures that ultimately continue to matter are the outcomes of the electoral process – which so many citizens feel to be compromised, and most experts agree to be overly manipulable.
4. In a democracy, the battle to supplement ‘political’ performance measures with more objective, expert-based assessments of integrity reform necessarily remains subject to this political reality. Dependence on the existing political process to lead and implement integrity programs is both desirable in theory, and unavoidable in practice, but means that only those assessment processes that political leaders drive, accept or for some reason cannot escape, are ever likely to have any real effect.

The first two problems raise questions of theoretical approach, further addressed in conclusion below. Examples of Australian experiences of each of the last two problems are included in the next part, particularly in relation to the current debate over key institutional elements of the Commonwealth Government’s Ethics Infrastructure (Case Study 3).

2.4. Administrative drivers

The third set of drivers for integrity reforms, and their assessment, are those associated with more efficient, effective and responsive administration. While political will and enhanced democracy are fundamental, the current OECD project, NISA project and equivalent efforts are equally predicated on the search for routine, ‘objective’ or less-contestable methods for ensuring that integrity reforms have been implemented and are having their intended positive effects on the quality of public policy-making and public services.

This approach focuses less on assessment of whether particular laws and structures exist, and consequently less on whether the Ethics Infrastructure is complete or in need of major political reform. It shies away from the more political implications of reform, and even more than the institutional approach tends not to look beyond existing institutions nor question existing standards in the absence of some overwhelming reason to do so. Rather the focus is on how existing institutions perform, and whether they are discharging their agreed purposes; if the answer is yes, ‘effectiveness’ or ‘implementation’ criteria say integrity is being achieved. Integrity system assessment thus becomes a more administrative exercise, concerned with the effectiveness of ethics programs whose legitimacy is uncontested, at least in theory. This is an important but less ambitious task raising different methodological issues.

Sub-political or administrative performance assessment tends to rely on concepts such as audit and evaluation, familiar in the administrative sciences. The applicability of these approaches to OECD members’ needs is reinforced by the OECD definition of ‘integrity’ being pursued by the Ethics Infrastructure, which in Australia would be seen largely as a worthy restatement of the principles of good public administration.

Ensuring integrity means that:

- Public servants' behaviour is in line with the public purposes of the organisation within which they work;
- Daily public service operations for business are reliable;
- Citizens receive impartial treatment on the basis of legality and justice;
- Public resources are effectively, efficiently and properly used;
- Decision-making procedures are transparent to the public, and measures are in place to permit public scrutiny and redress (OECD 2000: 11).

Australian experience with performance assessment and policy evaluation at this level is generally strong. Consequently, many of the techniques reviewed in the next part of the report draw from these standard, but continually evolving, approaches to accountability. They are consistent with current efforts towards 'values-based governance' in most Australian public sectors, and are deeply embedded in the operational corporate governance models of public agencies, as depicted in Figure 3 in the previous part.

Nevertheless, as will be shown in the next part, the application of standard audit and evaluation approaches to integrity reforms and programs is unusually complex, and consequently not yet well developed in Australia. This is apparently consistent with most, if not all, OECD countries (OECD 2000: 66-72). The most tangible sign of evidence-based performance evaluation reported by the OECD, in the case of 12 countries, was reactive analysis of "systemic failures and trends in criminal and disciplinary cases" – in other words, measuring negative examples that continue to occur despite the positive efforts to enhance integrity. As will be shown, there are other more positive sources of performance information in Australia, but they do not necessarily make up a coherent assessment framework.

The clearest reasons for this complexity are those discussed above – the centrality of the political process to integrity reforms, and hence the inherently political nature of meaningful judgments about effectiveness. The difficulty of extending traditional performance assessment to the Ethics Infrastructure is demonstrated by the Queensland phase of the NISA project. Initially, a structured 'performance audit'-style approach was attempted, and reported on internationally by TI (TI 2001: 2, 39-40). This reflected a first attempt to assess Queensland integrity programs against stated purposes, objective performance indicators, and an idealised model of interrelationships, based on the parameters set out in Figure 5 below. However this attempt was subsequently largely abandoned – as was the entire language of 'audit' (see KCELJAG and TI 2001: 22-24). A variety of techniques including unstructured interviews, review of policy documentation, and a focus group of nine integrity agency representatives, all helped validate what otherwise remained a subjective analysis by academic experts of 'emerging issues' (or problems) confronting the ethics regime (KCELJAG and TI 2001: 108-119; Preston et al 2002).

Figure 5. Parameters of Possible System ‘Audit’ (TI 2001: 39-40)

A. Individual Institutional Audit

Values	Key Relationships Organisational and Accountability relationships Functional operational relationships
Means of Promoting Values	
Reporting	
Powers	
Resources	
Origin and Development	Performance Indicators
Legislation	
Role	

B. Inter-Institutional Audit

Assessing within a four-fold matrix:

Intra-agency relationships	Agency-to-public relationships
Agency-to-agency relationships	Agency-to-integrity system relationships.

This retreat from ‘objective’ to greater reliance on ‘subjective’ assessment of the ethics regime highlights that few existing assessment tools span the breadth of issues, institutions and institutional interrelationships with which an ethics regime is concerned. For example, in Australia, the Commonwealth and several state governments have a long history in ‘performance auditing’ as a major accountability tool, but this approach seeks to assess “economy, efficiency and effectiveness” against existing standards and structures, and is not geared to deal with the “expectation gap” that has to be addressed in any final judgment as to performance (Barrett 2004). In this respect, audit can be contrasted with ‘evaluation’, which has a “strong focus on policy” and “qualitative assessment of policy effectiveness”, but is often less independent, ‘objective’ or able to supply clear answers (Barrett 2001).

The key problem, to which we return below, is to what extent greater use can be found for more sophisticated ‘objective’ performance assessment techniques, *within or alongside* an evaluation model that also takes adequate account of the political dimensions of the ethics regime.

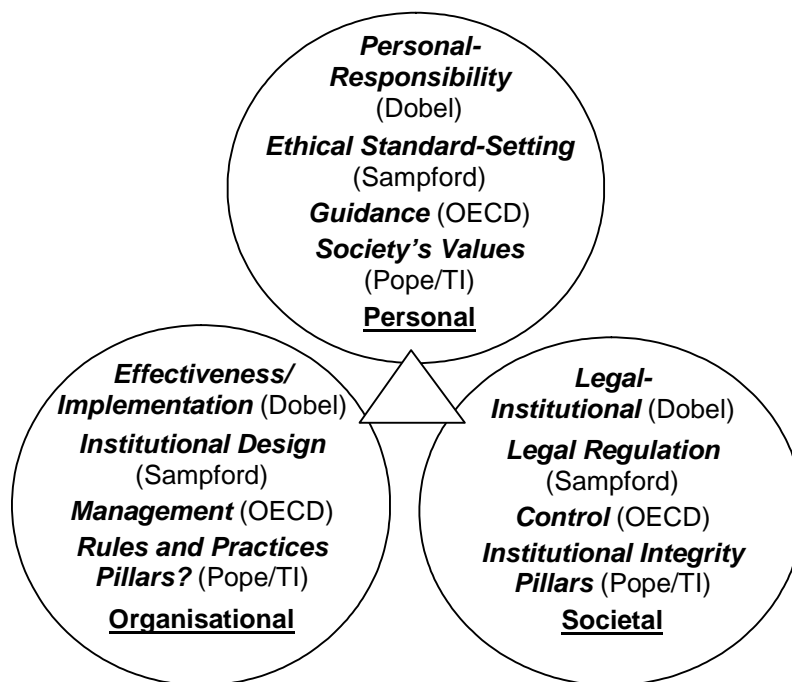
2.5. Personal drivers

The fourth and final driver of integrity reforms is the fact that their ultimate goal concerns the manner in which individual officeholders perceive their office and live out their lives. This is a fact easily forgotten in the shadow of other drivers. For example, economic approaches tend to focus as much on the integrity of ‘the market’ as on the integrity of people. The democratic approach focuses on the integrity of democracy itself, measured through the strength of public trust. Administrative approaches emphasise the integrity of agreed plans, programs and implementation. However, integrity and anti-corruption reforms are equally directed to honesty, uprightness, trustworthiness, reliability, and honour in individuals – the personal qualities we seek to ensure or enhance in those to whom we entrust power.

The human dimension is critical to any effort to increase public integrity. Current theory converges around a need to integrate three dimensions or models, all familiar from the above discussion. A ‘personal-responsibility’ approach to integrity, familiar in human interaction, is needed alongside the ‘effectiveness or implementation’ approaches evident in administrative drivers, as well as the ‘legal-institutional’ approach typical of democratic and economic reform (Dobel 1999: 2-22). This threefold model resonates with the Key Centre’s experience of personal ethics, institutional/organisational design, and legal regulation as a trinity of responses needed in combination (Sampford and Wood 1992; 1994;

Preston et al. 2002: 32-68); with the differentiation of individual, organisational and societal integrity systems described by Kimber et al (2001); and with the OECD’s own description of the three functions fulfilled by different elements of the Ethics Infrastructure: “guidance”, “management” and “control” (OECD, 1996; 1999: 12; 2000: 23):

Figure 6. Integrity Dimensions/Models in Western Political Thought



None of these models of integrity will alone ensure against abuses of power, particularly not one relying entirely on the inherent ‘goodness’ of individuals – virtuous individuals are a scarce commodity, at least relative to demand, and it cannot be presumed they will always come forward when and where needed (Uhr 2002: 15; Preston et al. 2002: 68). Hence, the need for laws, institutions, and management systems. Yet, one basic purpose of the latter is to increase the likelihood that people, acting individually or collectively, will behave with honour. Technical accountability can still produce abuses of power, if officeholders have regard only for orders and not the “basic constitutional and regime values” of their society (Dobel 1999: 10-11). Conversely, economic and legal strategies for reducing corruption by seeking to codify human behaviour are even more guaranteed to fail, for example those seeking to ensure that “discretion” is “minimised or, where possible, eliminated” (Pope 1999: 99; Stapenhurst and Sedigh 1999: 5; Langseth et al. 1999: 129). Eliminating human discretion is both unrealistic and undesirable, if we are simultaneously encouraging officeholders to think imaginatively.

All three models of integrity help inform our different definitions of concepts like accountability, responsibility and integrity (Brown and Uhr 2004: 19). In complex modern societies, human beings need “as far as they can, to economize on trust in persons and confide instead in well-designed political, social, and economic institutions”, but there remain limits to how far such economy of trust can go (Dunn 1988/2000: 85-6). Concepts of integrity reveal many places and key relationships in our society where personal trustworthiness has not, or cannot be compromised.

In assessing the performance of integrity regimes, the major theoretical task is how to integrate evaluations of “results-oriented management” (which rely on an ‘effectiveness/ implementation’ model of integrity), with those used to “verify” organisational and individual integrity using a ‘legal-institutional’

model (Uhr 1999: 102; 2002). The key may be the third, ‘personal-responsibility’ model, including individual concepts of meritorious behaviour, since this must help legitimate the necessarily subjective nature of much of the assessment. In any event, the impacts of integrity reforms in terms of personal standards, attitudes and behaviour also need to be assessed.

2.6. Conclusions: challenges for performance assessment

This part of the report has highlighted that the assessment of integrity systems and programs can have a number of drivers – for example, assessment can be undertaken with a view to:

- Pursuing greater, i.e. liberalised and deregulated, economic development;
- Promoting and enhancing democracy;
- Establishing whether existing ‘ethics infrastructure’ is performing cost-effectively, irrespective of political or economic change; or
- Promoting ‘integrity’ as a desirable personal quality, at a time when it seems in reduced supply.

In Australia, integrity system assessment such as pursued through the present NISA project has as its drivers a mix of (b) and (c), with the need for a stronger awareness of (d), and little to do with (a) despite its dominant role in much international debate. Nevertheless, as we have seen, the relationships between these drivers are complex, and differences between styles of assessment are significant. There is a case for ensuring that an assessment framework recognises and integrates all three of the integrity dimensions embedded in these drivers: ‘legal-institutional’, ‘effectiveness/implementation’ and ‘personal-responsibility’.

Currently, different styles of assessment focus more on one dimension than others. For example, the National Integrity System and other public-political models tend to be institutionally focused, while most of the OECD approach leans naturally toward administrative performance assessment. Neither offers an immediate path to assessing effectiveness of integrity reforms at a personal or interpersonal level. The theoretical and political challenges of developing an integrative assessment framework are also borne out by the practical challenges, revealed when existing Australian performance assessment experience is reviewed in more detail.

3. CURRENT PRACTICE IN POLICY ASSESSMENT MEASURES

This part of the report reviews the four main categories of policy measures currently used, or available, to assess the take-up and impacts of integrity and anti-corruption activities in Australia. These types of assessment are directed to different, but often overlapping types of integrity activity:

Implementation measures	Directed toward major, one-off or occasional initiatives – including institutional reforms – to ensure agreed actions have been implemented.
Activity and efficiency measures	Directed towards more routine, ongoing activities, such as the day-to-day operations of integrity bodies or ethics officers, to ensure that agreed systems are functioning, and providing basic value-for-money.
Institutional effectiveness	Directed towards evaluation of the overall performance of particular integrity agencies, or justifications for the creation of new ones, and tend to be more qualitative and political.
Outcome measures	Directed to measuring the substantive outcomes of integrity activities, to ensure these activities are positively enhancing ethical standards, corruption resistance, public trust, and the quality of democratic life.

The review here is not comprehensive, and does not attempt to describe all measures in use across Australia. It is intended to provide examples (see table below) of the assessment activity normally to be found, and thus support conclusions about strengths and weaknesses in current information, as well as prospects for a more holistic assessment framework. Further, the above categories are not exclusive – several measures fulfil more than one of these purposes, for example in providing information about activity, efficiency and outcomes at the same time. The table below summarises the examples referred to below, by the four categories and 26 sub-categories.

The three case studies have been selected as examples of latest developments, sometimes cutting across a number of these categories, and demonstrating a mix of best practice, potential practices and current complex issues. Some broad lessons are discussed in the final part of the report.

Current Practice in Australian Integrity Policy Assessment – Categories

Category	Sub-category	Examples (see text)	Case Study
3.1. Implementation	3.1.1. Central review	A1,A2,N1,Q1,Q2	1
	3.1.2. Central research	A1,N1,N2,Q2	1
	3.1.3. Best practice case studies	A3,Q3	
	3.1.4. External investigation	-	
	3.1.5. NGO/university review	I1,I2,U1	
3.2. Activity and Efficiency	3.2.1. Caseload reporting	A4,A5,A6	2
	3.2.2. Accessibility	N3	
	3.2.3. Training reporting etc	-	
	3.2.4. Performance audit	A7-A12	
	3.2.5. Productivity review	A13	
3.3. Institutional effectiveness	3.3.1. External investigations	A14,N4,Q4	
	3.3.2. Law reform bodies	A15,A16,A17	3
	3.3.3. Royal commissions	A18-20,Q5,T1,W1, N5,Q6	3
	3.3.4. Parliamentary committees	A21,N6,N7,Q7,W2,A22	3
	3.3.5. NGO/university research	U2,U3	
3.4. Outcomes	3.4.1. Central ES/CR research	A1, A23, N8, N9, N10, N11	1
	3.4.2. Agency ES/CR research	W3	
	3.4.3. University research/review	U4	
	3.4.4. Integrity recognition	V1, NT1, ACT1, N13	
	3.4.5. Integrity testing	-	
	3.4.6. Caseload outcomes	A1, Q8, Q23, A24	2
	3.4.7. Public trust: public agencies	-	
	3.4.8. Public trust: integrity agencies	N12, Q9, A25, Q10, U5, I2	
	3.4.9. Public trust: general	-	

A = Australian government
 N = NSW Government
 Q = Queensland Government
 S = South Australian Government
 T = Tasmanian Government
 V = Victorian Government
 W = Western Australian Government
 ACT = Australian Capital Territory Government
 NT =Northern Territory Government
 I = International bodies/agencies/NGOs
 U = Universities and independent research bodies.

3.1. Implementation Measures

Summary: Implementation measures are directed toward major, one-off or occasional initiatives – including legal and institutional reforms – and are intended to ensure that agreed actions have been implemented. They represent the minimum type of evaluation that should be expected in relation to integrity reforms, since without them there is no evidence that political promises have been honoured or that legal reform is more than symbolic.

Relations to other measures: As demonstrated by Case Study 1 (Australian Public Service Commission), some implementation measures can also extend to measures of outcomes – but this is not guaranteed. Further, the examples show that different types of assessment tend to be differently targeted, depending on who is doing the assessing: the APSC may measure implementation of codes of conduct, the Ombudsman may measure implementation of internal complaint handling systems, and anti-corruption or fraud control bodies may measure implementation of internal fraud control requirements. This possible problem of fragmentation is difficult to overcome where different reviewing agencies have different jurisdictions (i.e. coverage over different groups of agencies).

General assessment: Implementation measures are generally strong and frequently used by Australian governments, because they are a standard part of public administration. For this reason, examples such as Case Study 1 highlight the value of systematic reporting on implementation of integrity policies, and how important it is that the type of approaches described are repeated and extended. There is considerable scope for more comprehensive monitoring of this kind by all governments, probably expanded to avoid the current risks of fragmentation and duplication involved in reviews or research projects by multiple agencies on different but related issues.

3.1.1. Central review

The first type of implementation measure is systematic review of agency take-up of integrity policies, undertaken by central agencies by surveying other agencies. At a federal level, such reviews may be either comprehensive and regular, or selective and occasional. Leading examples include:

- A1 The regular agency surveys by the Australian Public Service Commission, for preparation of the annual, legislatively-required State of the Service Report, focusing on awareness of and commitment to service values and codes of conduct (APSC 2003a) – see **Case Study 1**.
- A2 Occasional agency surveys by central scrutiny agencies, such as the Commonwealth Ombudsman, who surveyed 80 Commonwealth departments in 1996-1997 to find out which agencies had established internal complaint handling mechanisms, finding less than 20 per cent of agencies had a system which would probably satisfy the Australian Standard (Commonwealth Ombudsman 1997: 11).

At a state level, the situation is somewhat reversed. This highlights a difference between the dimensions or models of integrity considered most important for monitoring at different levels of government. At state level, there is less regular monitoring of implementation by public sector management agencies on integrity policies, as opposed to human resource management, equity and other core staff management policies. Instead, the trend is for central investigation agencies with strong research functions, where these exist, to undertake such implementation reviews. However, this raises the question as to whether they are surveying agencies on the same issues of ‘embedding’ values, or compliance with different requirements. State examples include:

- N1 Profiling the NSW Public Sector: This comprehensive report summarises a sector wide survey across the NSW public sector and provides a “snapshot” of the range of functions, corruption risks and the corruption prevention strategies in place. More than 260 organisations participated in the survey including state owned corporations, boards and committees. ICAC developed two surveys for this research, one for Chief Executive Officers and Chairpersons (the organisational survey) and the other for staff (the staff survey). The survey asked a variety of questions about corruption prevention strategies already in place, perception of corruption risk within the organisation, and the type of activities undertaken by the organisation. The report allows organisations within the New South Wales public sector to benchmark their efforts against the rest of the NSW public sector and to identify areas where they may be able to improve resistance (ICAC 2003b).
- Q1 In 1994, Queensland enacted a Public Sector Ethics Act which it was hoped would lead to higher standards of behaviour on the part of Queensland public officials. In 2000, the pilot project for the present NISA project undertook an assessment of the Queensland integrity system. The study found that while the Public Sector Ethics Act 1994 and the Public Service Act 1996 had a positive effect on the process of institutionalising public sector integrity in the State, adoption of Codes of Conduct across the sector was patchy (KCELJAG and Transparency International 2001: 120). While there were some good examples where Departments had developed a systemic approach to ethics centred on the Code, there were also examples of codes implemented in a token manner. A contributing factor identified by the study was the lack of co-ordination and central advice available in the past to public sector agencies about the development and implementation of codes. Training in use of the codes, mandated under legislation, was also inconsistent (KCELJAG and Transparency International 2001: 120). These findings were in line with research by Professor David Corbett, which described implementation records across the Queensland public service as mixed (Corbett 1997). Although there have been no later published surveys, since 2000 the Office of the Public Service Merit and Equity (OPSME) has assumed lead agency responsibility for the Public Sector Ethics Act. This enables an improved focus on ethics and integrity across the Queensland public sector, supported by a Public Sector Ethics Network (Preston et al 2002).
- Q2 Queensland Crime and Misconduct Commission, in 2004 has been surveying agencies using the same methodology as the NSW ICAC. The results of this study will be publicly released on 8 July 2004. It is intended to compare this study against the NSW Independent Commission Against Corruption public sector profiling

3.1.2. Central research

Central agencies may assess implementation of policies not only through review of agency procedures, as discussed above, but through more thorough research into the attitudes of staff. This is a different and more recent development, and uses anonymous responses from stratified random samples of employees from different organisations, sectors and levels of employment to cross-check agencies’ implementation of ethics policies. Examples include:

- A1 The employee survey component of the Australian Public Service Commission’s State of the Service Report, conducted for the first time in 2003, as described in Case Study 1.
- N1 The similar public sector profiling research by the NSW Independent Commission Against Corruption (above);
- N2 The earlier pioneering surveys by the NSW Independent Commission Against Corruption into staff attitudes to corruption, on which much of the current approaches are based. In the past these included:

- 1993 and 1999 ICAC survey of public service employee's attitudes towards corruption. The 1999 survey results of 800 employees across the New South Wales public sector were compared with results from a similar ICAC study in 1993. All of the changes were indicative of the NSW public sector becoming more corruption resistant than it was in 1993 (ICAC 2001: 4); and
- surveys on specific issues such as staff awareness of whistleblowing procedures. For example, the ICAC surveyed 800 staff from 11 organisations in 1996, discovering that 66% of respondents had not heard of the Protected Disclosures Act introduced two years previously (Zipparo 1998; Zipparo 1999).

Q2 The Queensland Crime and Misconduct Commission's application of the NSW profiling methodology (above).

As noted above, and in **Case Study 1**, there may be variations in consistency and focus depending on who is conducting the research.

3.1.3. Best practice case studies

When new measures are introduced, central agencies sometimes assess implementation and pursue strategies for further promoting the measure at the same time, by facilitating the analysis of 'best practice' implementation by select or volunteer agencies. These case studies tend to provide more qualitative evidence of how policies are being implemented, but by their nature tend to prioritise 'good news' stories and are less likely to be independently verified. Examples include:

A3 APS Commission 'Embedding Values' Case Studies which draws on examples in a select group of agencies (APSC 2003b).

Q4 In recent times, Queensland Department of Main Roads underwent a major corporate change program and was promoted as having sustained a significant change in its culture as an exemplar to other agencies (Varghese 2003: 237-254). While significant improvements to the old culture were apparent, evidence from a series of research focus groups suggested that the 'new public management' drivers of effectiveness and efficiency continued to impede the implantation of an ethical culture to the degree that the agency would claim (KCELJAG 2004).

3.1.4. External investigation

The independent investigation agencies of all Australian governments, including ombudsman's offices and anti-corruption bodies, routinely assess individual public agencies for their implementation of various ethics policies and procedures on an 'as needs' basis, when investigating individual cases or conducting standard audits. These assessments are then presented as recommendations to agencies, as findings in published reports, or are reflected in the aggregate case-handling statistics of investigation agencies, but are otherwise not centrally collated and monitored. See also 3.3.1 below.

3.1.5. NGO/university review

As discussed earlier in the report, a number of international non-government organisations (NGOs) base their external assessments of governments' integrity policies on simple implementation reviews (comparing action to promises). Often university researchers perform this function, or independently conduct similar research. However, the impact of either form of review on government itself can vary enormously. Examples of NGO review include:

- I1 The form of National Integrity System country study auspiced by Transparency International (e.g. Roberts forthcoming); and
- I2 The Washington-based Public Integrity Index (Figure 7):

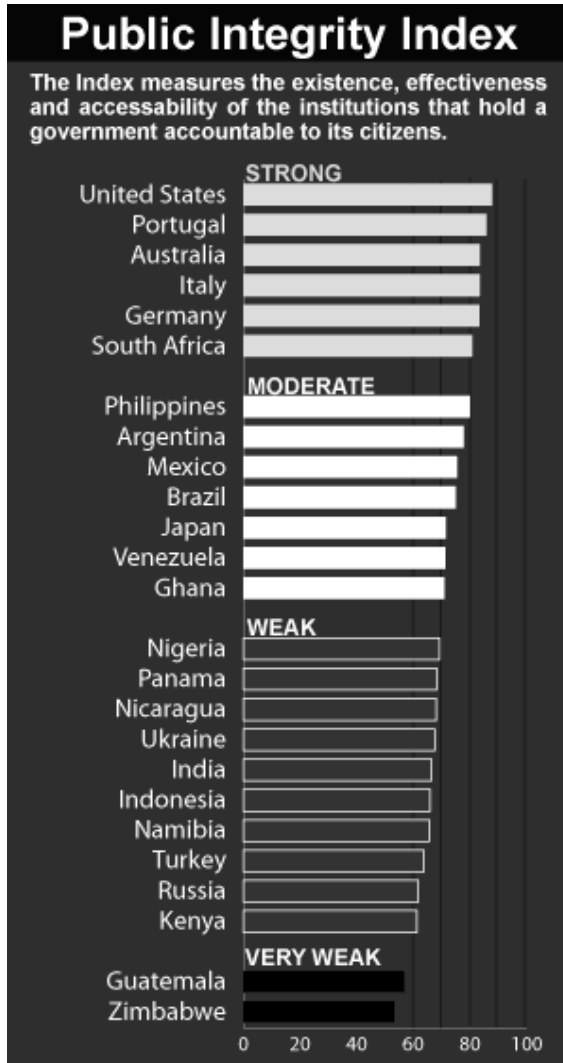


Figure 7. Global Integrity Report (Camerer 2004)

Global Integrity Report – Indicator Categories	Australian Rating
I Civil Society, Public Information and Media	4 th – Very Strong
II Electoral and Political Processes	8 th – Strong
III Branches of Government	8 th – Moderate
IV Administration and Civil Service	8 th – Weak
V Oversight and Regulatory Mechanisms	3 rd – Very Strong
VI Anti-Corruption Infrastructure and Rule of Law	1 st – Very Strong

University research commissioned by government itself can also be used as an implementation measure, often as a by-product to the intended research. One example includes:

- Q5 A Key Centre study of positive reporting environments in Queensland organisations, noting that many agencies appeared to apply a definition of ‘public interest disclosures’ different from state legislation (Brown and Magendanz forthcoming). Prior to the study, in 2000-2001 the Crime and Misconduct Commission itself reported receiving only 17 such disclosures, but in 2002-2003 it reported receiving 108.

CASE STUDY 1

STATE OF THE SERVICE REPORTING AND 'EMBEDDING VALUES' STUDIES – AUSTRALIAN PUBLIC SERVICE COMMISSION (APSC)

Introduction

The most innovative recent example from Australia's federal government is the Australian Public Service Commission's 'Values in Agencies' project which drew upon surveys and focus groups of agencies and employee attitudes to organisational policy and performance (APSC 2003a). This project broke new ground in testing the realities of 'ethics and values' implementation across diverse public agencies, partly in fulfilment of the Commission's statutory responsibility to report annually on the 'state of the public service', and partly as an initiative in qualitative exploration of best practice. In 2003 the APSC's surveys secured responses from all 89 agencies and 3181 employees (51% of a random sample) drawn from agencies with over 100 staff (see Appendix 1).

The Australian Government is already well-regarded internationally for its commitment to public service ethics and values. It also justifies its continued commitment in no small part to the leadership exercised by the OECD. But it is one thing to proclaim the right policy; it is another thing to implement it the right way. To its credit, the Australian Government is trying to evaluate publicly the extent to which government agencies have 'embedded' into organisational practice the ethics and values promulgated in public law. This initiative is a major exercise in policy evaluation of considerable significance.

The comments here are based on publicly reported results which should be compared with future reports for longer-term findings. For instance, federal whistleblowing policies and practices have yet to be evaluated and are due for examination at a later date (APSC 2003a: 33, cf 108-112).

Role of integrity

'Integrity' features prominently in this project. A general finding is that 'embedding' public service values into agency culture 'requires an integrated approach' by agencies (APSC 2003a: 26), meaning that the formal commitment to integrity must be matched by a substantive commitment to integrate public service ethics into the operations of agencies. As the Commission acknowledges, the worry about good policy words like 'ethics' and 'values' is that employees will fear that 'the words stayed on paper and were not always translated into action' (APSC 2003a: 31). This matching of formal and substantive commitments is found in a three-part framework (APSC 2003a: 27):

- 'Commitment' to a 'values-based culture';
- 'Management' based on 'good judgment and integrity', where integrity refers to official probity; and
- 'Assurance' that everyday practice matches authorised policy through appropriate 'accountability and assurance mechanisms'.

This last element is basic because it drives the evaluation process from bottom to top so that the assessment reaches into the two elements of 'commitment' (to good policy) and 'management' (effective implementation of good policy). At the same time, assurance is not treated as more important than management or commitment, lest integrity measures become merely a compliance-based regime rather than a leadership framework.

General culture of the Australian Public Service

The APS State of the Service Report surveys highlight gaps between policy and practice, or shortfalls between the intention of legislators and the performance of policy implementers, suggesting to the APSC that 'there is clearly room for improvement'. For example, only 67% of agencies have conducted staff surveys over the past three years, despite the fact that employee surveys are basic to the assurance mechanisms now expected of public agencies (APSC 2003a: 36). Employee surveys also show that 20% and 28% of senior executive service officers report, respectively, that their agency head had not communicated to them the 'importance of acting in accordance of Australian Public Service (APS) values', nor 'the importance of developing in other staff an understanding of APS values' (APSC 2003a: 28).

These gaps highlight priority areas for renewed effort by public service management. But while they might be the most urgent areas for attention, they are not necessarily the most important. In other cases, the gaps are even more significant, reflecting larger or more serious shortfalls. For instance:

- Although legislation requires that public employees must at all times behave in ways that uphold public service values and promote, in the words of the Commission, 'the integrity and good reputation of the Service', 47% of surveyed employees report that they have never participated 'in training that included an emphasis on the APS Values' (APSC 2003a: 28-9);
- Employees report rather low levels of confidence that 'the most senior managers' act in accordance with the APS Values: only 63% across the service (but 'less than 50%' in two large

agencies), prompting the Commission to drive home the lesson of ‘the importance of senior leaders demonstrating visible and strong commitment to the APS Values’ (APSC 2003a: 30);

- More than one-fifth of surveyed employees (21%) reported fears of potential ‘victimisation and discrimination’ if they initiated action against unethical conduct by more senior officers; while ‘more than 30% of agencies’ reported that they had no procedures in place to make employees aware of whistleblowing mechanisms (APSC 2003a: 34, 36).

The Commission draws the lesson that agencies with ‘sensitive relationships with clients and stakeholders need to promote the Values more firmly’ (APSC 2003a: 30), which might well suggest that among the most vulnerable public service values are those relating to *public* responsiveness when, for example, dealing with citizens participating in government programs.

Functional and operational areas

In these areas, where public service agencies face the greatest challenges to maintaining ethics and values, the APS Commission’s reports add immensely to our knowledge of the theory and practice of public integrity. For present purposes, one functional area stands out: relations between public servants and elected politicians in government and parliament. Two important developments can be noted from the relevant chapter of the 2003 State of the Service Report:

- Persistent interest by parliamentary committees in the state of relationships between the public service and the political executive, exemplified by two recent Senate inquiries into the role and performance of ministerial officers as an important linking mechanism (APSC 2003a: 37-39); and
- Apparently unrelated, steady decline in the use by public service agencies of formal evaluation measures for services to ministers – at a time when agencies are increasing their use of quality control measures for ministerial services, but there is ‘continuing decline’ in formal staff training on management of the parliamentary relationship (APSC 2003a: 45-6).

The Report wisely draws no connection between these two developments, but this useful information is clearly relevant to wider public debates over the extent to which the public service is becoming ‘politicised’ either at the hands of the political executive or indeed of parliamentary inquiries. Public service agencies operate under political control, justified in terms of underlying Australian values of responsible parliamentary government, but this evidence highlights limits to the freedom that agencies have in managing ethics and values. Public service organizations cannot invest in administrative excellence without reference to political appropriateness. The other side of the relationship implicit in the APS Values is that elected politicians cannot, or at least should not, invest in policy initiatives without reference to administrative appropriateness.

A test of the integrity of public service-political relationships is the quality of the relationship between an agency’s staff and its minister and ministerial staff. The problem is not so much that public servants face political pressure but that public servants do not know what guidance their agency has to help manage that inevitable pressure. Agencies can let their own staff down by not equipping them with support about how best to manage the policy process consistent with public integrity. The evidence from staff surveys is that sizeable proportions of employees are unaware of agency protocols for dealing with ministers and their offices (e.g., minimum classification levels for signing off briefs, for phone contact, for oral contact, for file notes, for email communication). Of particular concern is the high proportion of employees unaware of protocols for resolving uncertainties about inappropriate relationships with ministerial offices (APSC 2003a: 39-42). Similar concerns might be evident in the broader relationship between public

service and parliament, given the disturbing evidence that ‘just over a third’ of senior executive service employees report they have never participated in any ‘training in accountability, rights and responsibilities to Federal Parliament at any time’. To its credit, the Australian Public Service Commission notes that this attitude not only contrasts but conflicts with attitudes from relevant parliamentary committees, particularly the Senate Finance and Public Administration Committee (APSC 2003a: 46-47).

Possible limitations

The Report cited reflected the first time that the APSC had conducted extensive surveying of stratified samples of individual agency staff, in addition to agency heads / corporate management. As a result, it was pioneering, with the methodology already adapted in light of lessons learned for the 2004 study. Possible limitations of the 2003 study might be said to include:

- Normal teething problems with some questions (e.g. those relating to whistleblowing: see APSC 2003c: 15);
- A strong focus on the role of leadership, management and agency policy in the embedding of values, but little information on the roles of formal systems including regulatory and oversight bodies (for example, internal and external administrative review systems, audits, Ombudsman complaints or similar). However, this conceptual separation between different models/themes of integrity is not unusual, as discussed throughout this report;
- The Australian Government is yet to commit fully to a long-term longitudinal program of comprehensive evaluation, with only three years’ studies (2003, 2004, 2005) currently guaranteed.

Conclusions

What does the above tell us about government and public integrity? The Australian government is taking seriously the contribution that formal surveys of both agencies and employees can make to measuring gaps between the promise and performance of a culture of integrity across the public service, showing that:

- It is misleading to think of one homogeneous administrative culture in any system of national government – the surveys demonstrate the range of variation in administrative cultures across government;
- Organizational leadership matters: the qualities most valued in public service agencies are best seen in those leadership teams attracting the most positive public attention for their contribution to good government; and
- Little of this would be properly known but for a commitment to continuous evaluation, using a battery of instruments from the agency-specific to the system-wide to investigate the real character of integrity within government.

More information can be found at: <http://www.apsc.gov.au>; and Annex 1.

3.2. Activity and Efficiency Measures

Summary: Activity and efficiency measures are directed towards more routine, ongoing integrity activities, such as the day-to-day operations of integrity bodies or ethics officers, to ensure that agreed systems are functioning and provide basic value-for-money. They represent the most standard and consistent ways in which integrity activities are reported, usually in annual reports, in a manner consistent with performance reporting across the public sector.

Relations to other measures: As demonstrated by Case Study 2 (Case handling by Ombudsman's Offices and Anti-Corruption Bodies), there is a natural relationship between many standard activity measures like caseloads, and the resource justification issues central to reviews of institutional effectiveness, as well as to efforts to measure outcomes. However in keeping with the search for objective, quantitative performance measures, few of these measures provide information about the substantive quality of the activities concerned, as opposed to quantity and timeliness. These measures provide year-by-year guidance to managers but are rarely systematically analysed.

General assessment: Activity and efficiency measures feature prominently in integrity performance assessment but in reality are of limited utility, other than in providing day-to-day work targets to assist caseload managers. However with development of more genuine performance indicators, review of data-gathering categories, adapted and more consistent information technology and more systematic analysis, much of this standard information could possibly be made more useful. The comparative analysis set out for the first time in Case Study 2 highlights significant variations in resourcing and efficiency. If supplemented with qualitative indicators, such simple comparative analysis might open the way to more meaningful performance assessment aimed at sharing 'best practice' approaches between operational units and agencies.

3.2.1. Caseload reporting

Within individual public sector agencies, and across the entire sector, much of the work of integrity practitioners is organised as 'cases', 'matters', 'files' or 'projects'. Monitoring the number and timeliness of cases handled is a basic performance measure in a wide range of contexts. Within organisations, relevant activities are many and varied, including education and training, dispute resolution, grievance-handling, performance reviews, internal auditing, and internal integrity investigations. Most of these internal ethics-related activities are difficult to quantify.

However, key organisations with full-time integrity-related roles necessarily quantify their workload in their annual reports. These include ethics agencies conducting training, research and evaluation; police services investigating integrity-related crimes; courts hearing citizen grievances against the government; tribunals; ombudsman's offices; and anti-corruption bodies. For example:

A4 The Commonwealth Administrative Appeals Tribunal (AAT), established in 1975, is a core part of the federal ethics infrastructure, hearing applications for review of administrative decisions in order to enforce minimum legal standards in government decision-making as well as to ensure fairness, reasonableness and factual correctness. Several states have similar tribunals. The Tribunal's base performance measures are:

- The fact that it finalised 10,430 applications nationally in 2002-2003;
- Timely resolution of Tribunal applications (see Figure 8); and
- Operating cost per application (Figure 8) (AAT 2003: 15-22).

Figure 2.1 Hearing to decision—compliance with time standards and average time taken

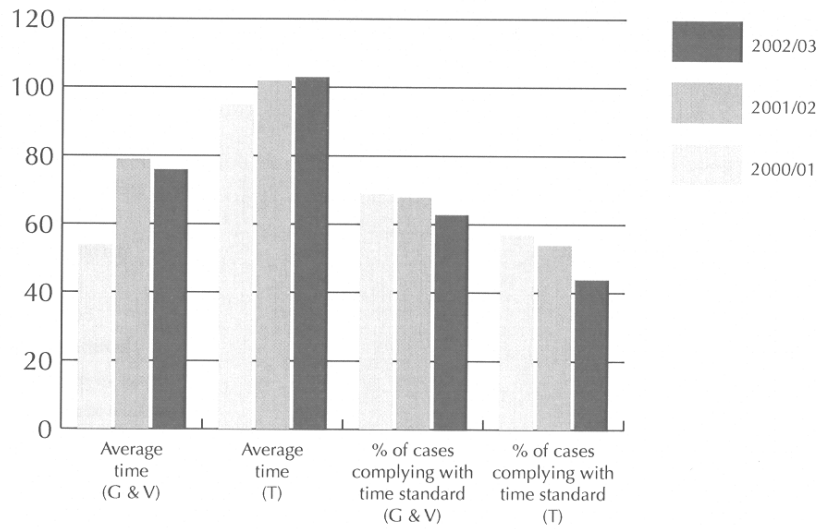


Figure 8. Administrative Appeals Tribunal performance measures

Table 2.3 Applications finalised and cost per finalisation

Output	Quality*	Quantity (no. of finalisations)	Price (per completed application)
Output 1.1.1— Applications finalised without a hearing	89% (G&V) and 68% (T) of matters had first conference within 13 weeks	8 483	\$1 431
Output 1.1.2— Applications finalised with a hearing	53% (G&V) and 26% (T) of matters to hearing within 40 weeks	1 947	\$7 703

* G&V refers to the General and Veterans’ Divisions; T refers to the Taxation Division.

The AAT also has other ‘Effectiveness Indicators’, including the indicator that ‘those affected by decisions within the Tribunal’s jurisdiction’ should be advised of their rights of review (measured by the proportion of decision makers provided with relevant material); and that ‘review processes are efficient and fair’ (measured by whether parties to the review process are satisfied). However, no quantitative evidence is provided in support of Tribunal performance against these indicators.

A5 The Commonwealth Ombudsman has similar performance standards, as set out in Figure 9:

Figure 9. (Commonwealth Ombudsman 2003: 18):

**PORTFOLIO BUDGET STATEMENTS
ACHIEVEMENTS AGAINST TARGETS, 2002–03**

OUTPUT 1 – Provision of a complaint management service for government

<i>Quality target</i>	<i>Achievement</i>
85% of complaints dealt with within one month, and 75% of investigated complaints in the general jurisdiction completed within one month	83% of complaints were dealt with within one month, and 65% of investigated complaints in the general jurisdiction were completed within one month.
<i>Quantity target 1</i>	<i>Achievement</i>
The office expects the long-term trend of receiving more than 20,000 complaints per year to continue.	We received 19,850 complaints in all jurisdictions.
<i>Quantity target 2</i>	<i>Achievement</i>
The office will continue to reduce the number of outstanding complaints open for more than six months.	Overall numbers of complaints carried forward increased to 1,085 compared with 951 last year. There was also an increase from 190 to 248 in complaints carried forward that were over six months old.

OUTPUT 2 – Provision of advice to government to improve administration

<i>Quality target</i>	<i>Achievement</i>
Extent to which advice and recommendations provided to departments and agencies have been adopted.	A very high proportion of recommendations were adopted during the year.
<i>Quantity target</i>	<i>Achievement</i>
Number of systemic, own motion, and other investigations completed that make recommendations aimed at improving administration and service delivery in departments and agencies.	Five own motion investigations completed this year, with 42 (66%) recommendations accepted by agencies. The high incidence of departments and agencies accepting Ombudsman recommendations for systemic and administrative improvements suggests a highly satisfactory level of performance in identifying weaknesses in administrative practices and procedures during 2002–03.

This type of performance reporting is standard for a substantial number of agencies in various jurisdictions. However as discussed in Case Study 2, this information only provides limited insights as to how well integrity agencies are doing their job, particularly due to low consistency of data.

- A6 The Australian National Audit Office (ANAO) reports its performance via a ‘scorecard’ system aligned with four Key Result Areas and three Output groups, linking back to the ANAO’s two Outcomes: improvement in public administration and assurance. The scorecard includes both

quantitative and qualitative measures and provides interested parties with an understanding of the link between the ANAO's products and their resulting impacts, supporting assessment as to how cost-effectively the ANAO is achieving outcomes (Barrett 2004; Azuma 2004).

Other standard quantitative measures of performance include, for anti-corruption and law enforcement bodies, the incidence of reported offences (some of which is reflected in the complaint statistics in Case Study 2), number of disciplinary and criminal prosecutions commenced in courts or tribunals, and the number of successful prosecutions. Due to their inherent subjectivity, however, these indicators are discussed below (3.4.6).

3.2.2. Accessibility

Accessibility is also a standard reporting requirement of public agencies in most jurisdictions. It usually requires agencies to report on their physical accessibility to people with disabilities, or language accessibility to those from other cultures. However, 'access to justice' is also a broader issue of particular significance to integrity policies and those who implement them, so that those who find it more difficult to seek redress of problems for reasons of education, culture or wealth do not carry an unfair burden of misconduct, corruption or maladministration. While many integrity policies are not assessed against this imperative, relevant performance information is being collected – for example:

- N3 The NSW Law and Justice Foundation has a current project seeking to map trends and pathways in disadvantaged peoples' access to legal, dispute resolution and complaint services, with problems with government or the legal system ranking highly among the proportion of problems dealt with by services such as the Legal Aid NSW Information and Advice Service, and NSW Community Legal Centres (Scott et al 2004: viii).

3.2.3. Training reporting

There is little overall performance information required or collected about activity and efficiency levels in less formal areas of integrity policy, such as training, staff development, recruitment, management coaching and so on. Agencies conduct a range of these activities, but the type of information that would be needed to judge whether activity levels were rising or falling is not centrally collected or analysed.

3.2.4. Performance audit

The most rigorous, standard methods for assessing the economy, efficiency and effectiveness of public programs in Australia are the performance audit methodologies used by some (but not all) Australian auditors-general. As discussed earlier, these methodologies are designed to provide objective, often quantitative assessments of whether organisational or program goals are being achieved, with a focus on whether this is occurring in the most cost-effective fashion, and stop short of full evaluation.

We are not aware of any independent performance audits of whole integrity institutions or programs. Indeed as Case Studies 2 and 3 both tend to suggest, there may be significant scope for carefully-constructed performance auditing to contribute to more systematic review of the best institutional options for delivering and enforcing ethics programs. This is reinforced by the range of areas in which specific federal audits currently provide important activity and efficiency measures on integrity issues—for example the following performance audits carried out by the Australian National Audit Office (ANAO):

- A7 Regular audits of fraud control arrangements in Commonwealth agencies, providing perhaps the key assurance as to whether basic anti-corruption systems are operating (ANAO 2001; ANAO 2003a);

- A8 Grievance and complaint handling systems for service personnel within the Australian Defence Force, from the 'coalface' to the point where unresolved disputes are transferred to the Commonwealth and Defence Force Ombudsman (ANAO 1999);
- A9 Client service in the Family Court of Australia and the Federal Magistrates Court (ANAO 2004b);
- A10 Administration of public freedom-of-information requests – a review which focused on practices in six agencies as well as the central coordinating agency, with recommendations for improvement (ANAO 2004a);
- A11 Audits of the integrity of the electoral roll, fundamental to ensuring political will and public trust in the legislative framework of integrity overall. Recommendations endorsed the current proficiency of the Australian Electoral Commission, but also identified improved ways for updating the electoral roll and better identifying and managing risks to the roll (ANAO 2004c). These audits also provide an example of the interrelationship between performance auditing and broader evaluation by parliamentary committee (see 3.3.4 below). In this instance, a first audit was reviewed by the Joint Standing Committee on Electoral Matters of the Commonwealth Parliament (JSCEM 2002), who supplemented the ANAO recommendations and also recommended a follow-up audit to assess whether recommendations had been implemented;
- A12 The ANAO also conducts performance audits of its own performance auditing, and other procedures. These self-audits are carried out by an Independent Auditor constituted under the Auditor-General Act 1997, currently a secondment from the private sector, who reports findings to the parliamentary Joint Committee on Public Accounts and Audit (JCPAA). In 2000-2002, performance audits occurred of the ANAO's own planning and resource allocation processes; audit management processes; and contract management arrangements (Barrett 2004).

3.2.5. Productivity review

Another larger approach to measuring activity, efficiency and cost-effectiveness in the public programs is available in the form of inquiry by the Productivity Commission or similar economic reviews. Such inquiries assess the economic costs and benefits of different government programs across the Australian economy as a whole. No productivity inquiry into public sector accountability, integrity or ethics regimes has been conducted or contemplated, to our knowledge, but the framework exists for such inquiry. For example:

- A13 Since 1993, the federal Productivity Commission has produced an annual review of the costs and efficiencies of government services, across all Australian governments – including justice and community services – to assist governments and the general public in assessing service agency performance. Some 'integrity services' are included in this aggregate picture (Productivity Commission 2004).

CASE STUDY 2

CASE HANDLING BY OMBUDSMAN'S OFFICES AND ANTI-CORRUPTION BODIES

Introduction

The number of complaints, reports, allegations or 'matters' handled by independent 'watchdog' agencies provide the basic measure of whether those who scrutinise compliance with ethical standards are actually doing so – in fact, whether they are doing anything at all (OECD 2000: 59-65). The common measures are the number of cases received and finalised, the rate of finalisation as a measure of timeliness, and the cost involved. Section 3.2.1 provided the example of the Australian Administrative Appeals Tribunal.

This case study provides a preliminary comparative analysis of the activity and efficiency of several similar investigative agencies. Such an analysis has not to our knowledge been previously published in Australia. Consequently, this research provides some indication of how basic activity and efficiency could be comparatively assessed, rather than what is presently officially done.

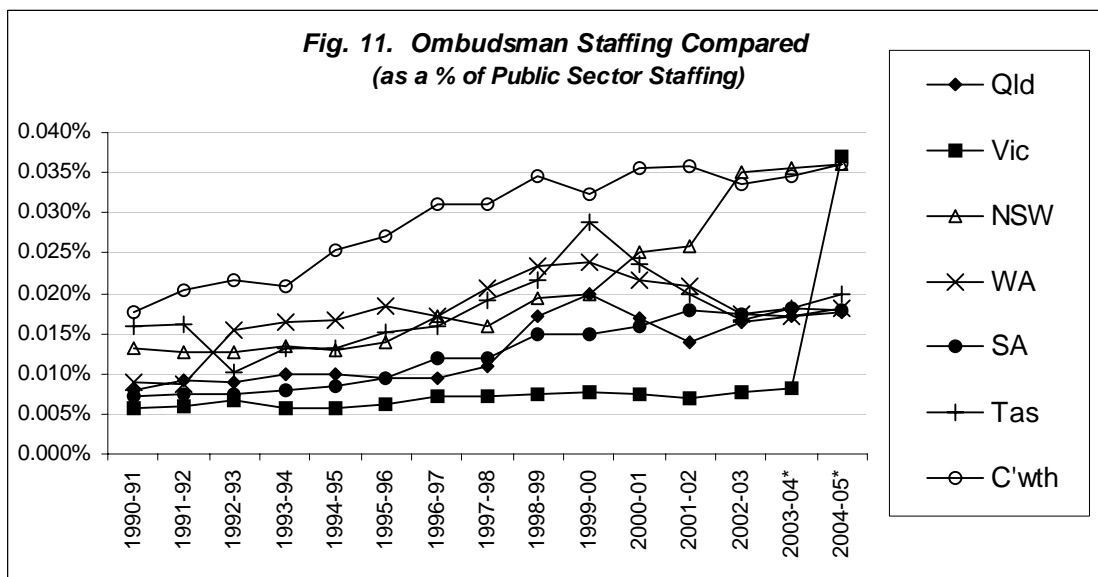
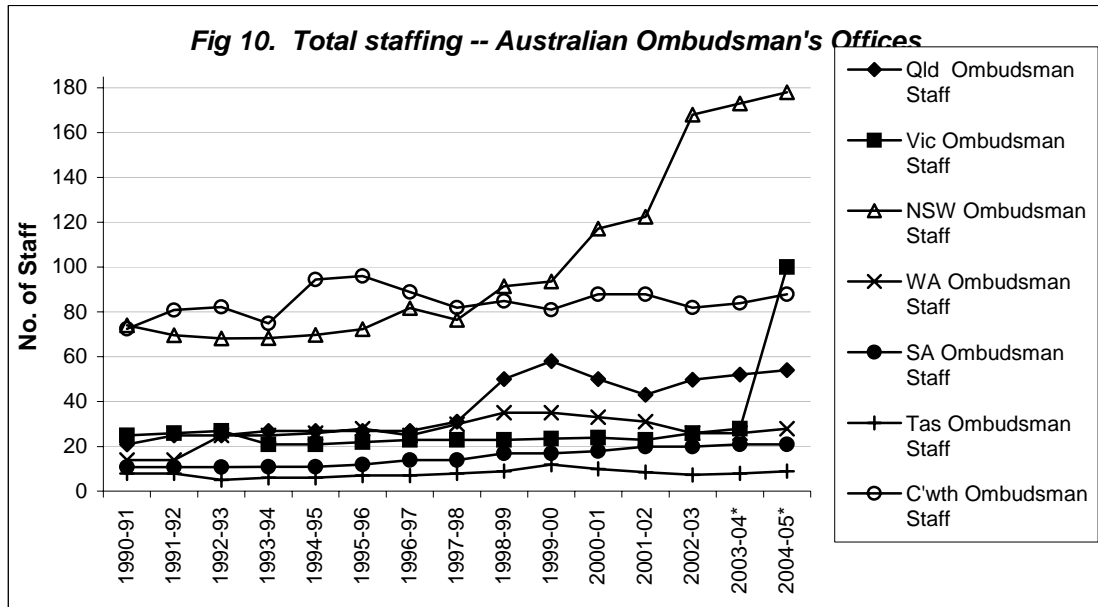
Relative capacity of 'watchdog' agencies

In recent debate, the activity and effectiveness of watchdog agencies has provoked new focus on what is 'normal' for basic resourcing of these functions (see Case Study 3). Resourcing is a fundamental factor in assessing activity and efficiency, since less well-resourced agencies may be less able to finalise as many cases speedily – notwithstanding the increased pressure to finalise those they can, with the greatest efficiency. There is a natural relationship between standard activity measures like caseloads, and the resource justification issues central to reviews of institutional effectiveness.

In Australia, there are major variations in the level of resources dedicated by governments to their independent watchdogs. These variations reflect the fact that different bodies have been created over time, in different political circumstances and subject to different political and administrative cultures. Nevertheless, as outlined in part 1, all governments have two core watchdogs – an ombudsman and an auditor-general – and some have more recently instituted additional anti-corruption commissions. Governments also have police services, other complaint tribunals, and sometimes crime commissions which also participate in scrutiny of public officials, but these vary more widely and also play other roles in addition to public integrity. The resourcing analysis here is thus confined to 'core' watchdogs, for their greater comparability of functions, although the results are still only indicative.

So far, public debate has been based on fairly crude analysis of the raw budget and staffing figures of different agencies in different states (Bottom and Medew 2004). For example, fig. 10 shows the total staff

numbers of the ombudsman of all states. However, different states have different sized populations and public sectors. Accordingly fig. 11 shows ombudsman staffing as a proportion of the total public sector staffing in that state.



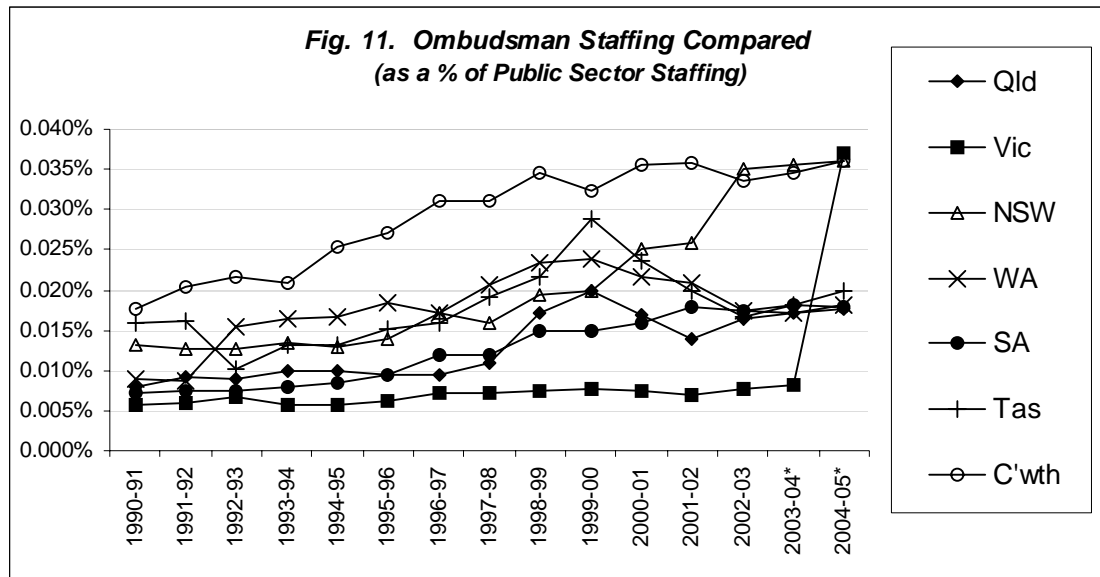


Fig. 11 shows that with current major increases (case study 3), the Victorian Ombudsman has gone from the least well-resourced, to comparability with the Commonwealth and NSW. The other governments are comparable between themselves, but at half the level of the ‘big three’. However as discussed, the roles of ombudsman’s offices are shared with other bodies – auditors and anti-corruption commissions – in different ways.

Fig. 12 shows the staffing of all these bodies as a proportion of total public sector staffing in each jurisdiction. (Note: these comparisons are indicative, and do not reflect precise variations in jurisdictions and roles of agencies – see Appendix 2). Even with the recent tripling of the Ombudsman’s office, Victoria’s independent scrutiny resources remain the weakest. Significantly, NSW has the largest number of independent bodies but ranks only mid-field for total resources. The combination of Ombudsman and strong Audit Office means the Commonwealth ranks well even without an anti-corruption commission. Queensland and WA rank as having the strongest resources, but their anti-corruption commissions also incorporate their crime commissions.

Case-handling ‘efficiencies’

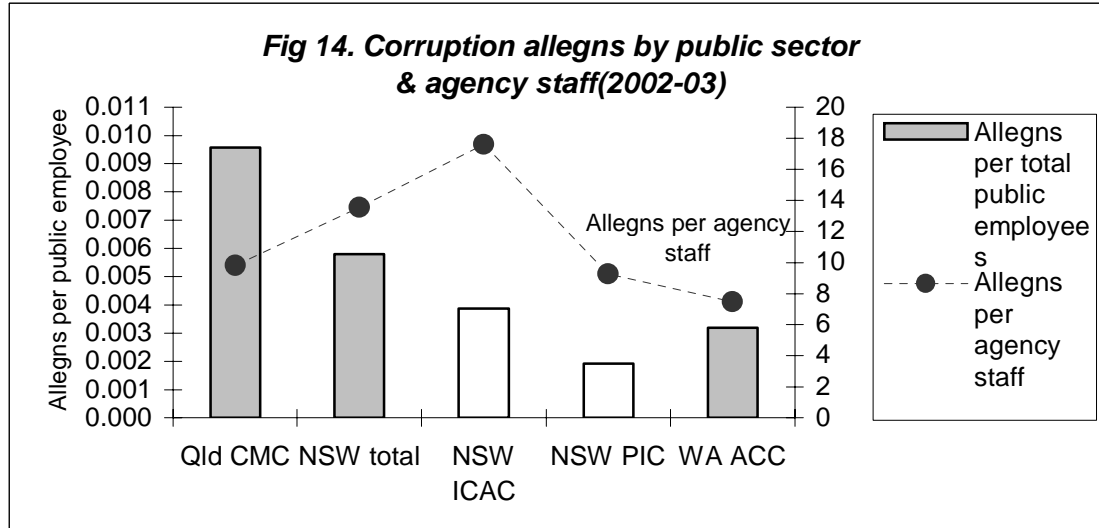
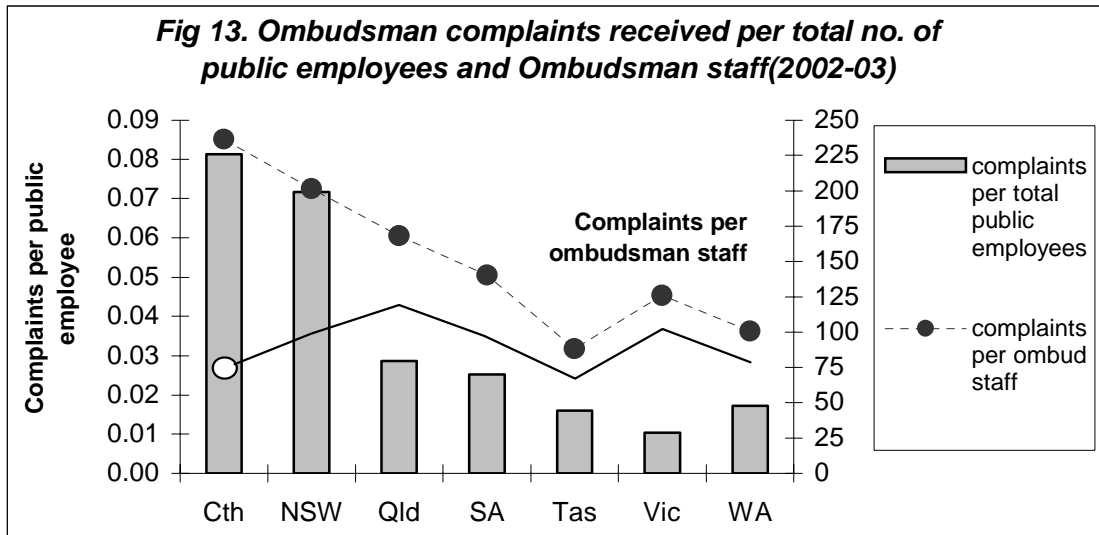
While resourcing is itself a significant issue, the needs of scrutiny agencies may be different if they have different methods of handling their workload. Figs 13 and 14 provide some comparisons of number of cases handled by Australian ombudsman’s offices and anti-corruption commissions in 2002-2003, relative to the size of jurisdiction (again measured in terms of total public sector staffing), and number of staff in the agency to process these cases.

In fig. 13, the columns and left axis show the variation in number of complaints received, relative to size of jurisdiction. This figure is influenced by whether the ombudsman accepts only written complaints, or also in-person and phone complaints, as well as its profile and the extent to which it acts as a clearinghouse for other agencies. For these reasons, it cannot be concluded that Commonwealth and NSW administration is systematically more defective. Nevertheless, the variations deserve further study.

The dotted lines and right axis show the varying caseloads of these agencies per staff-member, showing great variation in the case-handling efficiency demanded. Ombudsman’s offices may be handling anywhere between less than 100, and over 200 matters per staff member. However, this figure may again depend on how many cases are actually investigated, rather than simply processed – the additional line

shows the very different number of cases that the Commonwealth Ombudsman elects to investigate per staff member, giving an indication that the efficiencies may not be so variable.

Fig. 14 shows similar data for the four major independent anti-corruption bodies, two of whom are in NSW (with their total also shown separately). The Queensland CMC deals with far more corruption-related cases as a proportion of its catchment than the other states, but its substantial staffing means it may be better able to cope than, for example, the NSW ICAC.



Evaluating performance: quantity versus quality?

How useful is such basic activity and efficiency data? At present, it is the most comprehensive data on agency performance available, yet, it provides only limited insights of any real value. Variations in definitions, methods and data-collection currently limit its usefulness as a measure of good or bad practice. Australian governments, therefore, collect the data, but do not use it to provide ways of assessing efficiency other than against past performance.

Most importantly, this basic performance data includes few real measures of quality – adequacy or thoroughness of investigations, usefulness of outcomes, number of complaints upheld, or public satisfaction. For insights into these, it is necessary to look elsewhere (3.4.6), but this reporting becomes even more patchy and inconsistent between different jurisdictions. Despite the resources spent on it, current monitoring provides few substantive assessment tools. This situation highlights limitations in both theoretical and practical systems for routine performance assessment of key integrity bodies, even in a country with well-developed integrity infrastructure.

3.3. Institutional Effectiveness Measures

Summary: Institutional effectiveness measures are directed towards evaluation of the overall performance of particular integrity policies and agencies, or justifications for the creation of new ones, and tend to be more qualitative and political than anything yet described. As such, they provide an integrative approach to assessment, but using wildly varying or opaque methodologies.

Relations to other measures: As demonstrated by Case Study 3 (An Australian Anti-Corruption Agency?), measures of institutional effectiveness may draw on information from any pertinent source, or on none. These approaches tend to dominate final decisions about major integrity reforms specifically because they are closest to, or embedded in, the political process, with all the problems this raises. However, there is significant potential for more structured evaluation processes, in which political decisions are guided by prior deliberation by parliamentary committees or similar review bodies, in turn informed by 'objective' performance reviews supplying quantitative assessment on issues where this can be useful. For example, Case Study 3 can be contrasted with the relationship between auditing and evaluation regularly achieved through public reporting by the ANAO to parliamentary committees.

General assessment: Assessments of institutional effectiveness in Australian public integrity and ethics areas currently suffer from a significant deficit in both theoretical and methodological approaches. State governments have often developed complex institutional frameworks (well-resourced or expensive, depending on one's perspective), but are reluctant to devote more resources and attention to ongoing evaluation, absent fresh crises. Meanwhile the federal government has tried to simplify institutional frameworks, seeking to 'let managers manage', placing great reliance on standard ongoing evaluation methods that are not necessarily co-ordinated or cognisant of the overall 'ethics infrastructure'. These different problems at different levels of government contribute to great variability in key areas of performance assessment, arguably failing to capitalise on the rich diversity of experience and innovation evident in Australian governments' integrity programs.

3.3.1. External investigation and consultancies

The independent scrutiny agencies in the Australian integrity system do not merely conduct investigations into individual matters, but routinely examine whether integrity systems within public sector organizations are working effectively. They often particularly focus on internal systems of complaint-handling and internal review of administrative decisions, to increase organisations' capacity to deal productively with problems themselves. The central agencies involved vary depending on the subject matter, for example, central personnel management agencies may only review the effectiveness of organisations' personnel grievance procedures, while central anti-corruption agencies may only review the effectiveness of organisations' internal procedures for the investigation of misconduct. Nevertheless, these reviews are wide-ranging and qualitative, and usually based on a mixture of statistical records, information from existing complaints or problems, interviews of agency staff and managers, discussions with experts, and negotiation with agency senior management. Examples include:

- A14 Recent Commonwealth Ombudsman investigations, undertaken of the Ombudsman's own initiative into the complaint services of the Child Support Agency (July 2001), complaint-handling by the Australian Taxation Office (July 2003), and complaint-handling within the national Job Network managed by the Department of Employment and Workplace Relations (August 2003);
- N4 NSW Ombudsman reports, assessing the performance of the NSW Police Service in the management of complaints (August and September 2002);

- Q4 In Queensland, the recent Crime and Misconduct Commission inquiry into abuse of children in state-run foster care, whose recommendations for a new Department of Child Safety included a substantial evaluation of the internal integrity systems of the Department of Families with recommendations for reform (CMC 2004: 156-163).

Individual public sector agencies also sometimes commission independent consultant reviews of the most effective ethics and integrity systems, particularly regarding complaint and grievance-handling.

3.3.2. Law reform bodies

Most, if not all, Australian governments have law reform commissions or committees whose inquiries may take in similar, wide-ranging reviews of institutional effectiveness, focused on the legal framework underpinning ethics and integrity policies. At the Commonwealth level, there are two such bodies: the Australian Law Reform Commission (ALRC) established in 1974 and the Administrative Review Council (ARC) established in 1975. The Australian Law Reform Commission conducts inquiries based on references from the federal government. Some of its major reports include:

- A15 Integrity systems pertaining to federal law enforcement, including its early 1975 and 1978 reports, and 1996 report *Integrity: But Not By Trust Alone* (ALRC 1996) (see **Case Study 3**). The ALRC also regularly reviews laws and institutions on access to justice more broadly.

The Administrative Review Council was established specifically to co-ordinate and monitor the effectiveness of federal accountability systems. Its members include the Ombudsman, President of the Australian Law Reform Commission, and President of the Administrative Appeals Tribunal, as well as senior federal officials and independent experts. Relevant reviews of institutional effectiveness include:

- A16 Preparation of the Commonwealth's best practice guide to internal review systems and procedures, based on research conducted in 1998 through interviews of 92 officers from five agencies, with the assistance of external research professionals (Administrative Review Council 2001); and
- A17 A major report on a government proposal in 1994-1995 to amalgamate existing federal review tribunals (including the Administrative Appeals Tribunal) under a new Administrative Review Tribunal law, leading to postponement of that law and eventually a different government solution to issues of the institutional effectiveness of the tribunal framework in 2003 (see Administrative Review Council 1995).

3.3.3. Royal commissions and committees of inquiry

Australian governments have a substantial track record of commissioning one-off 'independent' inquiries to review the effectiveness of institutional arrangements for ensuring public integrity, as well as on other matters of public administration more generally (see Weller 1994; Ransley 2001). Despite constitutional difficulties, the Australian preference is often to appoint a sitting judge, retired judge or 'almost judge' (in the form of a senior barrister, QC or SC) to head such inquiries, even when the subject of the inquiry is a long way from the law, due to the stature, authority and procedural fairness this is deemed to bring (Brown 1992; Blackshield and Williams 2002: 603-647).

There has always been a distinction between 'policy' inquiries and 'probity' inquiries, although their procedures and costs can be similar. Policy inquiries are established to review institutional arrangements generally, without specific ethics or integrity scandals to drive them. For example:

- A18 The Kerr Committee, which reported in 1971, was asked by the federal government to review and make recommendations regarding law reform for greater public accountability, without a specific crisis.
- A19 The Coombs Royal Commission into Australian Government Administration, which reported in 1976, established many of the principles of modern federal government administration and accountability, again without being triggered by a specific crisis.

Probity inquiries are triggered by specific allegations of misconduct, corruption or unethical behaviour, and tend to be more contentious. Governments are now often reluctant to establish them, for numerous reasons including cost, delay, and inability to control the outcomes such as exposure of matters that are politically damaging to the government itself (see **Case Study 3**). When they do occur, however, such inquiries are now expected to contain wide-ranging evaluation of the reasons why integrity systems broke down, and how better integrity systems should be developed, in addition to making specific recommendations regarding individual misconduct. The criteria and processes by which they evaluate existing performance are highly qualitative, diverse and variable. The process may include substantial expert research and policy review, in addition to forensic inquiry methods. Notable examples of such inquiries in Australia include:

- A20 The Costigan Royal Commission into Activities of the Federated Painters and Dockers Union (1980-1984), which uncovered major problems of organised crime and tax evasion, leading to establishment of the National Crime Authority (now Australian Crime Commission);
- Q5 The Fitzgerald Inquiry into Police Misconduct and Associated Illegal Activities (1987-1989), which led to major overhaul of political, administrative, justice and accountability systems in Queensland;
- T1 The Carter Royal Commission into political bribery in Tasmania (1991);
- W1 The 'WA Inc' or Kennedy Royal Commission into Commercial Activities of Government in Western Australia (1990-1992); and
- N5 The Wood Royal Commission into the NSW Police Service (1995-1997).

However, royal commissions or similar inquiries can also be used in attempts to dismantle integrity regimes, if political parties or other vested interests with low 'ownership' of integrity reforms feel this is necessary. For example:

- Q6 In Queensland, the Connolly-Ryan Commission was established in 1996 to review the activities of the post-Fitzgerald integrity agency, the Criminal Justice Commission (now Crime and Misconduct Commission). This commission was terminated in 1997 after the Supreme Court found it politically biased (Preston et al. 2002: 177-178). The commission was established by the political party that began the earlier Fitzgerald Inquiry, but then suffered worst from its findings, and which remains a fierce critic of several post-Fitzgerald integrity reforms (see **Case Study 3**).

3.3.4. Parliamentary committees

Special-purpose parliamentary committees now provide one of the key mechanisms for evaluating the effectiveness of integrity institutions and systems on an ongoing basis. Their use has increased dramatically in the last 15 years due to some of the political events described above (3.3.3), particularly the need for effective accountability mechanisms governing independent scrutiny agencies. However as already mentioned, the precedent for more recent developments already existed in the form of some of the older, special-purpose Public Accounts Committees established by most parliaments. For example:

A21 The Commonwealth Parliament's Joint Committee on Public Accounts and Audit (JCPAA) is a statutory committee with members from both houses of Parliament, with particular responsibilities for the ANAO. The JCPAA considers the operations and performance of the ANAO; reports to the Parliament about the Auditor-General's functions and powers; and makes recommendations to the Parliament on the annual budget for the Office. The Committee reviews all ANAO reports and examines a selection at quarterly public hearings. The JCPAA may also conduct more broadly based inquiries into matters arising from an audit.

In recent years, similar relationships have been established between scrutiny agencies and other newer committees with similar degrees of specialization. Parliamentary committees review integrity agencies' annual reports, and conduct hearings on their performance using reported outcomes, public or in camera evidence given by the agencies, public submissions or complaints against the agencies, and research by parliamentary research staff. In the interests of public respect for the integrity system as a whole, the committees usually seek to operate on a non-partisan basis. This can be difficult, but has proved broadly successful in providing a strong, democratically-embedded mechanism for public evaluation of bodies which necessarily operate in politically volatile areas. These committees also now share their own lessons, as demonstrated by the national conference of the following committees hosted by the Parliament of Western Australia in September 2003 (WA Parliament 2003). A detailed study of the methodologies used by these committees would be extremely valuable:

N6 NSW Committee on the Independent Commission Against Corruption. This committee was one of the first to be established, with introduction of the ICAC in 1988. The Committee has recently recommended a full, independent review of the ICAC and its 1988 legislation.

N7 NSW Committee on the Office of the Ombudsman and the Police Integrity Commission. This committee was established to have similar functions to the Committee on the ICAC, but also to prevent the need for yet another committee when the Police Integrity Commission was created in 1997. The Committee's most recent reports on each body are built around the transcript of the public hearings on these bodies' annual operations, providing exhaustive qualitative review of past and current issues, problems and performance (NSW Parliament 2003a; NSW Parliament 2003b).

Q7 Queensland Parliamentary Crime and Misconduct Committee (formerly Parliamentary Criminal Justice Committee). This committee oversees the Queensland Crime and Misconduct Commission (CMC), and is supported by a full-time Commissioner of its own to assist with resolution of complaints against the CMC. This arrangement has been politically contentious but was stabilized in the 2001 review of the relevant legislation (Preston et al. 2002: 129-131). The Committee recently completed its Three Yearly Review of the CMC, providing a thorough evaluation of its performance (Qld Parliament 2004).

W2 WA Joint Standing Committee on the Anti-Corruption Commission (now Corruption and Crime Commission).

A22 The significant omission from this range of important standing evaluation mechanisms is the lack of a standing federal parliamentary committee to oversee and support the Commonwealth Ombudsman. At federal level, in addition to the JCPAA, there is a Parliamentary Joint Committee on the Australian Crime Commission (formerly National Crime Authority). However, there is no such framework in place for the bulk of public accountability matters dealt with by the Ombudsman, unless the Senate Standing Committee on Finance and Public Administration undertakes a special inquiry. The relevance of this is discussed in **Case Study 3**.

3.3.5. University research / expert review

University-based or other independent expertise frequently plays a variety of roles in evaluations of the institutional effectiveness of different components of the ethics regimes. Some academic experts sit on standing review bodies such as the ALRC and ARC (above). Academic experts are often called as witnesses before parliamentary committees or other inquiries into the performance of integrity systems. Expert comment plays a significant role in media debate, supporting the ability of an active civil society to assess and monitor the performance of these regimes. Examples include:

- U2 A recent national review of the effectiveness of Auditor-Generals, conducted as part of the Democratic Audit of Australia (Coghill 2004).
- U3 The National Integrity System Assessment project itself (KCELJAG and TI 2001; Preston et al. 2002).

CASE STUDY 3

JUDGING EFFECTIVENESS: AN AUSTRALIAN ANTI-CORRUPTION COMMISSION?

Introduction

The most recent development in Australian decision-making about the institutional effectiveness of integrity agencies, is a decision announced by the national Attorney-General in June 2004 that the federal government will establish an independent anti-corruption commission to oversee the Australian Federal Police, Crime Commission and Customs Service.

Embedded in this decision were two assessments about the effectiveness of integrity agencies – namely that:

- Ombudsman's offices, including the federal or Commonwealth Ombudsman, were not competent agencies to investigate corruption; and
- Ombudsman's offices should not be given the powers needed to investigate corruption (e.g. phone tapping powers) because their existing roles include auditing the use of such powers by other bodies (i.e. 'guarding the guards').

However, these assessments were not reached as result of careful or systematic review, but a more ad hoc political process. The contrast shows the gaps that can exist between attempts to more systemically assess and develop the effectiveness of integrity institutions, and the complicated reality of political decision-making about integrity agencies in practice.

Past institutional evaluations and reviews

The Commonwealth Ombudsman has been the national government's primary independent agency for scrutiny of public administration since its establishment in 1976. The office has strong powers to investigate the actions of officials from heads of department down, including power to initiate inquiries, compel witnesses to be interviewed and seize documents and evidence. The Ombudsman may make any recommendations about official action that he/she considers unreasonable, unfair, contrary to law or procedure, or 'wrong'.

Until the early 1990s, the Ombudsman's office usually only acted in response to individual complaints, focused narrowly on administrative matters, and rarely used formal powers, analysed systemic problems or issued public reports. Consequently, despite having a quite good performance record, the

office had a low public profile and only moderate official status (Mulgan and Uhr 2001: 159). However, few direct assessments of the effectiveness of the Ombudsman's office have been undertaken. This may be because unlike several state ombudsman's offices, or the Australian National Audit Office, no federal parliamentary committee has a standing brief to monitor or assist the Commonwealth Ombudsman. Evaluations have been very indirect:

- In 1978, the Australian Law Reform Commission recommended legislation to provide independent oversight of complaints against federal police, leading to an expanded role for the Ombudsman in this area from 1981;
- In 1991, a review of the Office by the Senate Standing Committee on Finance and Public Administration recommended a higher profile and increased resources for major investigations, which were given in 1992-93;
- In 1993, the Ombudsman herself commissioned a more detailed review of the office's effectiveness, by external management consultants, which led to the government granting increased resources in 1994.

The Ombudsman also tested her powers further, with the Federal Court agreeing in 1995 that she had power to recommend disciplinary or criminal charges, and thus that her jurisdiction to investigate administrative actions could include misconduct or criminal misbehaviour. The office also increased its oversight of complaints against the Australian Federal Police (AFP) and its number of independent investigations, including into suspected corruption.

A number of further reviews then followed in 1996-1997:

- The federal government conducted general budget cuts which effectively withdrew much of the increased resources granted two years earlier. In insisting on these cuts, the government rejected arguments that accountability agencies should be exempt due to their key role;
- Allegations about corruption in the Australian Federal Police (AFP) were aired in the Wood NSW Police Royal Commission. The federal government commissioned a special inquiry into this evidence by Mr Ian Harrison QC, which generally endorsed the joint Ombudsman-AFP system;
- The Australian Law Reform Commission conducted another inquiry into complaint-handling and anticorruption involving the AFP and National Crime Authority (now the Crime Commission), and recommended that a new body was necessary (ALRC 1996).

The proposed National Integrity and Investigations Commission would have replaced Ombudsman supervision of investigations into law enforcement bodies, and undertaken more independent investigations of serious matters, including corruption. However, the Ombudsman and several other bodies opposed the dilution of resources, arguing it would be more effective to give the resources to the Ombudsman to fulfil these functions. The federal government chose not to implement the Law Reform report, and left these functions with the Ombudsman, but provided no new resources.

Recent developments – Victoria

Seven years later, in 2004, the issue of effective institutions returned. This was not at a federal level, at first, but in a police corruption scandal in the state of Victoria, where the institutions were similar. Victoria established a Police Complaints Authority in 1984-85, but in 1988 this was amalgamated with the

Victorian Ombudsman. In Victoria, like the federal situation, there was, therefore, no independent anti-corruption commission.

In Victoria, police internal investigators and the Ombudsman had for some time been investigating corruption in the police drug squad. A major war between organised crime groups also broke out, in which several killings (including of a police informer) became linked with possible police corruption. There was, and remains, a strong public demand for a royal commission of inquiry, with many also arguing that the result – like in Queensland, NSW and Western Australia – should be a new permanent anti-corruption agency (Gilchrist and Bachelard 2004; Skelton and Shiel 2004; Lewis 2004; Gray et al. 2004).

However, the Victorian government has responded to date by:

- Increasing the powers and tripling the staff of the Victorian Ombudsman (see Case Study 2); as well as appointing Tony Fitzgerald QC, who headed the 1987-89 Queensland inquiry into official corruption, as a consultant investigator (Victorian Parliament 2004b; Bracks 2004);
- Rejecting a royal commission as an expensive ‘wigfest’ of lawyers unlikely to tell the government anything about corruption that it didn’t already know;
- Rejecting a new anti-corruption commission as expensive and unnecessary – including quoting the Queensland Opposition as having described Queensland’s Crime and Misconduct Commission as a ‘multimillion-dollar joke... that couldn’t track an elephant through snow’ (May 2003, quoted Victorian Parliament 2004a: 12).

At first, the Victorian Opposition supported the Victorian government’s response. However, in late May 2004, it changed its position to also demand the government establish a new anti-corruption commission. The Labor Party leads the Victorian government while the Liberal Party leads the Victorian Opposition and the current federal government.

Federal Government announcement – 16 June 2004

On 16 June 2004, the federal government announced it would establish ‘an independent national anti-corruption body with telephone intercept powers which, if required, would be able to address corruption amongst law enforcement officers at a national level’ (Ruddock and Ellison 2004).

Little further detail has yet been announced. However, no reference was made to this decision being based on any of the previous reviews, such as the Law Reform Commission’s report of 1996. No specific evaluation had been undertaken about the effectiveness of the continuing policy of having the Commonwealth Ombudsman oversight police complaint investigations. Instead three events appear to have caused the decision:

- The Victorian Opposition had decided to oppose the Victorian government’s response to the state’s corruption scandal, as explained above;
- The Victorian government had asked for the state Ombudsman to be given federally-regulated telephone interception (tapping) powers, to enable it to investigate corruption in the same way as other anti-corruption bodies. The federal government rejected this Victorian request when it announced the new federal body on 16 June 2004, saying that ‘if Victoria was to raise a properly-formulated independent Commission - similar to those in WA, New South Wales and Queensland - the Government would move quickly to confer telephone intercept powers on this body’ (Ruddock and Ellison 2004);

- The media reported that the Commonwealth Ombudsman and AFP were investigating corruption on the part of two police officers (from NSW and Victoria) on secondment with the federal government. These reports highlighted that the current federal arrangements were similar to those preferred by the Victorian Labor Government, and therefore not consistent with the attack being mounted by Victoria's Liberal Opposition.

Discussion: The Politics of Probity

It seems likely that the Australian national government will establish the new federal anti-corruption body. Such a body may be a good step forward in the evolution of Australia's national integrity systems. However, the events highlight three gaps between current political decision-making and systematic evaluation of the effectiveness of integrity bodies:

- The federal announcement stated a clear principle that every government should have both an Ombudsman to investigate administrative complaints, and a separate anti-corruption commission. However, despite the certainty of the announcement, this new policy had not been systematically researched and is still contested. While it was politically rational, ensuring that the Liberal Party's position was consistent at both state and federal level, there are fewer indications that it was based on policy evidence;
- The announcement highlighted a problem about 'who guards the guards', pointing out that since Ombudsman's offices currently monitor how police and anti-corruption bodies use phone-tapping powers, it would be a conflict of interest for them to have such powers themselves. However, this raises a larger problem about how to regulate anyone's use of such powers, which the government has yet to address – since at the end of the day, the Ombudsman may still need to be able to investigate whether such powers have been used corruptly;
- The decision to create a new federal body was taken without any evaluation of whether the existing institutions were working. Indeed, the government's comments suggested that present scrutiny by the Ombudsman was working well. This tended to confirm that the federal decision was made irrespective of any policy evaluation, and driven primarily by the need for political consistency with the Victorian Opposition.

In these circumstances, will the new body be resourced effectively to do its job? Will it suffer a reputation as being born more of party-political expediency than policy logic? Will existing expertise in the Ombudsman's office be lost? Will the new body result in the most efficient and effective scrutiny, or make federal anti-corruption efforts more complicated? All these potential risks highlight that integrity policies are not immune from the normal twists and roundabouts of politics, irrespective of evaluative frameworks.

3.4. Outcomes Measures

Summary: The fourth and final category, ‘outcomes measures’, are directed to measuring the substantive outcomes of integrity activities, to ensure these activities are positively enhancing ethical standards, corruption resistance, public trust, and the quality of democratic life. The measures being sought are less to do with the activity of ethics-promotion and anti-corruption work, and more about evidence of the actual level of integrity, ethical standards and corruption risk that is being achieved by public sector integrity programs – or alternatively, which needs to be better targeted by them.

Relations to other measures: The types of measure notionally available in Australia have strong relations with other measures – for example, using staff surveys to monitor agency compliance with ethics reforms, can also be used as a barometer of the ethical standards and ethical culture of staff themselves. Similarly, activity and efficiency measures such as caseloads, prosecution and conviction rates are also often used – albeit very imprecisely and often inappropriately – as indicators of actual corruption and misconduct levels. Usually the latter, substantive use of this data comes as an ancillary or secondary interpretation of data collected for the former, narrower purpose.

General assessment: The quest for substantive, qualitative measures of ethical standards and corruption risk is in a relative infancy, compared with standard public administration performance measures of implementation, activity and efficiency. This is partly because judgments as to the ethical standards of individuals or workgroups are largely subjective, and made even more complex where there are conflicting views on the relative weight to be given to the different ‘integrity dimensions’ discussed in part 2 (i.e. personal-responsibility, effectiveness/implementation or legal-institutional dimensions). As discussed in the final conclusions, significant theoretical and methodological attention needs to be directed towards integrated substantive methods of monitoring the health of public sector integrity on all three dimensions.

3.4.1. Central Ethical Standards/Corruption Risk research

Official studies of public sector attitudes to organisational integrity, ethical standard-setting and leadership can actually monitor the level or quality of ethical standards (including the take-up of ‘values culture’), and/or of corruption risk. This is in addition to simply measuring whether people are aware of codes and other issues of implementation. Examples include:

- A1 APSC Case Study 1 which demonstrates the potential for workplace research by central agencies to examine substantive ethical standards as well as simple compliance value. Such studies can in practice begin to integrate the different dimensions of integrity discussed in part 2, for example by establishing whether individual leaders understand their ethical obligations and other dimensions of personal integrity, even though the organisational responses needed to truly ‘embed’ values and integrity may be more systemic and less liable to be resisted as direct criticisms of personal integrity. The difficulty of this balance is further emphasised in part 4.
- N8 The NSW ICAC has used surveys of the ethical culture of NSW public sector agencies and local councils. The primary aim was to create a tool which could help public sector managers to identify where the key challenges may lie in creating a strong ethical culture in their organisation. Another aim of the research was to explore in an Australian context the findings of past research (primarily from the United States) about the relationship between different aspects of an organisation and how they impact on its ethical tone (ICAC 2000).
- A23 Whereas some agencies may collect substantive data on ethical attitudes, others collect data indicating levels of unethical behaviour. For example, regular fraud surveys by the Australian

National Audit Office (ANAO 2001; ANAO 2003a) provide a barometer of corruption levels in the federal public service, since most pecuniary corruption is categorised in terms of fraud. This information is differentiable from – and more useful than – attempts to monitor the results of corruption-related disciplinary or criminal cases, which as discussed below (3.4.6) is both difficult and unreliable for this purpose. The type of research conducted by the ANAO compiles a picture of the incidence of fraud reporting (rather than whether the evidence exists to prosecute or convict individuals), and the estimated financial impacts, providing a qualitative measure of seriousness which is not available through normal criminal justice reporting. See Figure 15:

Fig. 15. Extent of fraud reported by surveyed APS agencies
(Roberts forthcoming; from ANAO 2001; ANAO 2003a)

Financial years	Number of fraud allegations		Number of fraud cases		Value of fraud cases (\$'000)	
	Internal	External	Internal	External	Internal	External
1997-98	1 310	5 775	352	3 510	1 039	152 137
1998-99	1 220	5 257	348	3 702	9 289	136 573
2000-01	2 271	7 328	1 605	4 002	1 690	115 127
2001-02	2 782	8 380	1 540	4 971	2 629	90 700

N11 Such centrally-sponsored research can also measure the ethical climate by monitoring the extent to which public employees feel able to, or are likely to, fulfil obligations to report misconduct, defective administration or other ethical concerns within their organisation. In NSW, for example, the 1996 ICAC study referred to earlier also established, substantively, that despite low awareness of formal systems, 49% of surveyed employees indicated they would still report corruption even without the support of colleagues, and 41% knowing their career would be adversely affected (Zipparo 1998; Zipparo 1999). Monitoring variations in such responses can provide an indication of whether the ethical climate is improving or deteriorating, in individual organisations and across the public sector.

3.4.2. Agency Ethical Standards/Corruption Risk research

Systematic studies of overall state of workplace culture may also be conducted by agencies themselves rather than by central bodies. However, there may be Issues of relative accuracy, reliability, confidence etc if conducted internally:

W3 In June 1999, the Professional Standards Portfolio of the Western Australia Police Service commenced a longitudinal survey of recruits, yielding information in relation to ethical behaviour in the Police Academy environment and workplace, and organisational factors which may influence it. The anonymous survey is carried out by means of a self-administering questionnaire containing 69 question and statements to four recruit squads randomly selected. A preliminary report was released in July 2002 (WA Police 2002). The key findings from the survey identified a number of positive ethical indicators as well as identifying issues for consideration and action, similar to those found in police surveys undertaken by ICAC and the CMC.

3.4.3. University research / expert review

University-based research plays a key role in providing substantive information about ethical standards in areas of public administration that might otherwise never be measured. For example, no public agencies are well-positioned to probe for or collate evidence relating to ethical standards or corruption risks among legislators – a key issue if political will and a strong legislative framework are considered elements of the ethics infrastructure. With enough tact, persistence and nerve, however, university researchers are able to broach such areas. For example:

U4 A substantial survey of legislators' attitudes to ethics and corruption was achieved in New South Wales, using an international methodology, by Jackson and Smith (Smith and Jackson 1995; 1996; Smith 1998; 1999; 2000).

3.4.4. Integrity recognition

There is no evidence of any existing awards within the Australian setting that are referred to specifically as "Integrity Awards". However, a sweep of the various public sector jurisdictions, in particular, yielded information about some awards which may have an integrity content. In most public sector jurisdictions in Australia, the tasks of encouraging the embedding of values and of enhancing and monitoring integrity are carried out by central agencies, e.g.: departments of the various state premiers, public sector management offices etc. These offices usually hold a much wider brief which embraces such functions as human resource management principles and practices and/or the enhancement of employment equity. This creates a situation where it is often difficult to draw a line between what is considered an integrity award and what is not. Nevertheless, the purposes of some awards in place do have a clear integrity implication. Some examples of these awards are:

V1 In Victoria, the State's Commissioner for Public Employment calls for nominations each year for its People Management Awards, which includes a "managing ethically" category, and which is judged by an independent panel. These awards carry certificates of commendation and grants worth up to \$5,000 for future initiatives (CPA Victoria 2004).

NT1 The Government of the Northern Territory has annual Equity and Diversity Awards which are awarded to agencies which excel in the area of equitable employment practices. These are showcased in a publication entitled "Valuing an Inclusive Workforce" (NT Government 2004).

ACT1 In the Australian Capital Territory public sector, the Industrial Relations and Public Sector Management Group, in conjunction with the Commissioner for Public Administration, carries overall responsibility for integrity issues. The Territory has a number of award arrangements which differ from agency to agency, with the Territory's Integrity Policy stating that CEOs should be "making integrity one of the criteria in staff awards" (ACT Government 2004).

N13 The NSW public sector once had a separate ethics award, but in 1997 subsumed this within the context of the wider Premier's Public Sector Awards, established to provide an opportunity to showcase the public sector's commitment to quality, dedication to excellence, and provision of better service to the community. This award is made to projects within agencies, not individuals, but may well still have an ethical component depending upon the nature of the project (NSW Premier's Dept 2004).

Rewards for high levels of integrity and ethical behaviour via organisational systems such as selection, promotion and remuneration are rarely identified as such. While punitive measures are easy to identify for those in breach of standards, the reverse is not the case. The example in which ethical

behaviour and integrity can be most readily identified as a measurable and rewardable criterion is in the Australian Public Service (federal) policies and guidelines, which creates a clear link between the importance of leaders being called upon to ensure the embedding of APS values and the fact that Performance Management is itself firmly entrenched as a policy and practice (APSC 2004).

3.4.5. Integrity testing

Many public sector agencies with particularly well-identified corruption risks conduct a range of internal measures of integrity in the form of ‘integrity testing’, taking the form of either random or targeted ‘stings’ by which to identify and weed out corrupt or potentially corruptible officials. For example, all Australian police services have introduced integrity testing since the early 1990s (see e.g. Homel 2002). The results of integrity testing are not publicly reported. However, where random testing occurs on a regular basis, the incidence of passes/failures in such testing represents a potential, very tangible barometer of ethical climate and corruption risk, which could be used for comparison between like agencies or services.

3.4.6. Caseload outcomes

The OECD’s Trust in Government report identified 12 countries as claiming to use monitoring and analysis of “systemic failures and trends in disciplinary and criminal cases” as a means of ensuring that integrity measures were consistent and complementary – the most common means of doing so (OECD 2000: 66). In Australia, monitoring the caseload outcomes of disciplinary, criminal, misconduct, administrative and financial investigations is regularly assumed to represent a fundamental means of assessing performance, which is why several countries may have reported using it. However, in Australia’s case, which may also reflect something closer to the reality in other countries, there are gaps between this theory and actual practice. These can be analysed by looking separately at (a) criminal and disciplinary cases, (b) administrative cases, and (c) financial cases.

Criminal and disciplinary outcomes have only occasional utility in assessing the impacts of Australian integrity policies, because:

- Formal criminal and disciplinary proceedings for corruption and serious misconduct are relatively rare, other than in the wake of a major inquiry or ‘purge’, for multiple reasons that do not necessarily mean there is no corruption. These include the evidentiary challenges associated with formal proceedings, and the greater ease and frequency with which impugned officials either resign voluntarily, or are forced to resign;
- Statistics on crime reporting, prosecutions and convictions do not necessarily differentiate between fraud, bribery or other crimes of deception as committed by public officers against their employer, from equivalent crimes in other circumstances. This means that normal attempts to monitor official statistical trends in these areas is almost certainly incomplete (see eg. ABS 2003; ABS 2004); and
- In practice, few if any Australian governments routinely monitor and report this data in an integrated way.

Two examples can be given of the limited use of, and/or co-ordination between, and potentially limited value of, criminal and disciplinary data:

- A1 The APSC State of the Service Report (**Case Study 1**) has analysed for the first time the actions taken by agencies in response to breaches of the APS Code of Conduct, including termination of 70

officers, 28 demotions, 359 reductions in salary and other sanctions (APSC 2003: 103ff). While this provides a report on some systems, it does not include criminal matters like fraud and bribery, which are handled separately through police processes and not necessarily reported to the APSC.

- Q8 Criminal charges are more routinely reported by anti-corruption bodies (where these exist), for whom such charges are a key performance indicator. For example, in 2002-2003, the Queensland Crime and Misconduct Commission reported having recommended 180 criminal or disciplinary charges arising from official misconduct, 45 being criminal charges against 31 people. However, current Australian media debate (see **Case Study 3**) highlights conflicting opinion over whether the charges arising from such investigations are low or high, and even if high, whether this is a measure of these bodies effectiveness (in rooting out corruption) or ineffectiveness (in preventing and containing it).

The second body of caseload outcomes are administrative – actions against government officials under administrative law, or complaints of defective administration investigated by ombudsman's offices. Here the necessary information to assess general trends in standards of official conduct or public decision-making is even less readily available.

According to the Administrative Review Council, there is no national statistical reporting of case trends before administrative appeals tribunals or in the administrative divisions of the Supreme and Federal Courts, although there may be academic research which interrogates trends. While individual tribunals and courts report basic workload data annually, this is not systematically analysed, other than by the legal profession when providing clients (government or the general public) with advice on prospects of success in individual cases. Tribunal and legal cases are therefore not used by governments as an indicator of rising or falling administrative standards.

Reporting of administrative complaint trends by ombudsman's offices may provide a more useful overall barometer, due to the volume of complaints handled and therefore the potential for greater accuracy in pinpointing systemic problems with particular areas of administration. For example:

- A24 The Commonwealth Ombudsman investigated 6,133 issues pertaining to federal administration in 2002-2003, and identified some agency error or deficiency in 29% of cases – the same rate as the previous year (Commonwealth Ombudsman 2003: 12). Figure 16 below outlines the range of remedies provided in response to these errors. Ombudsman annual reports may also provide guides to systemic problems with particular agencies, based on complaint trends or major investigations.

However, there is great variability in reporting by different governments. In recent years, the Queensland Ombudsman has reported around 40% of matters as resolved in favour of complainants rather than government; the Tasmanian Ombudsman 14.5%; and the Western Australian Ombudsman 17.7%. The various rates probably reflect different data collection, complaint assessment and reporting methods, more than substantive differences in quality of administration. Other states do not necessarily report how many complaints were resolved wholly or partially in favour of the complainant.

Figure 16. Remedies provided by Commonwealth Ombudsman 2002-03 (Commonwealth Ombudsman 2003: 16)**Table 3.3: Remedies provided, 2002–03**

	Commonwealth	Defence	AFP	ACT Government	Total
Debt/overpayment waived or reduced	82	2	4		88
Refund given	154	1	1	3	159
Penalty waived or reduced	28				28
CDDA Scheme payment	35	1			36
Settlement payment Reg 9 FMA	2				2
Act of Grace payment	10	1	1	1	13
Other financial remedy	367	13	3	2	385
Action expedited	1,759	54	4	25	1,842
Decision changed	465	10	2	7	484
Apology/error admitted	979	20	45	12	1,056
Explanation given by agency	3,430	82	146	80	3,738
Other non financial remedy	449	9	11	9	478
Disciplinary action/counselling	61	22			83
Policy/ law/ procedure	127	3	15	12	157
Other systemic remedy	110	3	17	9	139
Total	8,058	199	267	164	8,688

A third body of investigations are financial, in the form of audits. Where Auditor-Generals have performance audit functions, they may be able to estimate the amount of public revenue saved as a result of their audit, and that therefore may have been wasted had the audit not occurred. This provides some estimate of systemic maladministration risks. For example:

A25 The Australian National Audit Office estimated the potential annual recurring financial benefit from all its performance audits in 2002-2003, based on recommendations agreed with agencies, to be between \$79 million and \$117 million, depending on the level of improved performance achieved (Barrett 2004).

Overall, in the Australian experience, a far more systematic and well-thought out approach to compiling, reporting and analysing the outcomes of the many different types of integrity-related caseloads would have to be achieved before these represented a standard resource for monitoring the integrity of the public sector, and quality of administration. While all the current methods of outcome reporting have their own uses, their various separate limitations, current inconsistencies, and lack of integration tend to limit them to these separate uses, even though a more co-ordinated approach might be useful.

3.4.7. Public trust: Public agencies

The three final categories of possible substantive indicators of integrity system success, relate to the degree of public trust, or confidence, in the operations of government. While carrying their own limitations and methodological problems, direct and indirect measures of public trust can help identify where the community-at-large perceives the public sector to be breaking down.

While more work is needed to differentiate public trust from simple customer satisfaction, the degree of public confidence commanded by specific public agencies may be a relevant indicator of their ethical standards. This would need to include objective quantitative or qualitative evidence of the level of trust that the public / clients place in the integrity of individual agencies including such things as complaint-handling systems, responsiveness to complaints and some measures of public concerns about corruption. A further area which would add clarity to such an analysis would be a detailed examination of government service delivery. This might include surveys by agencies and surveys by professional associations on consumer attitude regarding service delivery integrity.

3.4.8. Public trust: Integrity agencies

The second area of public trust relates to evidence about the views of the community-at-large towards societal integrity systems, including key institutions dedicated solely or largely to ensuring accountability. As with section 3.4.8, these may be direct or indirect sources of information. Currently, there is no rigorous or co-ordinated approach to collecting such evidence, but examples include:

- N12 Mechanisms that engage the community in direct advice or supervision of the work of integrity bodies, such as the NSW ICAC's Operations Review Committee. This Committee consists of three ICAC officials, the Police Commissioner, Director-General of the Attorney General's Department, and four people representing community views (currently a representative of a religious organisation, two university lecturers, and the head of a statutory body).

- Q9 In Queensland, part-time commissioners of the Crime and Misconduct Commission are appointed to help provide community oversight, including a specified 'civil liberties' commissioner under the Crime and Misconduct Act 2001. The use of such mechanisms is similar to the development of advisory committees by the Hong Kong ICAC (see de Speville 1999: 56), in that the participation of community representatives is intended to provide a measure of ongoing community confidence.

- A26 Client satisfaction surveys by or about integrity agencies, used to improve their performance and administration: For example, the Commonwealth Ombudsman has conducted regular surveys of past complainants since 1994. Appendix 3 provides an extract from the Ombudsman's annual report for 1997, describing the important lessons learnt from that performance measure. The most recent published survey, conducted in 1999-2000, surveyed 2000 people who had approached the office for assistance over the previous two years, establishing that 78% of those whose complaints the office had declined to investigate, still indicated that they would consider using the office in the future. This was regarded as a significant indicator of public confidence in the competence and impartiality of the office (Commonwealth Ombudsman 2000: 4).

- N9 During 2000-2001, the ICAC conducted extensive research to help develop a profile of corruption risks in local government in New South Wales. The research began by seeking information from General Managers about the organisational culture and presence or absence of corruption risk factors in their council. This was followed by a staff survey in which staff were asked if they knew about corruption prevention measures in their councils. The aim was to find out if councils were 'walking the talk' (ICAC 2001: 10). The survey found that there was a strong consensus amongst managers, councillors and staff on the major corruption risks for local government, but that council practice and procedures did not always reflect a high corruption prevention priority.

- N10 Since its inception, the ICAC has conducted periodic community attitude surveys—Community Attitudes to Corruption and the ICAC (1993, 1994, 1995, 1996, 2003a) and Community and Journalists Attitudes to Corruption and the ICAC (1999)—to explore community perceptions of corruption within government and community attitudes to corruption. The studies provide

information as part of a longitudinal study on the effectiveness of ICAC's policies and programs in combating corruption and give an indication of the organisation's profile within the community.

- Q10 The CMC (formerly the CJC) conducts periodic public attitude surveys. At first, the primary focus of the surveys was to measure public attitude towards the Queensland Police Service, as well as public knowledge, confidence and experiences regarding the complaint process. The survey has undergone some modifications over the years, including the recent addition of questions relating to public service and local government employees and various questions relating to the CMC. The surveys are a random sample of approximately 1500 adults across Queensland. They provided information as part of a longitudinal study on the effectiveness of policies and programs in combating corruption and the CMC's profile within the community (CJC 2000, 2000b; CMC 2002).
- U5 Independent university research is working to find better ways of monitoring and interpreting public confidence in a range of core public accountability agencies. For example, the Australian Survey of Social Attitudes (2003) provides a baseline for monitoring public confidence in institutions such as the court system and police, including select questions about perceived corruption in the latter (see Appendix 4). These existing questions provide rough indicators of public trust in basic integrity mechanisms, and can be extended to more specific independent verification of trust in other agencies.
- I2 International NGOs are able to provide related evidence, for example through the Global Corruption Barometer in which Transparency International uses the Gallup 'Voice of the People' survey to monitor public attitudes towards levels of corruption in different key institutions.

3.4.9. Public trust: General

Finally, there is considerable scope for evidence about the relative level of public trust in government in general to be developed as an ultimate indicator of the success or otherwise of integrity policies and systems. Levels of public trust in government are dependent on diverse political and social factors, including media reporting or attitudes (see e.g. Coulthart 2004). However, it is now widely accepted in many democracies, including Australia, that the results of general elections every three-to-four years are not necessarily expressions of majority confidence in the integrity of the institutions of government under a particular government. A range of surrogate measures of public trust in the quality of government is evolving, including ongoing social science research of the type outlined above and in Appendix 4.

In Australia, political parties are in the forefront of such research, because they are now some of the major clients for market research organisations polling the community on key public policy issues on an almost daily basis. However, this is a 'private' market in which measures of public confidence tend to be guarded for the potential electoral advantage they may bring. As more public research methods evolve, they can be expected to help broaden the range of performance indicators available for public ethics and integrity activities.

4. CONCLUSIONS: TOWARDS AN ASSESSMENT FRAMEWORK

4.1. General lessons

The preceding sections highlight some of the reasons why, in Australian experience, there have been few attempts to design and apply more systematic and objective assessment methodologies. Most prominent evaluation efforts are still ad hoc, and sometimes scandal-driven, while standard reporting is often driven by agencies' need to justify existing or requested resources, or by central agencies as justifications for financial or political decisions already made. Integrity institutions and practices are not immune from institutional politics, but rather subsist in a real policy and political environment.

Nevertheless, there are also a range of less well-known, more routine and often unglamorous efforts in place in the public sector that could potentially be used to more systematically gauge the impact and effectiveness of integrity policies. The problem is that not many of these are well designed for a more general performance assessment purpose; some are fragmentary, and occur only occasionally, and many are not consistent.

These lessons highlight that conventional performance assessment approaches to integrity systems, while important, cannot supply the full picture. If a particular framework of integrity values and institutions is in place – or if the political decision-making capacity exists to create or alter them – then performance audit and evaluation processes can have an invaluable role in establishing whether they are doing their job. However, there is no existing clear performance assessment framework for political decision-making regarding integrity systems, nor may there ever be, hence the need for performance assessment to be embedded in a broader methodology. Some performance indicators will be quantitative, some will be qualitative, and as usual many will provide a mixture of both, with the final interpretation always necessarily political no matter what indicators are used. The question becomes how to structure a methodology that combines the best, and avoids the worst of administrative performance assessment, as just one part of a holistic assessment process and not the whole box and dice.

The search for best practices in integrity assessment is thus still in relative infancy as an analytical and academic exercise. Although we have identified a number of promising 'best practices' (or perhaps 'better practices') in the hard work of 'doing' of integrity assessment, we want to emphasise the prior importance of best practices in the even harder work of 'theorising' integrity assessment. This is one area where theory falls far behind practice. An exception to note is Glor and Greene's recent evaluation of what they call 'the evolution of ethical government' in Canada (Glor and Greene 2003; Greene and Shurgman 1997). Glor and Greene construct a framework around democratic values of equality, testing the performance of public institutions against a grid of criteria including the impacts on formal equality (e.g., equality of rules), social equality (eg, equality of condition) and finally integrity itself, by which they primarily mean impartiality in public decision-making. This is a very promising assessment framework which has the advantage of being provisionally tested through a practical application to one national government, including a comparison of 'the view from within' (i.e., integrity assessments of internal watchdogs) and 'the view from without' (i.e., public attitudes)(Glor and Greene 2003: 56-59). The Glor and Greene approach has yet to be tested against Australian developments. In fact, very few national evaluations have involved the application of assessment frameworks derived from evaluations in other national settings. The preferred alternative seems to be the application of purpose-built cross-national

frameworks like that devised by TI and the CPI, both involving top-down approaches with some risk that distinctive national developments might escape attention and analysis.

The National Integrity System Assessment approach from which this analysis stems falls between these two extremes of uniquely-national and broadly cross-national approaches. It recognises the need for an assessment framework with sufficient specificity to capture the Australian story but also sufficient generality to be flexible enough for adaptation in other national settings. Like Glor and Greene, our starting point is constitutional in that we are trying to locate ethics and values in a constitutional setting. Admittedly, constitutional settings are flexible, responding to evolving political developments and changing community standards. But this focus on what Rohr (1998) calls ‘constitutional practice’ is an important way of capturing the larger public purpose of administrative arrangements, including arrangements for evaluating the contribution of many different public organisations to the cause of public integrity.

The next section highlights seven specific threshold issues – practical and conceptual – to be considered in the design of any assessment framework, in light of this discussion. The final section extracts key recommendations for next steps in the development of a possible Australian framework.

4.2. Six issues of framework design

Ethics co-ordination

A first fundamental issue for the development of a more coherent assessment framework is clarity as to who can, or should, take institutional responsibility for such performance assessment. This problem is central to the institutional competencies and resources needed to strengthen the assessment of integrity and corruption prevention policies. Any such framework must be either driven by a competent central institution, or shared and adopted by a critical mass of key institutions if it is to be accepted and effective. Although the OECD emphasises the importance of coherence in the integrity systems of member countries by identifying an “ethics coordinating body” as one of the eight elements of the Ethics Infrastructure (OECD 2000: 24-5), the reality is clearly very different from the rhetoric: only 16 of 29 OECD countries reported having any coordinating institution at a national level, and only three reported a central office to oversee ethics-related measures (OECD 2000: 66-68).

The coherence and institutional leadership of integrity systems are live questions in Australia. The fact that different, often strong integrity bodies exist, does not necessarily mean stability or co-ordination in their operation. Nor does leadership and co-ordination occur in the places from which it might be expected. For example, while the NSW ICAC and Queensland CMC perform cutting-edge research of great importance to performance assessment, they often have marginal formal authority to proactively influence management culture across the public sector, their primary authority remaining in the threat that they may mount a formal investigation.

Conversely, central public sector management agencies such as the Australian Public Service Commission have an undisputed leadership role when it comes to public sector standards, but their legislative authority for monitoring and compliance roles can still be relatively narrow, and their reach limited by the amount of public administration that takes place through agencies that are not formally categorised as public service agencies. Their theoretical responsibility for ethical standards generally, often masks the fact that their operations in reality are dominated by core public service management functions (such as industrial relations, budgeting, promotion and training systems, and resolution of staff grievances). Professional discharge of such functions is a necessary prerequisite for high public integrity, but does not necessarily equate to active co-ordination of the different elements of the Ethics Infrastructure.

There are various reasons why too much coherence and co-ordination may be detrimental to an effective integrity system. Part of the effectiveness of a democratic integrity system is presumed to lie in the sharing of different accountability functions between different institutions – a theory of ‘checks and balances’, ‘horizontal accountability’ or ‘mutual accountability’ extended from the tripartite separation of legislative, executive and judicial power developed in Europe and America in the 18th century (see Schedler, Diamond and Plattner 1999: 29-67; Uhr 2003: 16; Mulgan 2003: 232). However, areas where clear coherence and co-ordination is needed include those where institutional support is needed for specific functions embracing the entire Ethics Infrastructure. Achieving a coherent performance assessment framework is one such challenge, with the challenging of then conducting such assessments following closely behind. In Australia, there are perhaps two examples of the type of co-ordination mechanism that might be needed to establish and drive such a coherency of approach, neither of which is particularly adequate:

- At state level, in Queensland, an informal ‘integrity committee’ exists consisting of the Director-General of the Office of Public Service Merit and Equity (OPSME), the Chairman of the Crime and Misconduct Commission, the Ombudsman, and the Auditor-General. However, this is an informal committee that meets only through convenience, and has no statutory functions, powers or resources of its own.
- At a federal level, the Administrative Review Council consists of a number of integrity agencies, but is law-focused and does not include the Auditor-General nor Public Service Commissioner. Nevertheless, it is arguably the nearest federal equivalent to the Queensland committee, and has the benefit of statutory identity and a permanent if small secretariat.

Despite the appearance of clear roles, and the benefits of multiplicity and shared responsibilities, the institutional coherence does not necessarily currently exist to support development and implementation of a coherent assessment framework. The institutional co-ordination needed to effectively devise and carry out more holistic policy assessment are very real, political and practical issues in Australia.

Benchmarks

The second threshold issue for assessing consequences is the choice of benchmarks. This choice will highlight different consequences for ‘constitutional government’. An assessment of consequences cannot get very far if it does not address appropriate measurement standards. Currently, the only clearly accepted quantitative measures tend to be those relating to activity and efficiency (number of cases handled and closed, at what rate). Thus, one of the most basic but uncertain problems for integrity assessment is the choice of a broader range of more qualitative standards, in a broader range of contexts, against which to measure performance. The need for benchmarks also further reinforces the need for governments to commit to long-term longitudinal research, since one of the most reliable standards is simply whether and why particular indicators might be changing over time.

Institutional interests of the assessors

Different assessment regimes will assess different consequences. No review of competing assessment regimes can ignore an examination of the merits of different types of consequences. Indeed one way into the thicket of consequences is to relate actual consequences back to intended consequences, based on the intentions of assessors. However in turn, intentions must be related back to the institutional interests of those assessors, using ‘interests’ here in a neutral sense designed to bring out the institutional self-understanding of differently ‘instituted’ assessors. This aspect of self-understanding is a largely-forgotten element in the literature evaluating integrity systems, which typically evaluates according to some external

blueprint which might – or more often might not – capture the inner dynamics at work in the real-life operations of integrity institutions.

Accordingly, the ‘consequences’ assessed by particular institutions will vary depending on the ‘interests’ of those institutions, which can also change over time, reflecting the changing priorities of successive leadership teams. Similarly, different bodies approach the task of integrity assessment with different sets of expectations. The fact that institutions share a common task – loosely: performance assessment – does not mean they expect to drive that task in the same or even similar ways. Internal and external assessors approach the assessment task with different expectations; and in turn, these two categories of ‘internal’ and ‘external’ span a wide range of different types of institutions, each with its distinctive approach and set of expectations.

For example, the ‘internal’ category ranges from the self-assessment of individual officers (relevant when reporting on aspects of their own conduct for the purposes of performance reporting) through the various forms which agencies might assess their own performance (from general annual reports to specific reports on particular aspects of public service) down to the many types of service-wide self-assessments orchestrated through the central coordinating agencies, again with varying degrees of critical independence exercised by central agencies. The ‘external’ category ranges equally widely, overlapping with the ‘internal’ category at certain points. What might seem an internal assessment to some observers can just as understandably seem an external assessment to others. Internal audit plays a major role in supporting integrity within government, but opinions differ about whether ‘internal audit’ is basically a part of internal management or of external review or indeed of both. So too, external or ‘independent state audit’ can be seen as arms-length external accountability or as an internal partnership with decision-makers, or both.

These conflicting perspectives reflect the importance of the leadership orientation of the officials in charge of, for example, audit agencies: the same institutions of audit assessment can function as internal or external assessors or some combination of both, depending on the sense of professional responsibilities of those leading the assessment. All those seeking to operationalise any assessment framework must remain conscious of the institutional politics that underpin their own role.

The unmeasurable in public administration

The fourth threshold issue of framework design is the further complexity of measuring integrity when the core business of public administrators is itself never fixed, but rather is about the exercise of discretion. Listening to what governments themselves say is their core business, is vital to understanding the core issues of integrity systems. Here case study 1 is again instructive. In describing the emerging public service model of values-based regulation, with a balance of (i) central legislation identifying the underlying principles of ethics and values and (ii) devolved administrative practices with patterns of responsibility varying according to the nature of the public business, the APSC notes that all this presumes that ‘leaders must have the highest standards of integrity’. Without ethical leadership, public service values will die a death on the statute book. But leadership in ethics and values is easier to see than to plan for or program into operation; ethical leadership is not a compliance test, as though public service leaders simply had to ensure administrative compliance with a set of core values mandated in legislation. If only the pursuit of public integrity were that simple. Instead, public service leadership must meet a more challenging test which is to make progress in ‘an environment where there are fewer rules and there is greater scope for discretion in decision making’ by guiding employees ‘to make the most appropriate decisions in all circumstances’ (APSC 2003: 28-30).

In this context, growing interest in ethics, values and integrity is not concerned with hard and fast standards, but the need for frameworks of risk management suitable to public decision-makers. With fewer rules to guide or bind them, decision-makers have no real alternative but to use their own best judgment

about what is appropriate in the circumstances. Among other things, they have to manage the risk to the public interest posed by the many calls on their attention. With fewer rules prescribing the manner and form of official decision-making, officials have to use their own responsibility to devise appropriate processes that honour the spirit of the underlying public service values. But appropriate in what sense? The answer turns on what we understand to be appropriate to the integrity of the decision-maker. As in the Canadian approach taken by Glor and Greene (2003), any overall assessment framework has to remove the false hope that one size fits all. Assessment of consequences should not be driven by mistaken expectations of uniform coherence across systems of government. The institutional diversity associated with constitutional checks and balances is one the basic democratic values acknowledged by Glor and Greene, with the lesson that the on-the-job integrity appropriate to one role in one institution will not be identical with on-the-job integrity in roles and contexts. Assessment frameworks have to be subtle enough to accommodate this diversity of public roles and offices, reflecting the range of legitimate functions performed by the many overlapping public institutions that make up 'government'.

Personal dimensions

A fifth threshold issue is the importance of the personal dimension to public integrity. At the end of the day, it is individuals and people that matter more than organisations and systems. Public services depend on the commitment of individual employees whose support for public integrity will be all the more enduring when it draws on and reinforces personal integrity. Many government assessment systems recognise the importance of clear standards of personal conduct, reinforcing our argument about the link between consequences and standards. An example is the July 2003 Australian National Audit Office (ANAO) 'better practice guide' on Public Sector Governance (ANAO 2003b). The first volume deals mainly with institutional framework issues, but the second volume deals more directly with personal dimensions, including an 'individual office guidance paper' followed by a guidance paper on 'potential conflicts' between official and personal interests. These papers demonstrate the importance of measuring consequences against appropriate standards, including the consequences of institutional performance against personal standards that are basic to 'constitutional government'.

Our discussion above (3.4.4) also noted the current and potential role of award schemes for meritorious service or career achievements designed to honour valuable staff. Such prizes reflect integrity assessments at the most personal level. One might think that this would be the most contestable of all exercises in integrity assessment, but it may be that these are among the least suspect. One reason for this might be that these integrity awards force those who assess the claims of the potential awardees to integrate the public and the private – the job and the person, or the office and the officeholder – in ways that 'cut to the chase' and see the part that personal integrity plays in sustaining public integrity. The issue is how the integrity value of these existing personal performance measures can be enhanced in importance, and linked into a framework for assessing integrity systems overall.

Relating back to fundamental drivers

Finally, when focusing on the consequences of integrity systems, we must include the consequences not just of those systems but of our assessment framework itself. That is, we must consider the impacts or outcomes of our assessment approaches for basic processes of constitutional government. This might sound too grand a consequence to measure public service ethics against, but the underlying analytical framework has to acknowledge the broader constitutional setting in which public service activities operate, and be explicit regarding the policy or political drivers of the exercise (such as reviewed in part 2). As we have seen, alternative analytical frameworks focus on important but narrower organisational impacts, either for discrete public entities or for 'the public service' more generally. Valuable as these approaches can be, they may fail the overall 'consequences' test because they do not trace the trail of impacts back far enough, or because they take current public organisations as a given. In contrast, the orienting principle of

a larger assessment framework must be to evaluate integrity systems – institutions, policies or processes – as means to a larger end, which in the Australian case we might call, simply and no doubt misleadingly, ‘constitutional government’.

4.3. Key recommendations

The aim of the present OECD project is to develop an analytical framework based on selected good practices and emerging lessons, that identifies key ingredients of sound policy assessment. Such an assessment framework is intended to help policy-makers recognise the gap between policy intentions and actual practices.

While the search for best practice in integrity assessment may still be in relative infancy as an analytical and academic exercise, the Australian experience shows that there are, nevertheless, many different types of information collected in many different ways, all relevant to the performance of integrity systems: implementation measures; activity and efficiency measures; larger institutional effectiveness measures; and outcome measures. Efforts such as the State of the Service reporting of the Australian Public Service Commission and Public Sector Profiling of the NSW ICAC are hopefully typical of the growing sophisticated of implementation and outcome measures.

Currently, however, the lack of an agreed overall framework means that the full value of efforts in individual areas is probably not being realised. The overall value of efforts to measure the ‘consequences’ of Australian integrity systems is currently not likely to amount to something more, but rather something less than the sum of their parts. The next challenge is to identify how a practical assessment framework might usefully adapt and integrate a variety of current performance measures into a simple, but comprehensive approach. The six issues above are intended to help in that process. Although it is possible to identify a number of promising ‘best practices’ (or perhaps ‘better practices’) in the hard work of ‘doing’ of integrity assessment, best practice in the even harder work of ‘theorising’ such an assessment remains just as important.

In light of these lessons, and the broader need for integration and reconciliation of the four categories of performance information outlined earlier, the key issue is how to develop an assessment framework that provides a holistic picture of whether integrity goals are being achieved. Obviously such a framework would benefit from being relatively simple, while not simplistic; and needs to be realistic in terms of the cost of assessment activities themselves.

The following recommendations encapsulate some key lessons from the Australian experience:

1. Empirical social-science employee surveys provide an invaluable counterpoint to formal reports of policy implementation on integrity issues, and should be institutionalised as a core implementation measure, regularly conducted across all public sectors. However there needs to be substantial integration of the different (positive and negative) conceptions of integrity driving different employee survey efforts, to provide a coherent picture of the relative performance of different integrity policies (leadership/personal, organisational/management and legal/enforcement).
2. As with any quality research, additional measures are needed to cross-check or validate the accuracy of information being received through public sector surveys (for example by using focus groups facilitated by independent researchers to confirm that respondents are not telling management what it wants to hear; and to investigate non-respondents).
3. To justify the expense of such in-depth ongoing evaluation, benchmarking needs to be undertaken into the relative costs of performance assessment and quality assurance regimes in other policy areas.

4. Substantial new research and policy development is needed in Australia to rationalise, standardise and expand the basic activity and efficiency measures applying to integrity bodies with predictable workloads (e.g. case-handling bodies). Standardisation is crucial before effective comparative analysis (one of the simplest evaluative tools) can be used to judge the relative performance of like bodies, and promote the identification and transfer of best practice. Expansion is needed to identify meaningful qualitative performance indicators, where this is possible.
5. An in-depth comparative study is needed of the different types of information collected and/or used by parliamentary committees when evaluating integrity bodies, as one basis for constructing a more routine, politically acceptable framework (or sub-framework) of performance assessment. By regularising a framework based on this experience, integrity agencies and parliamentarians alike can develop a more consistent and potentially less volatile understanding of how integrity performance is to be evaluated from year-to-year. All major integrity bodies should have a designated parliamentary oversight committee.
6. Australian public sectors need to expand and systematise their search for substantive integrity 'outcomes' measures based on (a) empirical corruption and maladministration risk assessment, (b) the accessibility and confidence placed in integrity systems by citizens, and (c) cross-referencing of both these types of information. These efforts need to be substantially elevated in importance, much as employee surveys and public sector profiling have been developed over the past decade. As per recommendation 1, the necessary instruments and sampling strategies need to be designed holistically to more efficiently cover the different dimensions of integrity and varying roles of different integrity institutions.
7. A cross-jurisdictional review needs to be undertaken of the relative value and accuracy of independent, central agency and internally-run survey and research activities in order to determine the most cost-effective mix of external and internal evaluation activities. In general, agency-run integrity assessments are to be encouraged (if not positively required) but cannot substitute totally for central or external assessment activities.
8. The legislative framework governing integrity and anti-corruption measures in each jurisdiction needs to be updated to constitute a central coordinating mechanism, based on representation of all key integrity agencies together with parliamentary and community representation, with an express obligation (and resources) to develop and implement an ongoing evaluation strategy. These legislative provisions should require that each coordinating body confer with other coordinating bodies to identify consistent national and international benchmarks and methodologies, where possible, before implementing or updating its own evaluation strategy.

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ANNEX 1

CASE STUDY 1 AUSTRALIAN PUBLIC SERVICE COMMISSION 2003 STATE OF THE SERVICE SURVEYS: METHODOLOGICAL DETAILS

Extract: APSC (2003a), pp. 207-210

AGENCY SURVEY METHODOLOGY

The scope of the agency survey was the 89 APS agencies, or semi-autonomous parts of agencies, employing 20 or more staff under the PS Act. The agencies were sent the survey in May 2003 for completion. Agencies were given six weeks to complete and submit their response. As part of their survey return, agency heads were required to 'sign off' their agency's response. All 89 agencies responded to the online agency survey by the due date. This represents a 100% response rate.

This year the agency survey was an online survey rather than a paper survey. The survey design reflects the decision to develop a longitudinal data set to facilitate trend analysis of certain issues.

To assist with analysis of data from the agency survey in this year's report, agencies have been grouped according to size. Of the 89 responding agencies, 22 were classified as large (>1000 APS employees), 26 as medium (251–1000 APS employees) and 41 as small (20–250 APS employees). These size categories are generally consistent with those used by the ANAO in Report No. 49 of 1998–99, *Staffing reductions in the Australian Public Service*.

EMPLOYEE SURVEY METHODOLOGY

The employee survey was designed to establish the views of APS employees on a range of issues, including work-life balance, the APS Values, the Code of Conduct, job satisfaction, and learning and development. The results of the employee survey are one of the main sources of information on which the APS Commission has drawn during the preparation of this report.

The employee survey was also designed to complement the agency survey. The results of the employee survey were, in part, intended to act as a 'reality check' in analysing responses to the agency survey. To achieve this objective, similar questions were asked in both surveys on a range of topics. Additional questions, suitable for employees but not for agencies (such as on job satisfaction), were also included in the employee survey.

SCOPE AND COVERAGE

The scope of the survey was all APS employees (both ongoing and non-ongoing) in agencies with more than 100 APS employees. Employees in agencies that employed 100 or fewer APS employees were excluded on the basis that their responses could possibly identify them.

At the time the survey sample was selected, the most up-to-date data (contained in the Statistical Bulletin 2001–02) indicated that the total number of APS employees at 30 June 2002 was 123,494. The survey sample was selected from the total population of APS employees from agencies with more than 100 APS employees, which at 30 June 2002, was 122,529.

STRATIFICATION

A stratified random sample of 6279 APS employees was selected using two databases maintained by the APS Commission—the APS Employment Database (APSED) and the Senior Executive Management System (SEMS). The sample was stratified by:

- Level (APS, EL and SES classification groups);
- Agency size (small 100–250 APS employees; medium 251–1000 APS employees; large >1000 APS employees);
- Agency (only for the 22 large agencies);
- Location (ACT and non-ACT).

To enable sound statistical inferences to be made about all APS employees, the individuals were randomly selected from each of the strata. Each individual within a stratum had an equal chance of selection.

The sampling rates varied between the strata to ensure that sufficient statistical accuracy would be achieved for survey estimates from APS employees with the key characteristics captured by the stratification variables (level, location, agency and agency size). To gain the same accuracy for estimates for a small population (such as the SES) a much higher sampling rate was required than for a larger population (such as APS-level employees).

The accuracy requirements varied between the demographic variables listed above, and this also led to differing sampling rates for these demographic variables.

This stratification process has not introduced a bias in the population estimates because the responses are appropriately weighted to take these differing sample rates into account. See the section ‘Weighting and estimation’ for further details.

REPORTING OF LARGE AGENCY RESULTS

The survey was designed to allow the APS Commission to provide the large agencies that want them, a copy of their own employee survey results for internal management purposes, subject to the results satisfying a statistical accuracy benchmark. To enable this, the 22 agencies with more than 1000 APS employees were included separately in the stratification process (see the section ‘Stratification’ above).

Where relevant, the State of the Service report includes agency level results of large agencies that met the minimum number of weighted responses (see the section ‘Measures of accuracy and error’ below).

PRIVACY, ANONYMITY AND CONFIDENTIALITY

Maintaining confidentiality throughout the entire employee survey process was a primary concern to the APS Commission.

Privacy arrangements for APSED preclude APS Commission staff, other than those in the APSED team and the Commission's Executive, from accessing APSED data relating to individuals. This meant that the identity of those individuals selected in the non-SES sample from the APSED were not known to the State of the Service team, ORIMA Research staff or any other non-APSED staff involved in the survey.

Privacy arrangements for the SEMS database, however, do allow for limited access within the APS Commission on a project-by-project basis. The identity of individuals selected in the SES sample were known to the State of the Service team and relevant ORIMA Research staff. However, all responses to the employee survey were anonymous so individuals could not be identified. Respondents were not asked to provide names, positions or workplace location (other than postcode) when responding to the survey. The need to maintain respondent anonymity affected survey design and the ability to conduct targeted follow-up.

SURVEY DESIGN

Initial input into the draft employee survey was sought from several central agencies, including DEWR and the NAA. The draft survey was then subjected to cognitive testing involving individuals at the APS, EL and SES levels from AQIS, Defence, DEWR, Health and the APS Commission. A further refined draft survey was then tested at a focus group session attended by individuals at the APS, EL and SES levels from Centrelink, Comcare, Customs, DIMIA, NOHSC and the APS Commission.

The majority of questions, 78 of 90, were asked of all respondents. Two questions were asked of SES-level employees only. Five questions were asked of EL and SES employees only. Five questions were asked of APS and EL-level employees but not SES.

The questions asked of employees were not dependent on location (inside or outside the ACT) or agency size (small, medium or large).

The employee survey was delivered using two methods. The main delivery method was online via a secure internet site. Employees working in agencies with routinely available desktop internet access were sent a letter from the Commissioner inviting them to participate in the online survey.

The secondary, paper-based, delivery method was developed and implemented for employees working in agencies that do not routinely have access to the internet at their workplace desktops. A list of agencies without routinely available desktop internet access is at Appendix 3. Employees selected in the random sample from these agencies received a letter from the Commissioner inviting them to participate in the survey, as well as a paper copy of the survey to complete and return to ORIMA Research.

The 6649 invitation letters were mailed out to respondents' workplace addresses between 22 and 27 May 2003³. Respondents were asked to complete the survey and return it by Wednesday, 18 June 2003. An adjustment was made to the final sample size to account for separations from the APS that were estimated

3. Because of their unique operating environment involving a high proportion of APS employees posted throughout the world, all DFAT employees included in the sample were emailed the invitation letter. This was done to prevent paper copy letters arriving at employees' workplace addresses after the close-off date.

to have occurred between 30 June 2002 and the time the sample was drawn (early May 2003)⁴. Accordingly, the final sample size was reduced by 370 to 6279.

WEIGHTING AND ESTIMATION

The survey responses were re-weighted to reflect the characteristics of the underlying population of APS employees. This was done to ensure that the overall demographic characteristics of the survey results exactly matched the demographic characteristics of all APS employees. The re-weighting process was based on five main demographic characteristics:

- Level (APS, EL and SES classification group);
- Location (ACT and non-ACT);
- Agency size (small 100–250 APS employees; medium 251–1000 APS employees;
- Large >1000 APS employees);
- Agency (only for the 22 large agencies);
- Sex.

There were therefore 288 different weights applied—level (3) multiplied by location (2) multiplied by agency size and agency (24) multiplied by sex (2). For this survey, the weights were calculated by dividing the populations of each stratum by the number of respondents to the survey in each stratum. For example, if there are 4000 EL women at medium-sized agencies in the ACT and 200 responded, the weight assigned to each ACT EL woman working in a medium-sized agency is 20. If the data were not re-weighted, some strata could be over-represented and others under-represented in the total survey results.

The weighting approach adopted assumes that respondents respond in the same way as non-respondents for the characteristics of interest. Applying the weighting method above, the responding persons are used to represent the non-responding persons. However, the re-weighting by sex has the effect of rectifying to some degree any potential non-respondent bias arising from differences in the sex of respondents.

In this survey, with anonymous responses, it was not possible to identify the non-respondents. This severely limited our ability to follow-up non-respondents. However, there would need to be a marked difference in the views of non-respondents from those of the respondents to alter or bias the overall results to any significant extent. For analysis presented in this report it was assumed that there was no significant bias between those who responded in the survey and those who did not respond.

The results are calculated under the assumption that responding persons answer in the same way as nonrespondents.

This should be considered when using the data to make inferences about the APS population.

Please note that results have generally been presented rounded to the nearest whole percentage point (i.e. 38% not 37.7%). Due to this rounding, the percentage results for some questions may not add up to exactly 100%.

4. The reduction in the sample was based on APSED's annual separation rates calculated over the previous two-year period. The annual rate was multiplied by 0.8 to account for the ten-month period between 30 June 2002 and when the sample was drawn (early May 2003).

ANNEX 2

**CASE STUDY 2
WATCHDOG STAFFING COMPARED**

Agencies included:

Jurisdiction	Agency	Years (used for graphs)
Commonwealth	Ombudsman	1990/91 to 2002/03
	Australian National Audit Office	1990/91 to 2002/03
NSW	Ombudsman	1990/91 to 2002/03
	Audit office	1990/91 to 2002/03
	ICAC	1990/91 to 2002/03
	Police Integrity Commission	1996/97 to 2002/03
Qld	Ombudsman	1990/91 to 2002/03
	Audit office	1990/91 to 2002/03
	CJC/Crime and Misconduct Comn	1990/91 to 2002/03
SA	Ombudsman	1990/91 to 2002/03
	Audit office	1990/91 to 2002/03
Tasmania	Ombudsman	1990/91 to 2002/03
	Audit office	1990/91 to 2002/03
Victoria	Ombudsman	1990/91 to 2002/03
	Audit office	1990/91 to 2002/03
WA	Ombudsman	1990/91 to 2002/03
	Audit office	1990/91 to 2002/03
	ACC/Corruption and Crime Comn	1990/91 to 2002/03

Statistical Notes

* Unless stated otherwise all figures were obtained from the relevant departments annual reports.

* Unless stated otherwise all 2003-2004 and 2004-2005 figures (financial and staffing) were estimates extrapolated from current trends.

* In 2004-2005 it is projected that Victoria will have a total of 100 staff based on recent Victorian Government announcements.

* Victorian Ombudsman staffing figures from 1993-1994 and 1994-1995 were obtained through telephone conversation with Mr. Peter O'Grady (senior investigator Victorian Ombudsman).

* Victorian audit figures include both the 'audit office' staff and 'audit Victoria' staff, even though they were officially separate bodies until 1998-1999.

* WA figures for 2003-2004 and 2004-2005 based on division 29 of page 490 of the public reports relating to the CCC.

ANNEX 3

ANNUAL REPORT 1996-1997⁵ OFFICE OF THE COMMONWEALTH OMBUDSMAN, AUSTRALIAN GOVERNMENT

Client satisfaction

This year, we conducted our fourth annual survey to gauge the expectations and satisfaction levels of our clients. We surveyed a random sample of clients who had complained about different agencies and whose complaints were dealt with in different ways. We distributed more than 3,600 questionnaires and almost 30 per cent of the survey recipients responded.

As well as surveying clients whose complaints we investigated, we again surveyed clients whose complaints were not investigated (that is, where discretion not to investigate or further investigate was exercised) as well as clients whose complaints could not be dealt with because they were outside the Ombudsman's jurisdiction.

This year, we were particularly interested in looking at the impact of how we dealt with a client's complaint on their overall satisfaction levels. With reduced resources, our discretion rate (not to investigate a matter) has now increased to 60 per cent and the number of out of jurisdiction (OOJ) complaints has increased by 90 per cent over the 1996-97 year. Against this background, we wanted to look in some depth at the experiences of these groups of clients, as well as continuing our usual analyses and benchmarking against previous years.

Outcome types

Out of jurisdiction complaints (OOJ)

The survey results indicate that many people approach us as a type of "onestop-shop" when they have a complaint. This is particularly true for our OOJ clients, who are generally more likely to expect the Ombudsman to provide information or advice (55 per cent compared to 44 per cent overall) or refer them to the right place for help (40 per cent compared to 23 per cent overall).

OOJ clients are also more likely than other clients to say that they had previously used the Ombudsman's Office, which tends to suggest that they consider the office to be a useful source of information and advice about how they can pursue their complaint.

Compared to previous years, OOJ clients now think that we give them clearer advice about where else they can go for help. This is a very pleasing result because although we are legally precluded from pursuing these types of complaints, we aim to provide useful referral information. More than half of clients whose complaints were out of our jurisdiction now say that we gave them clear advice about where else they could go, compared to 44 per cent last year and 39 per cent for all clients in 1997.

5. Extract from the Annual Report 1996-1997, Office of the Commonwealth Ombudsman, Australian Government, pp 95-99.

While some come to us wanting information and referral, it is clear that many want us to investigate directly. Only 25 per cent of OOJ clients were satisfied with the Ombudsman's decision not to help them resolve their complaint.

Discretions

Compared to last year, there has been a slight increase in the proportion of "discretion" clients who expect simple telephone advice only, although the clear majority of this client group continues to expect a formal report based on further investigations (54%). Managing these clients' expectations represents a significant challenge for the office.

Less than half of the "discretion" clients surveyed felt that we gave them clear advice about where else they could go for help. In part this reflects the absence of other suitable avenues of redress that such people can be referred to. During 1996-97 we worked hard to encourage agencies to establish their own complaints systems, and we would expect these mechanisms to pick up the bulk of the complaints which we do not have the resources to investigate. As these internal complaint systems become more widely available, I hope to see an increase in the proportion of "discretion" clients who feel satisfied with the referral advice we provide. This conclusion is generally supported by the different response patterns of "discretion" clients who complained about particular agencies, with DSS and DEETYA "discretion" clients generally being more satisfied with our referral to the Social Security Appeals Tribunal or other tribunals.

More than half of our "discretion" clients now say that they were not confident about the way their complaints were handled (54 per cent compared to 45 per cent last year) and that they did not find the office's final finding or decision reasonable (50 per cent compared to 38 per cent last year). They are also much more likely than clients who had their complaints investigated to say that the Ombudsman acted on behalf of the agency (36 per cent compared to 28 per cent last year). I suspect that these results reflect, in part, our practice of referring clients back to the agency in the first instance if they have not already tried to resolve their complaint in this way. However, these findings are of significant concern to me as the Ombudsman's Office must be seen to be an independent and impartial decision maker.

Only 25 per cent of discretion clients were satisfied with the office's final finding or decision and almost half said that the Ombudsman did not meet their expectations.

Although I am pleased to note the generally increased levels of satisfaction amongst OOJ clients, the survey results suggest that our increased discretion rate has had a detrimental effect on perceptions of the Ombudsman's Office.

This is not surprising since we are saying "no" to a group of people who come to the Ombudsman's Office as their last resort. This leads to an erosion of public confidence in the Ombudsman's Office.

Agency groups

The agency findings are based on results achieved for clients whose complaints we investigated.

Compared to last year's results, I am pleased to report a general increase in satisfaction levels of clients who complained about the ATO. Seventy one percent of this group were confident in the way the office handled their complaint, compared to 63 per cent last year, and 59 per cent over all agency groups in 1997. Sixty three percent of ATO clients found the office's final finding or decision reasonable, compared to 51 per cent last year and 55 per cent over all agency groups in 1997. Seventy per cent of ATO clients were satisfied that the critical issues in their complaint were understood, compared to 58 per cent last year

and 54 per cent over all agency groups in 1997. Fifty seven percent of ATO clients said that the Ombudsman's Office completely met their expectations, compared to 50 per cent last year and 43 per cent over all agency groups in 1997.

I believe that these results reflect the increased resources given to the office to establish the Specialist Tax Ombudsman function in 1995. We are now able to devote more resources to the investigation of serious and complex tax complaints, and this is clearly being reflected in the satisfaction levels of our clients.

Our DEETYA clients have also demonstrated a general increase in satisfaction compared to last year. Sixty six percent of this group were confident about the way the office handled their complaint, compared to 58 per cent last year. Fifty eight per cent of DEETYA respondents were satisfied with the office's final finding or decision, compared to 57 per cent last year, and 50 per cent said that the Ombudsman completely met their expectations, compared to 44 per cent last year.

Our DSS clients were also generally more satisfied than last year, particularly in their assessments of whether the office's final finding or decision was reasonable (64 per cent compared to 58 per cent in 1996).

Against these pleasing results, I am again disappointed to report continuing lower levels of satisfaction amongst respondents who had complained about the AFP and the defence forces. In the 1997 survey, 54 per cent of AFP respondents and 51 per cent of Defence Force respondents said that they were not confident in the way the office had handled their complaints (compared to 63 per cent and 45 per cent respectively in 1996). Although we are achieving some substantial improvements in the way we deal with our AFP clients, we still have a long way to go.

I believe that the decreasing satisfaction levels amongst Defence Force respondents is also linked to resource constraints within our office. These clients will now be feeling the impact of the decision to devote less resources to Defence Force complaints as this area generates proportionately fewer complaints, and must therefore receive proportionately fewer office resources. More than a third of defence force respondents expected the Ombudsman to be their avenue of last resort for justice.

With respect to AFP complaints, I believe that the improvements we have made in this area reflect our decision to devote increased resources to them.

Our concerns about the patchy quality of AFP internal investigations, combined with our findings of poor satisfaction among our AFP clients, contributed to our decision to investigate more AFP complaints directly. I believe that the value of this is starting to be borne out in our survey results. In the 1997 survey, 42 per cent of AFP clients said that the Ombudsman's Office acted independently in dealing with their complaints, compared to 31 per cent who gave this response last year.

Nevertheless, the comparatively low satisfaction levels reported by AFP clients (compared to other agencies) continues to illustrate the difficulties my office experiences with the procedures in place for dealing with AFP complaints. I have made submissions in relation to this matter (see AFP section), and would reiterate that if these procedures are not changed, we will be unable to provide a high quality of service to these vulnerable clients.

ANNEX 4

THE AUSTRALIAN SURVEY OF SOCIAL ATTITUDES, 2003







Written surveys of ...Australian adults, nationwide, August-December 2003.

Source: Australian Social Science Data Archive, Research School of Social Sciences, Australian National University. <http://assda.anu.edu.au>.

Select questions:**V20: Agree: Media in Australia effective in keeping governments honest****PreQuestion Text**

Please tell us how much you agree or disagree with each of the following statements.






a. The media in Australia is effective in keeping governments honest

Value	Categories	N		
1	Strongly agree	119		5.6%
2	Agree	669		31.5%
3	Neither agree nor disagree	610		28.7%
4	Disagree	555		26.1%
5	Strongly disagree	132		6.2%
9	Can't choose	40		1.9%
-6	Not asked	2087		
-1	Missing	58		

V42: Confidence in: The defence forces**PreQuestion Text**

How much confidence do you have in the following organisations?

a. The defence forces

Value	Categories	N		
1	A great deal of confidence	1012		24.3%
2	Quite a lot of confidence	2324		55.9%
3	Not very much confidence	648		15.6%
4	No confidence at all	71		1.7%
9	Can't choose	106		2.5%
-2	Skip	0		
-1	Missing	109		

V44: Confidence in: The unions

PreQuestion Text

How much confidence do you have in the following organisations?

c. The unions

Value	Categories	N	
1	A great deal of confidence	136	3.3%
2	Quite a lot of confidence	980	23.6%
3	Not very much confidence	1882	45.3%
4	No confidence at all	940	22.6%
9	Can't choose	217	5.2%
-2	Skip	0	
-1	Missing	115	

V45: Confidence in: The courts and the legal system

PreQuestion Text

How much confidence do you have in the following organisations?

d. The courts and the legal system

Value	Categories	N	
1	A great deal of confidence	182	4.4%
2	Quite a lot of confidence	1008	24.2%
3	Not very much confidence	1915	46.0%
4	No confidence at all	977	23.5%
9	Can't choose	81	1.9%
-2	Skip	0	
-1	Missing	107	

[v45] Confidence in: The courts and the legal system (Row)

[v364] By State (Column)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	ACT	Northern Territory	Total
A great deal of confidence	3.8	5.8	4.0	1.6	5.0	6.0	6.5	0.0	4.4
Quite a lot of confidence	23.2	29.1	21.2	22.6	22.5	22.2	27.3	20.0	24.3
Not very much confidence	46.0	43.9	49.2	48.9	44.4	46.2	41.6	66.7	46.1
No confidence at all	24.7	18.5	24.6	25.5	27.2	23.9	22.1	13.3	23.3
Can't choose	2.3	2.7	1.0	1.4	0.8	1.7	2.6	0.0	1.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
N=	1392	1074	695	368	378	117	77	15	4116

V46: Confidence in: The Federal parliament

PreQuestion Text

How much confidence do you have in the following organisations?

e. The Federal parliament

Value	Categories	N	
1	A great deal of confidence	186	4.5%
2	Quite a lot of confidence	1428	34.2%
3	Not very much confidence	1816	43.5%
4	No confidence at all	592	14.2%
9	Can't choose	150	3.6%
-2	Skip	0	
-1	Missing	98	

Variable V47: Confidence in: The public service

PreQuestion Text

How much confidence do you have in the following organisations?

Literal Question

f. The public service

Value	Categories	N	
1	A great deal of confidence	84	2.0%
2	Quite a lot of confidence	1206	29.0%
3	Not very much confidence	2061	49.6%
4	No confidence at all	646	15.5%
9	Can't choose	160	3.8%
-2	Skip	0	
-1	Missing	113	

[v47] Confidence in: The public service (Row)

[v364] By State (Column)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	ACT	Northern Territory	Total
A great deal of confidence	1.7	1.9	2.4	2.4	1.3	1.7	7.8	0.0	2.0
Quite a lot of confidence	27.9	27.7	28.5	30.3	32.0	33.6	44.2	40.0	29.1
Not very much confidence	50.4	50.5	49.8	48.1	49.7	44.0	33.8	53.3	49.6
No confidence at all	15.9	16.0	16.5	13.8	13.2	14.7	14.3	0.0	15.5
Can't choose	4.0	3.9	2.7	5.4	3.7	6.0	0.0	6.7	3.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
N=	1386	1073	695	370	378	116	77	15	4110

VariableV48: Confidence in: Major Australian companies

PreQuestion Text

How much confidence do you have in the following organisations?

Literal Question

g. Major Australian companies

Value	Categories	N	
1	A great deal of confidence	72	1.7%
2	Quite a lot of confidence	1565	37.9%
3	Not very much confidence	1800	43.6%
4	No confidence at all	433	10.5%
9	Can't choose	258	6.2%
-2	Skip	0	
-1	Missing	142	

VariableV49: Confidence in: Banks and financial institutions

PreQuestion Text

How much confidence do you have in the following organisations?

Literal Question






h. Banks and financial institutions

Value	Categories	N	
1	A great deal of confidence	77	1.9%
2	Quite a lot of confidence	968	23.3%
3	Not very much confidence	1834	44.2%
4	No confidence at all	1192	28.7%
9	Can't choose	82	2.0%
-2	Skip	0	
-1	Missing	117	

VariableV50: Confidence in: Churches or religious institutions**PreQuestion Text**

How much confidence do you have in the following organisations?






Literal Question**i. Churches or religious institutions**

Value	Categories	N		
1	A great deal of confidence	256		6.2%
2	Quite a lot of confidence	1099		26.4%
3	Not very much confidence	1480		35.6%
4	No confidence at all	1033		24.8%
9	Can't choose	291		7.0%
-2	Skip	0		
-1	Missing	111		

VariableV51: Confidence in: The police in my State (or Territory)**PreQuestion Text**

How much confidence do you have in the following organisations?

Literal Question**j. The police in my state (or Territory)**

Value	Categories	N		
1	A great deal of confidence	524		12.6%
2	Quite a lot of confidence	2410		57.8%
3	Not very much confidence	945		22.7%
4	No confidence at all	219		5.3%
9	Can't choose	72		1.7%
-2	Skip	0		
-1	Missing	100		

[v51] Confidence in: The police in my State (or Territory) (Row)
[v364] By State (Column)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	ACT	Northern Territory	Total
A great deal of confidence	10.8	14.0	14.1	16.8	8.2	16.8	7.9	6.7	12.6
Quite a lot of confidence	54.7	60.9	59.1	58.6	55.0	56.3	72.4	73.3	57.9
Not very much confidence	26.8	18.5	21.4	18.9	28.3	18.5	14.5	13.3	22.7
No confidence at all	6.0	4.7	3.9	3.8	7.4	5.9	5.3	0.0	5.2
Can't choose	1.7	2.0	1.6	1.9	1.1	2.5	0.0	6.7	1.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
N=	1395	1073	697	370	378	119	76	15	4123

VariableV101: Agree: A lot of corruption in the police force my state/territory

PreQuestion Text

Here are some statements about law enforcement. Please tell us how much you agree or disagree with each of the following statements.

Literal Question

b. There is a lot of corruption in the police force in my State (or Territory)

Value	Categories	N	
1	Strongly agree	358	8.5%
2	Agree	923	22.0%
3	Neither agree nor disagree	1595	38.0%
4	Disagree	872	20.8%
5	Strongly disagree	140	3.3%
9	Can't choose	313	7.5%
-6	Not asked	0	
-2	Skip	0	
-1	Missing	69	

[v101] Agree: A lot of corruption in the police force my state/territory (Row)
[v364] By State (Column)




	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	ACT	Northern Territory	Total
Strongly agree	10.2	7.5	6.7	4.3	13.0	7.4	5.2	0.0	8.4
Agree	26.3	20.4	17.9	11.2	31.1	13.9	13.0	13.3	21.8
Neither agree nor disagree	38.0	38.8	39.4	41.2	32.4	32.0	40.3	46.7	38.1
Disagree	16.0	22.4	24.9	28.2	16.1	31.1	24.7	20.0	20.9
Strongly disagree	2.1	3.5	4.3	6.4	1.3	4.9	6.5	13.3	3.3
Can't choose	7.5	7.3	6.7	8.8	6.2	10.7	10.4	6.7	7.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
N=	1407	1076	698	376	386	122	77	15	4157

Dataset: The Australian Survey of Social Attitudes, 2003

Variable V54: Most people can be trusted or that you can't be too careful

Literal Question

Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?

Value	Categories	N		
1	Can be trusted	1621		38.9%
2	Can't be too careful	2325		55.8%
9	Can't choose	218		5.2%
-2	Skip	0		
-1	Missing	106		







VariableV99: Agree: When big businesses break law, they go unpunished

PreQuestion Text

Here are some statements about crime and the law in our society. Please tell us how much you agree or disagree with each of the following statements.

Literal Question

f. When big businesses break the law, they often go unpunished

Value	Categories	N		
1	Strongly agree	1659		39.5%
2	Agree	1740		41.4%
3	Neither agree nor disagree	382		9.1%
4	Disagree	224		5.3%
5	Strongly disagree	118		2.8%
9	Can't choose	80		1.9%
-6	Not asked	0		
-2	Skip	0		
-1	Missing	67		






VariableV170: Truly Australian: Respect Aust political institutions and laws

PreQuestion Text

Some people say that the following things are important for being truly Australian. Others say they are not important. How important do you think each of the following is?

Literal Question

f. to respect Australian political institutions and laws

Value	Categories	N		
1	Very important	1024		48.2%
2	Fairly important	874		41.1%
3	Not very important	123		5.8%
4	Not important at all	68		3.2%
9	Can't choose	35		1.6%
-6	Not asked	2087		
-1	Missing	59		

Variable V180: Proud of Aust: Way democracy works

PreQuestion Text

How proud are you of Australia in each of the following?

Literal Question

a. The way democracy works

Value	Categories	N		
1	Very proud	521		24.5%
2	Somewhat proud	1130		53.1%
3	Not very proud	277		13.0%
4	Not proud at all	58		2.7%
9	Can't choose	144		
-6	Not asked	2087		
-1	Missing	53		

Variable V232: Increased 2 yrs: Crime

PreQuestion Text

Over the last TWO YEARS, do you think the following have increased or decreased or stayed the same?

Literal Question

f. Crime

Value	Categories	N		
1	Increased a lot	1606		38.9%
2	Increased a little	1289		31.2%
3	Stayed the same	886		21.5%
4	Decreased a little	177		4.3%
5	Decreased a lot	50		1.2%
9	Can't choose	118		2.9%
-2	Skip	0		
-1	Missing	144		