



Australian Government
Department of Agriculture

ACTING SECRETARY

Mr Stephen Palethorpe
Committee Secretary
Parliamentary Joint Committee on the Australian
Commission for Law Enforcement Integrity
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Palethorpe *Stephen*

Thank you for your correspondence of 25 March 2015 advising of the inquiry into the integrity of Australia's border arrangements and inviting the department to make a submission into this inquiry.

The departmental response is provided at Attachment A.

If you require any additional information, do not hesitate to contact Ms Lee Cale, Acting First Assistant Secretary, Corporate Strategy and Governance Division

Yours sincerely

Phillip *SG* Glyde

11 June 2015



Australian Government

Department of Agriculture

Submission to the Inquiry into the integrity of Australia's border arrangements

June 2015

Introduction

The Department of Agriculture (the department) welcomes the opportunity to provide a submission to the inquiry into the integrity of Australia's border arrangements and seeks to specifically address the following matters identified in the terms of reference:

- (a) the nature and extent of corruption risks facing Commonwealth agencies involved in border operations;
- (b) the extent to which Commonwealth law enforcement agencies are able to prevent and investigate corruption at the Australian border; and
- (c) the extent to which the Australian Commission for Law Enforcement Integrity is able to assist in corruption prevention and to successfully investigate or otherwise respond to corruption at the border.

The department is responsible for serving the government on matters relating to Australia's agriculture, fisheries, forestry and related industries.

The department operates under the *Public Governance, Performance and Accountability Act 2013* and the *Public Service Act 1999*.

The department has approximately 4,000 full-time equivalent staff including policy officers, program administrators, scientists, researchers, economists, accountants, information and communication technology staff, veterinary officers, inspectors and survey staff.

Departmental staff work in a variety of locations including offices, airports, mail centres, shipping ports, laboratories and abattoirs. Staff work in regional centres, rural communities and cities as well as representing Australia's interests in Asia, Europe, the Middle East and the United States.

The department has approximately 1,000 staff undertaking regulatory or administrative functions, both in Canberra and regional office locations, associated with seaport, border or cargo clearance arrangements.

The key pieces of regulatory focused legislation administered by the department include the *Quarantine Act 1908*, *Export Control Act 1982*, *Imported Food Control Act 1992* and the *Australian Meat and Live-stock Industry Act 1997*.

The department was incorporated into ACLEI's jurisdiction on 1 July 2013, in response to targeted waterfront reform activities announced by the then Minister for Justice on 25 May 2012. Coverage is currently limited to those staff whose waterfront related regulatory functions or work locations were assessed at that time as posing the highest corruption risk.

In accordance with paragraph 10(2E)(b) of the *Law Enforcement Integrity Commissioner Act 2006* (the Act), approximately 1,000 departmental staff are currently prescribed within ACLEI's jurisdiction, including:

- the Secretary;
- persons who hold, or are acting in, the position of Regional Manager;
- members of staff whose duties include undertaking assessment, clearance or control of vessels or cargo imported into Australia; and

- members of staff who have access to the Integrated Cargo System.

Departmental staff undertaking regulatory activities at international airports are not currently prescribed within ACLEI's jurisdiction.

The following information is provided in response to specific matters raised in the inquiry's terms of reference:

a) The nature and extent of corruption risks facing Commonwealth agencies involved in border operations.

The diverse nature of functions undertaken by the department and the value of the information held by it, makes the department and its staff a target for corruption.

On commencement within ACLEI's jurisdiction, the department initiated its inaugural department wide corruption risk assessment. The risk assessment examined potential corruption risks impacting the department, including those risks specifically associated with regulatory activities at the border.

The department defines corruption as "The dishonest or biased exercise of Commonwealth public official functions".

The department's key corruption themes identified through the risk assessment process are:

- Unauthorised access to, manipulation of or disclosure of information
- Forgoing of official duties for personal or third party gain
- Corruption of accreditation, use and monitoring of third party providers.

The highest corruption risks to the department, as identified in the corruption risk assessment, are focussed towards the regulatory and grant administration/procurement areas of the department based on the potential benefits to be gained by potential corruptors. The primary means by which these compromises might occur are:

- Soliciting or receiving a bribe or corrupting benefit;
- Embezzlement of funds;
- Compromise through "private" use of illicit drugs;
- Manipulation through unmanaged associations with criminal entities.

The three impacts of corrupt conduct that most concern the department are:

- A biosecurity risk or other compromise of the border;
- Loss of confidence in the department's professional standards, affecting industry and government partnerships; and
- Loss of revenue.

Since being incorporated into ACLEI's jurisdiction on 1 July 2013 the department has received 14 allegations of corrupt behaviour by staff. A total of seven allegations of corrupt behaviour related to prescribed staff within ACLEI's jurisdiction and were notified to the Integrity Commissioner, the remaining seven allegations were retained within the department for action.

The actions taken in response to the seven allegations within ACLEI's jurisdiction are as follows:

- four matters are being progressed as joint investigations. One of these matters has resulted in one former departmental officer being charged with abuse of office, this matter is ongoing.
- three matters were referred back to the department for internal investigation. The investigations into all three matters have been finalised with no evidence of corrupt conduct.

The actions taken in response to the seven allegations outside of the ACLEI jurisdiction are as follows:

- one matter was referred to the Australian Federal Police (AFP).
- four matters were investigated internally. The investigations into all four matters have been finalised with no evidence of corrupt conduct.
- two matters remain under investigation by the department.

(b) the extent to which Commonwealth law enforcement agencies are able to prevent and investigate corruption at the Australian border.

The department has a zero tolerance to fraudulent or corrupt behaviour. A fully integrated integrity framework that covers all staff and is targeted at strengthening the department's integrity culture has been implemented. The framework comprises a suite of education, policy, legislation and internal governance components and is underpinned by human resource, information technology and investigation controls.

In addition, the department has a range of measures in place to prevent, detect and respond to corruption matters impacting the department. An overview of these measures is outlined below:

Prevention:

- Fraud and Anti Corruption Policy
- Accountable Authority Instruction 1.2 – Preventing Fraud and Corruption
- Mandatory Learning Policy (includes mandatory Fraud and Corruption Awareness elearning training – on induction and then biennially)
- Onboarding arrangements (include police checks, referee checks, verify code of conduct history for specified positions)
- Integrity Commissioner present to Audit Committee, senior executive briefing
- Security Week 2013 (focus on staff integrity – including corruption)
- Staff awareness briefings (ongoing)
- Dedicated Fraud and Corruption intranet site (access to anti-corruption resources)
- Member of the ACLEI Community of Practice for Corruption Prevention

- Corruption Risk Assessment (identification of potential corruption risks impacting the department)
- Security Executive (Deputy Secretary) responsible for anti-corruption management within the department
- Security Committee (chaired by Security Executive) oversight of anti-corruption management measures
- Implementation of security controls in accordance with the Australian Government Protective Security Policy Framework

Detection:

- Positive culture of reporting suspected wrongdoing
- Human resource staff awareness of corruption 'red flags'
- Program based assurance / audit measures identify suspected wrongdoing
- Dedicated unit responsible for assessing and investigation fraud and corruption
- Dedicated internal audit team
- Dedicated telephone, facsimile and email for reporting suspected corruption
- Online corruption reporting tool available on department's intranet and internet pages
- Departmental monitoring of inappropriate use of ICT systems
- Information sharing arrangements with traditional law enforcement agencies

Response:

- Dedicated unit responsible for assessing and investigating allegations of fraud and corruption impacting the department
- All investigators qualified in accordance with the Australian Government Investigations Standards (AGIS)
- Investigation activities supported by a suite of documented policies and procedures, developed in accordance with AGIS
- Corruption notification procedures developed in consultation with ACLEI

The department has implemented a range of measures that have provided a solid foundation for the prevention and detection of corruption impacting the department. The department is of the opinion, that based on the corruption risk profile of the department, it has an appropriate capability and capacity (noting its partnership arrangements with ACLEI, the AFP and other key law enforcement agencies) to investigate corruption impacting the department.

(c) the extent to which the Australian Commission for Law Enforcement Integrity is able to assist in corruption prevention and to successfully investigate or otherwise respond to corruption in border operations.

The department sees the partnership with the Integrity Commissioner and ACLEI more broadly as a key element of the department's integrity framework. The department will use technical specialists and resources within the ACLEI to compliment the department's own corruption prevention, detection and investigation capability.

A trusting and transparent relationship has been established between the department, the Integrity Commissioner and ACLEI.

The department has benefited from its partnership with ACLEI through:

- Strengthening the anti-corruption culture of the organisation
- Increased awareness of the corruption risks across the organisation
- Membership of the Community of Practice for Corruption Prevention, aligning our corruption control measures with best practice being implemented by other agencies within ACLEI's jurisdiction
- Reporting the outcome of corruption investigations to the Integrity Commissioner, added assurance that our investigation arrangements are appropriate
- Utilisation of ACLEI investigation resources for complex corruption investigations within jurisdiction
- The secondment of an ACLEI investigation resource to the department.