

National Anti-Corruption Commission CEO, Mr Philip Reed opening address to the Legal and Constitutional Affairs Committee Supplementary Budget Estimates 2025-26 hearing – 7 October 2025

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

The Commission has been in operation for just over 2 years 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.

The Commission's jurisdiction is concerned with serious and systemic corrupt conduct by or affecting Commonwealth public officials. Most mistakes, maladministration and misconduct do not involve corrupt conduct and are not within the jurisdiction of the Commission. Furthermore, the Commission is not a complaints-handling or dispute resolution agency; nor is it an administrative decisions review authority.

Detection, investigation and exposure

To mark its 2-year anniversary, the Commission released an update on its operational work.

<https://www.nacc.gov.au/news-and-media/nacc-two-years-strengthening-integrity-commonwealth>

Since its commencement, the Commission has received a total of 6,055 referrals of which 5,103 (84%) have been assessed. During its second year of operations, the Commission finalised the assessment of 2,004 referrals in total. Of these, 1,733 referral assessments were finalised in less than 90 days from receipt, providing a result of 86.5% against its KPI target of 80%.

Over the last 12 months there has been widespread and intensive investigatory activity by the Commission. As of 1 October 2025, the Commission:

- Is conducting 33 preliminary investigations, as part of its assessment process
- Is conducting 38 corruption investigations (including 12 joint investigations).
- Had finalised 10 investigations (9 when it became clear that corrupt conduct would not be found, and 1 where a corruption finding was made and a report provided to the Minister)
- Is overseeing or monitoring 20 investigations by other agencies

In addition, up to 31 August 2025, of the 22 ACLEI investigations inherited by the Commission, 3 investigations are still underway, 1 is under consideration by CDPP, 3 are before the courts, and there have been 8 convictions, 9 have been finalised and 3 are pending finalisation. Three of the convictions were associated with Operation Barker, an investigation related to the payment of a bribe to a former Australian Taxation Office (ATO) official in exchange for potentially reducing various personal and business tax debts by millions of dollars and for disclosing restricted information to 2 different individuals on over 1,000 occasions.

In March 2024, the former ATO official was convicted and sentenced to 5 years imprisonment. An appeal against the sentence by the former ATO official was dismissed by the NSW Court of Criminal Appeal on 24 September 2025. In August 2024, one accomplice was convicted and sentenced to imprisonment for 3 years and 14 days. In December 2024, another accomplice was convicted and sentenced to imprisonment for 2 years and 10 months.

A sense of the extent of the detection and investigative work undertaken by the Commission during the last 12 months (and including up to 31 August 2025) can be gained from the statistics that 30 search warrants, 9 telephone intercept warrants, and 6 surveillance device warrants were obtained from courts; 199 notices or directions to produce documents were issued.

Since 1 July 2023 the Commission has examined 51 witnesses in private hearings in 11 investigations. To support the welfare of individuals with whom we engage, we have recruited 2 witness liaison officers and engaged a service provider to provide witness support services.

Of our current investigations:

- 15 relate to one or more senior officials (SES and above)
- 14 relate to procurement
- 13 relate to one or more former or current parliamentarians or parliamentary staffers
- 6 relate to one or more law enforcement officials
- 5 relate to recruitment

Others relate to contractors or consultants, grants and entitlements.

The Commission published its first s 149 investigation report on 30 June 2025. Operation Kingscliff concerned a paradigm case of nepotism in recruitment in the public service – an area of widespread concern. The report was provided to the Attorney-General on 23 June 2025.

The Commission found the official had engaged in corrupt conduct by abusing her office to give her sister and her sister's fiancé an improper benefit, and by misusing official information. The Commission found the conduct was serious because of the seniority of the public official, the deception involved and the significant benefits of securing a public service role; and systemic because the behaviours were repeated, and because nepotism, cronyism and undeclared conflicts of interest in APS recruitment are an area of widespread concern. The public official had resigned from the APS. Had she not done so, the Commission would have recommended that her employment be terminated.

The Commission's first conviction resulting from a NACC-initiated investigation, Operation Pelican, concerned the former Executive Procurement Manager at Western Sydney Airport seeking a secret commission for facilitating the award of a contract. On 28 July 2025, he was sentenced to a 2-year jail term of imprisonment, to be served by way of an Intensive Correction Order in the community, for soliciting a bribe of approximately \$200,000 during a contract procurement process, following an earlier guilty plea.

Education and Engagement

From the referrals we receive and assess, and the matters we investigate, the domains in which we are seeing both the perception and, to a lesser extent, the actuality of corrupt conduct, can broadly be categorised as:

- procurement – the awarding of government contracts and supplier relationships
- recruitment – promotion and entitlements in the Australian Public Service
- decision-making.

In all those areas, the perceived and actual mechanisms of corruption are typically:

- nepotism and cronyism – the preferring of family, friends and associates. In our Commonwealth Integrity Survey, nepotism and cronyism were the most common type of corruption.
- misuse of information – the misuse of official information to gain an advantage.

Much of what we see occurs at the interface of the public and private sectors. This reflects the proliferation over recent decades of the government's use of contractors and consultants and the outsourcing of functions of government to the private sector.

As the private sector is necessarily interested in and driven by profit, this interface inevitably creates a point of friction between the interests of the private sector and the public interest.

In response, the Commission has issued targeted guidance, including the release in September 2025 of a guide, *Conflicts of interest and corrupt conduct*, to assist all Commonwealth public officials to recognise, disclose, declare, monitor and manage real, apparent and potential conflicts of interest so that they do not

create corruption risks. The Commission is also developing further materials to promote transparency and best practice in areas such as procurement processes, and ethical decision-making.

In our corruption prevention and education role, in our first 2 years we have conducted 249 presentations or engagements – with parliamentarians and their staffers, agency heads, public servants and the community. These activities build resistance to corrupt conduct and foster a culture of integrity across the Commonwealth public sector.

We also issued an open letter to participants in the recent federal election, highlighting potential corruption risks in that context.

Next year, in September, the Commission will host the Australian Public Sector Anti-Corruption Conference (APSACC) in Canberra. With the theme 'A strategic approach to integrity – culture, systems and accountability', this will provide anti-corruption agencies, academics and practitioners – from across the federal, state and territory, public and private sectors – the opportunity to share their knowledge, experience and expertise.

Transparency and secrecy

There has been debate about the transparency of our work. While we publish regular statistics on referrals, assessments and investigations, to provide as much visibility as we can, corruption investigations rarely benefit from publicity, and our work is generally conducted in private: to protect investigations, safeguard witnesses and whistleblowers, prevent unfair damage to reputations and encourage cooperation – all in keeping with our Act.

As mentioned, we have conducted numerous private hearings. There is a misconception that other anti-corruption commissions routinely hold public hearings, due to a handful of high-profile matters. In fact, most corruption investigations and hearings are conducted out of the public eye. Under our legislation, we can only conduct public hearings in exceptional circumstances. In none of the 11 investigations which have so far proceeded to hearings has that threshold been crossed. Corrupt conduct is exposed through our reports and court outcomes.

As the Commission enters its next phase, complex investigations will reach completion and the Commission's operational achievements will gradually become more visible.

Thank you.