

National Anti-Corruption Commission CEO, Mr Philip Reed opening address to the Legal and Constitutional Affairs Committee Budget Estimates 2025-26 hearing – 27 March 2025

Thank you Chair and Senators for the opportunity to make an opening statement.

The Commission has been in operation for nearly 21 months and continues to deliver on its mission to enhance integrity in the Commonwealth public sector through its 2 main lines of operation:

- deterring corrupt conduct through detection, investigation and exposure
- preventing corrupt conduct through education and engagement.

As you would be aware, the Commission's decisions are open to scrutiny and criticism, and the existence of 2 oversight bodies – the Parliamentary Joint Committee and the Inspector – ensures this.

Following the Inspector's public report into the Commission's Robodebt decision and the Commission's decision to reconsider whether to investigate the six referrals for the Robodebt Royal Commission, the Commission on 13 December 2024 appointed Mr Geoffrey Nettle AC KC as its Independent Reconsideration Delegate, to reconsider whether to investigate the made by the Royal Commission. Mr Nettle delivered his report on 10 February 2025. I will refer to this later in this address.

There have also been calls for greater transparency and less secrecy in the work of the Commission. I will also return to this matter later in this address.

Operational outcomes

At the end of its first year of operations, the Commission had received a total of 3,190 referrals, including 3,023 voluntary referrals and 116 mandatory referrals. Since 1 July 2024, a further 1,636 referrals have been received and 1,257 excluded at the triage stage. Nearly 90% of the referrals received have been assessed.

As of 19 March 2025, the Commission:

- Is conducting 34 preliminary investigations, as part of its assessment process
- Is conducting 33 corruption investigations. One has already resulted in a prosecution with a plea of guilty; another is at the procedural fairness stage
- Had finalised 7 investigations when it became clear that corrupt conduct would not be found
- Is overseeing or monitoring 14 investigations by other agencies
- In addition, the Commission inherited 22 ACLEI investigations in various stages of progress. Seven of these are still active investigations, 6 of which have been transitioned to NACC Act investigations; one continues under the *Law Enforcement Integrity Commissioner Act 2006*. Seven convictions have been obtained in them since the Commission took over.

The Commission has recently released its 20 month summary of key activities and operational undertakings as at 26 February 2025 (see attached copy).

You will note that the Commission has obtained 41 search warrants, 22 telecommunication intercept warrants, and 17 surveillance device warrants. The Commissioner has approved one controlled operation authority. We have issued 238 notices to produce documents or information under sections 57 and 58. In addition, the Commission has undertaken private hearings in 7 investigations involving a total of 32 witnesses during hearings over 26 days. To support the welfare of individuals with whom we engage, we have recruited 3 witness liaison officers and engaged a service provider to provide witness support services.

Of our current investigations:

- 8 relate to one or more former or current parliamentarians
- 5 relate to one or more former or current parliamentary staffers
- 4 relate to one or more contractors or consultants
- 15 relate to one or more senior officials (SES and above)

- 6 relate to one or more law enforcement officials
- 14 relate to procurement
- 5 relate to recruitment
- 4 relate to the border
- 4 relate to law enforcement misconduct
- 3 relate to grants
- 4 relate to entitlements

Many of the investigations fall into multiple categories, whilst others fall into none. Thus, the figures will not add up.

Through our intake, triage, assessment and investigation work we have identified 3 dominant domains in which we are seeing both perception and actuality of corrupt conduct: procurement; recruitment and promotion, and at the public/private interface. In all these domains, the actual or perceived corrupt conduct typically involves preferential treatment of family, friends and associates, and the misuse of information or opportunity to gain an advantage. These mechanisms produce a subversion of the public decision-making process, to serve a private benefit.

Our education and prevention work continues. In 2023/24 we delivered 125 presentations across the Commonwealth public sector: starting with parliamentarians, agency heads and senior public servants, and extending to other stakeholders, including relevant civil society organisations and professional associations. We have delivered a further 89 presentations so far in 2024/25 and 3 factsheets produced. We are focussing on three thematic areas for prevention: conflicts of interest; ethical decision making; and corruption risks and vulnerabilities in the context of elections.

The Commission has also conducted the first Commonwealth Integrity Survey of all staff of agencies within its jurisdiction. This was administered to a total of 278,363 individuals and achieved a response rate of 21% (58,309 responses). The results of the survey are still being analysed. The data will be used to inform internal Commission risk assessments, corruption education and prevention programs and to support agencies to improve their integrity maturity. The Commission has provided each agency head with a de-identified report concerning their own agency and some preliminary analysis of the overall results, using de-identified responses from all participating agencies.

On 27 November 2024, the Commission signed a Memorandum of Understanding (MOU) with the Parliament in relation to Parliamentary Privilege. The purpose of the MOU is to establish agreed processes for the exercise of Commission powers in circumstances where issues of Parliamentary Privilege could arise.

On 7 March 2025, the Commission issued an open letter to prospective election participants, drawing attention to the corruption risks and vulnerabilities that can arise in the context of a federal election. The letter addressed: use of parliamentary resources; use of official information; public sector appointments; grants; government advertising; and donations and other gifts. The letter also repeats the Commission's advice that it is inappropriate to announce a referral to the Commission for collateral, including political, purposes.

The Independent Reconsideration Delegate's Report

As the Commission announced on 18 February 2025, as a result of the decision of its independent reconsideration delegate, Mr Geoffrey Nettle AC KC, the Commission will now investigate the six referrals it received from the Royal Commission into the Robodebt Scheme.

The purpose of the investigation is to determine whether or not any of the six referred persons engaged in corrupt conduct.

Consistent with its usual practice, the Commission does not publish reasons for commencing an investigation, as doing so may prejudice the investigation, disclose information which the Commission is required by law to keep confidential, compromise investigative pathways, and/or unfairly impact reputations and rights of individuals to impartial adjudication.

As stated in the Commission's public announcement, the Commission is now making arrangements to ensure the impartial and fair investigation of the referrals, as it did with the appointment of Mr Nettle as independent reconsideration delegate.

The Commissioner and those Deputy Commissioners who were involved in the original decision not to investigate the referrals will not be involved in the investigation.

The Commission is currently finalising the structure of the investigation team. The CEO has primary responsibility for this process. Based on Australian Government Solicitor (AGS) legal advice, it is not available to appoint an acting Commissioner to conduct a particular investigation, and the Deputy Commissioner who was not involved in the original Robodebt decision will lead the team. The remaining members of the team will comprise an independent experienced Senior Advisor of eminent standing, and an independent Counsel Assisting of appropriate standing. Legal and administrative support for the investigation will be provided by the AGS. The appointments to these roles are currently being worked through, except for the AGS who have now been formally appointed.

Transparency and secrecy

There have been recent calls for greater transparency by the Commission in its work, in particular in relation to holding public hearings. The Commission works within the legislation Parliament enacted. The legislation that governs us requires that ordinarily our proceedings be conducted in private, chiefly to avoid the risk of unfair and premature damage to reputations that can be caused when unproven allegations of corruption are publicised. In accordance with the legislation, the Commission will conduct public hearings where the circumstances and the public interest justify an exception to the general rule that they be held in private. As you would expect, what are "exceptional circumstances" will emerge on a case-by-case basis and will not be prescribed in advance. They have not arisen yet.

We publish information on a regular – weekly – basis about the assessment of referrals and the number of investigations. The announcing of who is under investigation, or what precise issue we are investigating, would defeat the purpose of the legislation which generally requires investigations to be conducted in private to avoid unfair damage to reputations. It would also help those under investigation counter our efforts. The Commission's operating environment is complex. The investigation of corrupt conduct is challenging, because corruption is conducted in secret; its hallmarks are confidential communications and inscrutable exercise of power. Often it involves complex pathways of deception and deceit. Finding, testing, challenging and unravelling these necessarily takes time. Under none of the models used by equivalent entities in other Australian jurisdictions would a decision whether or not to open an investigation be made public: doing so would alert the persons of interest. Investigations rarely benefit from being publicly announced, as it deprives investigators of many investigative opportunities.

If we find there has been corrupt conduct, then that can be and will be exposed through the Commission's reports. Although, in those exceptional cases where is a public hearing, a public report is mandatory, the Commission can also publish its reports if satisfied it is in the public interest to do so, and generally speaking it will be in the public interest to do so where there has been a finding of corrupt conduct, and sometimes, to clear the air of unsubstantiated allegations. For that reason we have already published two reports in ACLEI legacy matters, although the legislation did not require it.

The Commission does not generally disclose information about the subject matter, status or progress of referrals or investigations, as to do so may prejudice operational activities, or unfairly damage reputations. As a result, I will not be in a position to answer questions on whether the Commission has received referrals

about particular matters, except where this is already on the public record, nor comment on ongoing investigations. This will mean that I will generally neither confirm nor deny the existence of a referral to the Commission or of an investigation by the Commission about any particular matter.

Thank you.



Date 19/03/2025

The Commission at 20 months

The following is a summary of the key activities and operational undertakings by the Commission as at 26 February 2025.

Referrals and assessments

Since the Commission began operations on 1 July 2023, it has completed assessment of 4,117 referrals. This accounts for almost 90% of the total 4,686 referrals received to date.

The time taken to assess a referral depends on a range of factors including its complexity, whether it is necessary to seek additional information, and its prioritisation relative to other referrals.

Investigations

Over the period from 1 July 2023 to 26 February 2025, the Commission has commenced a total of 58 preliminary investigations to confirm whether or not a referral raises a corruption issue for investigation. 24 of these have concluded, with 22 finding that no corruption issues arose, and 2 progressing to corruption investigations. 34 preliminary investigations remain ongoing.

The Commission has commenced a total of 37 corruption investigations, 12 of them joint with other agencies. Of these, 5 have been finalised. There are currently 32 investigations on foot, including 2 investigations where the Commissioner has decided to prepare a report on an investigation, with 1 of these now at the procedural fairness stage. 1 matter is already the subject of a prosecution, in which there has been a guilty plea.

Investigation themes

Of the Commission's 32 current investigations:

- 8 relate to one or more former or current parliamentarians
- 5 relate to one or more former or current parliamentary staffers
- 4 relate to one or more contractors or consultants
- 15 relate to one or more senior officials (SES and above)
- 6 relate to one or more law enforcement officials
- 14 relate to procurement
- 5 relate to recruitment
- 4 relate to the border
- 4 relate to law enforcement misconduct
- 3 relate to grants
- 4 relate to entitlements.

The Commission is overseeing or monitoring 14 investigations by other agencies.

ACLEI legacy investigations

Upon commencement, the Commission subsumed the Australian Commission for Law Enforcement Integrity (ACLEI) and became responsible for the monitoring and closure of its outstanding legislative compliance obligations.

Of ACLEI's 32 open referral assessments, 22 investigations at various stages and 46 agency investigation subject to oversight or reporting requirements which transitioned to the Commission:

- There have been [7 convictions](#)
- [4 matters remain before the court](#)
- There have been [2 investigation reports](#) published. Another matter is at the procedural fairness stage.

Operational activity

Since 1 July 2023 and up to 31 January 2025, in its investigations and preliminary investigations, the Commission has issued 283 directions or notices to produce documents or information. It has conducted hearings in 7 investigations involving 32 witnesses. The Commission has issued 41 search warrants, 22 telephone interception warrants, 17 surveillance device warrants, and conducted one controlled operation.

The legislation that governs the Commission requires that ordinarily its proceedings be conducted in private. This is chiefly to avoid the risk of unfair and premature damage to reputations that can be caused when unproven allegations of corruption are publicised, and to avoid compromising the efficacy and fairness of investigations.

Corruption prevention and education

To date, the Commission has delivered 211 corruption prevention and education sessions to public officials and civil society, including the most senior members of the public service and parliamentarians.

The Commission provides expert advice to Commonwealth agencies on corruption and integrity policy, making 18 submissions to a range of consultations and reviews in the 20 months since it commenced.

The Commission has also undertaken 63 engagements with a range of international counterparts. The Commission plays an ongoing role, alongside other partners, in contributing to global efforts to combat corruption, as well as bolster public governance internationally, especially in the Pacific.

Capabilities and resources

The Commission has grown from 154 staff at commencement to 228. The Commission operates out of 5 offices nationwide, 3 of which were constructed and occupied in the 19 months since commencement.