

# Corruption is pervasive in Australia — it's time to stop the rot

*In a new series, Crikey looks at how corruption isn't just on the rise in Australia, it's far worse than anyone thought ...*

Bernard Keane. – *Crikey* – 17 March 2021

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Corruption is on the rise in Australia.

In 2020, Transparency International's [Corruption Perceptions Index](#) showed Australia, once comfortably in the top 10 least corrupt nations, now equal 11th having lost eight points since 2012.

Anti-bribery group [TRACE](#) has Australia at 12th, well adrift of New Zealand, on its bribery risk matrix. Australia is lower still on the Basel Institute of Governance [anti-money laundering list](#).

The declines in Australia's rankings are understandable given the litany of scandals in politics and business in recent years. In the corporate world, two of the big four banks have admitted breaching money-laundering laws, and the country's largest and most influential gambling company is accused of money laundering and links with organised crime.

But more serious is the extent of political scandal and corruption. [The largest state is led by a woman](#) who had a long-term relationship with a disgraced MP, who turned a blind eye to his moneymaking schemes, and who publicly defends pork-barrelling.

The second largest state is governed by a party that extensively [misused taxpayer resources](#) in internal party conflict, including by ministers.

[Sleaze of Origin: grubby Gladys shapes up to shady ScoMo](#)

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The federal government [refuses to establish an integrity body](#) and has [cut funding to the national audit body](#), has a number of ministers with major integrity concerns, openly misuses taxpayer funds for partisan purposes and to reward friends, has handed windfall sums to political donors, and has systematically [stacked its administrative appeals court](#) with political allies and friends.

While some of these scandals — such as the gross overpayment for land by the federal government to a political donor and Gladys Berejiklian's former partner's corruption — are under investigation, and the Commonwealth Bank, Westpac and Crown have all undergone, or will undergo, regulatory processes in relation to money laundering, many scandals are neither under investigation nor have incurred consequences for the perpetrators.

While Australia's laws around what is termed "hard" or "black corruption" are sufficient to get it into the top 20, if no longer the top 10, of least-corrupt countries, the real problem is around "soft" or "grey" corruption.

As Australian academic and corruption researcher Tim Prenzler [has argued](#), while poorly defined:

... the term ‘grey corruption’ appears to have utility in political discourse in describing areas of minor corruption and/or unethical but legally ambiguous practice such as gift giving, favouritism and undue influence, conflicts of interest, excessive expenditures and deceit in political discourse ...

Grey corruption undermines democracy and the effective management of public resources in the public interest, but it occurs largely as a result of opportunities related to inadequate definitions of offences and/or inadequate detection of breaches and enforcement of rules.

Former US politician and ethics advocate Bill Schluter refers to [soft corruption](#) as “unethical transgressions carried out in the quest for political power or personal benefit, achieving results that work against the public interest”.

Transparency International [defines “political corruption”](#) as “manipulation of policies, institutions and rules of procedure in the allocation of resources and financing by political decision makers, who abuse their position to sustain their power, status and wealth”.

This definition covers what we will examine in this series: the misallocation of resources through pork-barrelling and gifts to friends; the manipulation of policies via political donations, secret lobbying and revolving doors; the peddling of influence to achieve regulatory outcomes, and the distortion of institutions, rules and processes to maintain a veil of secrecy over corruption.

Most of the behaviour covered is perfectly legal. And many of the processes in relation to which such behaviour occurs can be implemented ethically. As Schluter notes, soft corruption is:

... the exploitation of such political and governmental activities as campaign finance, lobbying, patronage, and the electoral process. Engaging in these processes is not, per se, engaging in soft corruption. They are necessary functions of government that can be performed honestly, fairly, and with integrity ... It is only when individuals manipulate government functions for reasons of greed, personal advancement, or political advantage that soft corruption occurs.

Australia’s growing problem of soft corruption necessitates a rethinking of integrity issues that moves away from our traditional focus on hard corruption and strict, black-letter definitions of corrupt conduct towards a focus on the manipulation of legitimate public resources, institutions and processes for private benefit.

This shift in turn requires us to see much of what is accepted as standard politics in Australia as soft corruption — private interests manipulating political and policy processes for their own benefit at the expense of the public interest.

Much of this series will focus on looking anew at behaviour in public life through the prism of soft corruption: that trading donations for access to policymakers lacks integrity and undermines public trust and good policy outcomes; that directing funding to projects of low public benefit is an abuse of taxpayer money; that secret meetings between decision makers and representatives of private interests lack probity and facilitate corruption; that developers influencing zoning decisions inflict a significant cost on the public and taxpayers.

All these behaviours are legal, but all are corrupt — and often the public is given very little insight into them due to a lack of transparency throughout government.

Not merely is corruption growing in Australia — this series will show that it’s far more corrupt than most Australians believe.

**Next: [Read part one of The Dirty Country here.](#)**