



STRENGTHENING OUR DEMOCRACY FOR ALL AUSTRALIANS

An Integrity Pack for Members of
Australia's 48th Parliament



TRANSPARENCY
INTERNATIONAL
AUSTRALIA

Transparency International Australia is the Australian national chapter of a global coalition against corruption, operating in over 100 countries. Through Transparency International (TI) we are part of a global movement leading the fight against corruption. Each chapter is independent and unique, and together we aspire to a unified vision: a world free of corruption. Our mission is to tackle corruption by shining a light on the illegal practices and unfair laws that weaken our democracy. We undertake research to inform our evidence-based advocacy and work with MPs, the private sector and civil society to build a better system of governance for all.

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INTRODUCTION

Let us help you make Australia's Parliament a place all citizens can trust is free of corruption.

Australia is turning a corner. After years of decline, our standing in Transparency International's Corruption Perceptions Index (CPI) is beginning to improve. This is a positive sign—but it's only the beginning. The 48th Parliament has a crucial opportunity to build on this momentum and deliver the integrity reforms the Australian people have long demanded.

Australians want a government that is transparent, accountable, and committed to the public good.

While progress has been made, trust in government remains fragile, and Australia's global reputation is still recovering from years of erosion in both governance standards and public confidence.

In fact, 76% of Australians believe corruption in government is a big problem.¹

Now is the time to act. By prioritising key integrity reforms, this federal parliament can help secure a fairer, more open, and more accountable democracy—one where elected representatives consistently uphold the best interests of all Australians.

This Integrity Pack outlines the reforms needed to strengthen Australia's democracy, restore public trust, and safeguard our global reputation. While some measures are in place, integrity reforms cannot be taken for granted—they require sustained focus, oversight and enforcement regardless of shifting political priorities.

1

Stronger protections for whistleblowers and the establishment of a Whistleblower Protection Authority to protect those who challenge abuses of power

2

Stronger laws to stop the flow of dirty money across our borders, which enriches criminals and corrupt regimes while impoverishing their people and distorting our economy

3

Greater transparency, accountability and oversight over politicians and government so that we can ensure open, trustworthy and fair decision-making

THE CHALLENGE OF CORRUPTION

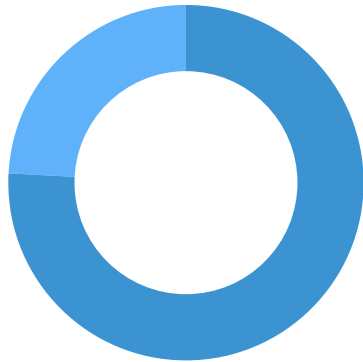
Transparency International defines corruption as the abuse of entrusted power for private or political gain

Everyone benefits from transparency.

Yet it is too easy for corruption to take hold in Australia when deals are made behind closed doors, whistleblowers are silenced, or projects are approved without public consultation or adequate due diligence. Corruption can thrive when money flows into political parties with little transparency, paid lobbyists meet with MPs under the cover of darkness, and taxpayer funds are spent without proper, independent scrutiny.

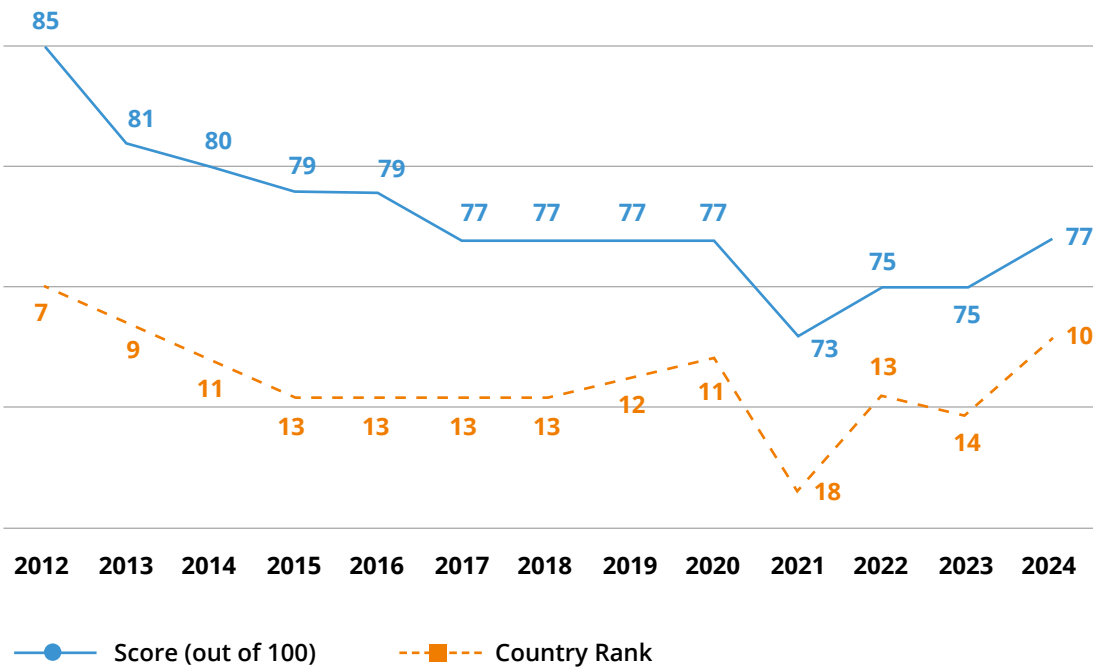
As a consequence, public resources are wasted for political ends, and the short-term private interests of a few are put before the needs of the Australian people. This undermines our democracy, weakens regulatory oversight, and enables political misconduct to thrive with impunity.

Fundamentally, corruption leads to poor decisions, poor policies, and poor outcomes. This can have devastating impacts on our economy, the community’s wellbeing and our natural environment.



76%
of Australians think governments are more influenced by the interests of big business than ordinary Australians when making decisions²

Corruption Perceptions Index – Australia’s Result 2012-2024



Australia’s global standing

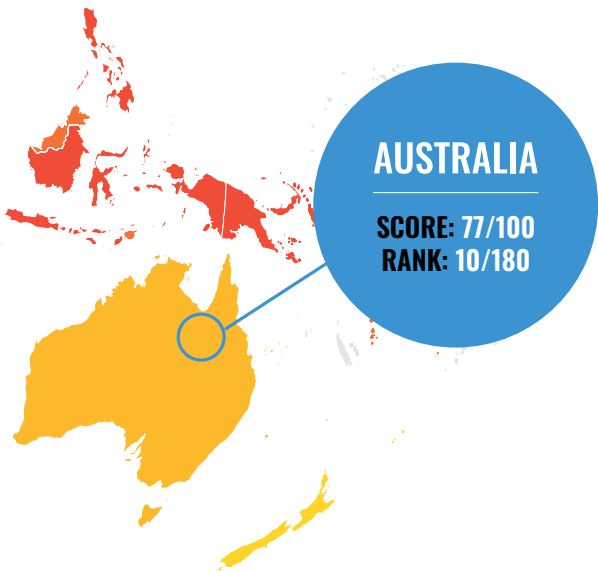
Transparency International’s Corruption Perceptions Index (CPI) shows promising signs of recovery in Australia’s global standing. While our score has marginally improved, the past decade tells a cautionary story. Since being a world leader in 2012 at 85/100, Australia’s CPI score is now 8 points lower at 77/100 showing that more needs to be done.

A lower CPI score is closely linked to weaker democratic institutions, fewer civil and political rights, and poorer health systems. Corruption doesn’t exist in isolation—it often goes hand-in-hand with human rights violations and systemic governance failures.

Australia’s recent progress is a step in the right direction, but it’s not enough. Sustained, meaningful reforms are essential to reverse the damage of the past decade and safeguard our democracy for future generations.

Australia has made strong commitments to tackle corruption and strengthen integrity. The rise in our CPI score reflects a promising start—but there’s more work to be done...

Professor AJ Brown, Transparency International Australia Chair





The importance of trust

Around the world misinformation and disinformation are rapidly undermining democratic processes. This can distort public debate, unfairly influence voters, deliberately cause unrest and undermine our political institutions. As false narratives drown out the voices of everyday citizens, social cohesion weakens and policy decisions increasingly favour private interests over the public good.

Several surveys have pointed to declining public trust in government. In the 2024 ANU *Perceptions on Democracy* survey 15.7% of Australians said they don't trust the federal government at all, while 32.4% don't trust it very much.³ The widespread belief that the government doesn't serve the interests of Australians poses a significant threat to representative democracy.

However, Transparency International Australia's public survey of perceptions of corruption, conducted with Griffith University in 2020, found that when people believe the government is doing a good job tackling corruption, their trust and confidence in the performance of government is much stronger.⁴

Public trust and confidence in government can be restored, if convincing anti-corruption reforms are enacted.

The economic impact of corruption

Corruption has a significant impact on the economy. Research by the International Monetary Fund⁵ found that a rise or fall in the Corruption Perceptions Index has a correlating impact on a country's economic performance. This is because:

- Corruption can reduce government income, especially from taxes, by encouraging tax evasion and poor compliance. It also leads to wasteful public spending, with money lost through distorted procurement processes, off-budget financing, misallocated budgets, and inflated costs. This can increase government debt and reduce investment.
- Corruption can lead to higher inflation as higher public debt fosters fiscal dominance, thereby eroding the Reserve Bank's operations and monetary policy. The perception of corruption can also increase borrowing costs via a higher default risk.

- Corruption can lower productivity among business by stifling innovation and harming competitiveness—for example through hindering entry of new firms and forcing market exits due to the additional cost of corruption.
- Besides the impact on public investment, corruption has been shown to reduce private investment, including Foreign Direct Investment.

The same IMF study has found that news of corruption shocks results in lower GDP per capita growth by roughly three percentage points, over a two-year period.

Transnational crime and corruption

Tragically, Australia has allowed itself to become an attractive destination for the proceeds of corruption. Much of this dirty money flows from poorer countries, robbing local people of their national wealth, distorting financial and real estate markets, and enabling corrupt officials and business people to wash their ill-gotten gains with impunity.

It's too easy for kleptocrats, corrupt actors and other criminals to hide when companies are not required to disclose their true 'beneficial' owners – the real people benefiting from their assets and activities. Law enforcement agencies and the general community cannot pursue accountability or recover stolen money.

Honest businesses are left in the dark when they can't conduct proper due-diligence on their customers and suppliers. The lack of a centralised beneficial ownership register of companies and trusts and little to no enforcement of anti-bribery laws makes Australia less attractive for honest investment and incentivizes this serious and organised criminal activity.

“ Organised crime costs the economy \$60 billion a year.

Australian Institute of Criminology.

Corruption and the energy transition

As part of our commitments to the Paris Agreement, Australia has set targets to help limit global warming to below 1.5 degrees Celsius, invested millions in climate finance to help vulnerable communities adapt and embarked on the transition to renewable energy.

With large amounts of money being invested there is an opportunity for corruption to take hold. Corruption in climate initiatives not only diverts critical funds from reducing emissions but also undermines the success of adaptation efforts. Misuse of these resources has triggered human rights abuses, marginalised communities, and weakened democratic processes. When corruption takes root, public confidence in climate action dwindles. Undue influence by the fossil fuel industry, compounds these risks.

Australia as the world’s 13th largest economy, large exporter of fossil fuels, host to vital reserves of critical minerals, and home to over 800 ASX listed mining, oil and gas companies, has an important role in the global energy transition.

As Australia works to meet its climate commitments, and grows its competitive advantage in the global energy transition, our leaders must champion transparency and strong anti-corruption safeguards.

This includes ensuring transparent, accountable and inclusive governance of critical minerals extraction, carbon markets, climate finance, renewable energy projects, and preventing undue influence on climate policy. Australia must also commit to and implement the Extractive Industries Transparency Initiative (EITI), the global standard of governance for the mining, oil and gas sector.

Government must also strengthen ESG standards, and ensure community engagement with First Nations and local communities so that they share in the benefits of the energy transition.

Parliament must also do more to protect climate and environmental whistleblowers by strengthening whistleblower protections and establishing a Whistleblower Protection Authority.



THE SOLUTION

We can fix this.

Transparency International Australia’s research shows us how we can build a stronger, fairer and more accountable and transparent system of government, and stop dirty money flowing across Australian borders.

This means less wasted public funds, better targeted infrastructure, more services for those who need them, greater protection for our natural environment and cultural heritage, and fewer opportunities for criminals and well-connected individuals to game the system.

We can also play a greater role in global efforts to stop transnational crime and corruption. By closing the blind spots and loopholes in our corporate regulatory system, we can ensure Australian financial institutions and markets don’t enable criminals and corrupt officials.

With bold and targeted action to close the loopholes on corruption, the 48th Parliament can make Australia’s democracy stronger, more trusted and more resilient; and contribute meaningfully to the global community’s efforts to tackle corruption.

Let’s make Australia a global leader in the fight against corruption. It’s time to deliver the integrity reforms Australians want and hold corrupt actors to account.

Clancy Moore, Transparency International Australia CEO

1

STRONGER PROTECTIONS FOR WHISTLEBLOWERS

Whistleblowing is the single most important trigger—and often the first trigger—for bringing problems to light.

In the past, Australia has led the world with protections for public interest whistleblowing. From the early 1990s we were the first country after the United States to enact comprehensive public sector whistleblowing laws.

As recently as 2019, our private sector laws were the first to give whistleblowers rights to compensation if companies fail in their duty to protect them.

However, overall, Australia's whistleblower protection laws are now falling behind.

Research shows that more than half of Australian whistleblowers continue to experience retaliation or unfair treatment for speaking up.⁶ Too much wrongdoing goes unreported because of the lack of support, fear and inconsistent legal protections that are hard to access.

There has been just one award of compensation under any of Australia's dedicated whistleblowing laws over the past three decades.

Australia's federal public service, aged care and disability sectors suffer from limited, out of date and inconsistent whistleblower protections. Complex loopholes in public and private sector laws allow whistleblowers to be prosecuted without due regard to the public interest they serve.

In 2024, the Parliamentary Joint Committee on Corporations and Financial Services recommended a Whistleblower Protection Authority and greater alignment between private and public sector protections.

Transparency International Australia's *Protecting Australia's Whistleblowers: The Federal Roadmap* sets out 12 key areas of reform including:

- effective administration and enforcement of the laws;
- ensuring the laws contain consistent, best practice protections; and
- making sure thresholds and limitations in the laws are workable.

Importantly, the roadmap highlights the many issues requiring a consistent fix across all federal whistleblowing laws—public and private sector—rather than the piecemeal approach which has led to the complex web of gaps and inconsistencies that prevails today.

PRINCIPLES FOR A WHISTLEBLOWER PROTECTION AUTHORITY

Integrity and accountability rely on the ability of citizens to speak up when they suspect or witness wrongdoing - especially the federal officials, employees and contractors who actually know what's going on within organisations.

To support and protect whistleblowers we need an independent new, dedicated statutory agency or office which will make Australia's federal whistleblowing laws work.

The Whistleblower Protection Authority would do this by enforcing improved legal protections for people from inside agencies or organisations who raise concerns about wrongdoing under federal laws; providing support, information and assistance to prospective, current and former whistleblowers; facilitating receipt and referral of whistleblowing disclosures; investigating and addressing complaints of unfair treatment; and playing an important role in monitoring, advocacy and outreach in support of integrity, accountability and fair treatment of those who speak up.

Right now, a Whistleblower Protection Authority is the missing piece of Australia's integrity landscape.

Transparency International Australia, the Human Rights Law Centre, and Griffith University's Centre for Governance & Public Policy have jointly developed Draft Design Principles⁷ which provide a basis for policy dialogue to inform the design and establishment of the new body.

Our principles are grouped around 10 key concepts:

- 1 Pro-protection purpose
- 2 Support
- 3 Prevention
- 4 Remedies focus
- 5 Mediation & administrative redress
- 6 Legal actions
- 7 Rewards, compensation & financial support
- 8 Comprehensive, seamless jurisdiction
- 9 Adequate powers and resources
- 10 Independence



STOP THE FLOW OF DIRTY MONEY

We can fast-track key measures to stop international flows of dirty money

Australia made significant progress in combatting dirty money in the 47th Parliament with new laws to combat foreign bribery and include high-risk professions like lawyers, accountants and real-estate agents in our Anti-Money Laundering regime.

Yet Australia needs transparent ownership records to reveal who is really in control of companies and trusts. Without a public beneficial ownership register, it is too easy for corrupt actors to move dirty money through Australia, disguising it behind layers of complex company structures, shell companies, and nominee directors.

This undermines our financial system, distorts property markets, and enables serious crimes such as tax evasion, fraud, and corruption to go unchecked. By introducing a register that makes beneficial ownership information accessible to regulators, businesses, journalists, and the public, the next Parliament can strengthen Australia's defences against financial crime.

We need:

• Greater beneficial ownership transparency and disclosure

We welcome the initial steps made by the previous parliament to reforming beneficial ownership disclosure.⁸ Thus far, however, the government is yet to implement a centralised, publicly accessible beneficial ownership register in line with Financial Action Taskforce (FATF) – the global money laundering and terrorist financing watchdog – standards.⁹

The creation of a beneficial ownership register of companies and trusts would significantly increase the effectiveness of recent anti-money laundering and foreign bribery reforms. Without such a register, the effectiveness of these reforms will be undermined.

The benefits of a centralised, publicly accessible, beneficial ownership register include; access to the register by those investigating money laundering in Australia and internationally, increased ability to check that companies are complying with their reporting obligations, increased ability of financial institutions, real estate agents, and professional service providers to conduct due diligence on their clients, and public scrutiny.

Australia does not currently have a systematic framework for collecting, verifying, and recording beneficial ownership information for all corporate structures.¹⁰ Major improvements will help expose conflicts of interest and potential corruption, reduce the risk of money laundering, and support sanctions.

a) Our corporate registry system must compel **greater transparency over who controls and therefore benefits** from a company's dealings; and

b) **People must be able to rely on the information on the register so that they can conduct proper due diligence checks** into the integrity, character and track record of directors and entities and their operations in both Australia and abroad.

• Continuous review and timely enforcement of our new Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) and foreign bribery laws

The passage of legislation to combat foreign bribery and money laundering was a major step forward for Australia's integrity framework, but can be strengthened. Continuous review and timely enforcement are crucial to keep pace with these dynamic and evolving threats.

An existing loophole is the exclusion of luxury goods retailers from Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) reforms, which allows criminals to launder money through high-value items like yachts and luxury cars. Expanding these reforms to cover such sectors is necessary to close this loophole and align with international best practices.

Legal professional privilege (LPP) also requires scrutiny. While LPP protects confidentiality, it can be misused to shield corrupt activities from investigation. Safeguards should ensure LPP is not used to obstruct justice.

Other jurisdictions have implemented deferred prosecution agreements to encourage companies to self-report foreign bribery and facilitate effective investigation, prosecution and punishment of foreign bribery. Australia should also consider the implementation of such a scheme.

Lastly, effective enforcement is critical. Agencies like the AFP and AUSTRAC must be adequately resourced and empowered to tackle complex financial crimes. Without strong enforcement, even the best laws risk being ineffective.

3

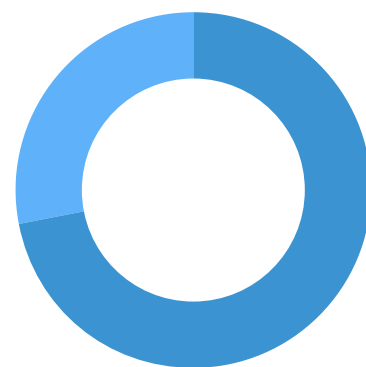
ENSURE OPEN, TRUSTWORTHY AND FAIR POLITICAL DECISION-MAKING

Australia needs urgent electoral reforms, lobbying regulations, and a strong National Anti-Corruption Commission.

Everyone benefits from fair and balanced political decision-making

and when governments are transparent. We need to ensure political decisions always put the public interest first. A lack of transparency and accountability means there is a high risk that undue influence by well-connected individuals and special interest groups is corroding our political decision-making.

To close the loopholes that risk enabling corruption, we need greater transparency over who is trying to influence our elected representatives.



72%

of Australians want loopholes that allow for secret donations be closed¹¹

We need:

• Amendments to current federal political financing laws that include:

- establishing an independent, expert Commission in the style of Queensland's former Electoral and Administrative Review Commission to advise on carefully calibrated donation and expenditure caps;
- lowering the donation disclosure threshold from \$5,000 to the originally intended \$1000;
- aggregating donations for the purposes of both the donation cap and disclosure across party branches to stop wealthy individuals or big business donating \$50K to multiple branches of political parties every year;
- implementing fair donation and expenditure caps to prevent an 'arms race' in election campaigns while ensuring challenger candidates and minor parties are not disadvantaged, including:
 - lowering the national cap to \$60 million;
 - increasing the per-seat cap to \$1.2 million to allow new entrants to compete;
 - introducing an 'anti-piling in' provision requiring all expenditure to count against seat caps in proportion to where it is distributed;
- requirements that all cash-for-access and corporate donations be disclosed, regardless of size which currently allow millions in 'dark money' to continue to flow to the major parties;
- abolishing the special treatment of nominated entities so that all associated entities are treated equally and subject to the same limits; and
- requiring political parties to record and report campaign income and expenditure with gender disaggregated information that is published annually by the Australian Electoral Commission (AEC).

- **Better oversight, transparency, accountability and registration for all professional lobbyists** (including in-house lobbyists and industry associations), a legislated lobbying code with teeth, and publishing of ministers' diaries so we can see who is trying to influence public decisions, when and why.
- A minimum three-year cooling-off period for post-parliamentary employment to reduce the risks of revolving doors, undue influence and conflicts of interest.
- Legislation enforcing standards of honesty in election campaigns to help combat misinformation and disinformation.
- **Support for a strengthened National Anti-Corruption Commission** that delivers on the public expectation that it will investigate serious abuses of office that breach public trust. This includes holding public hearings when in the public interest to do so, increasing transparency and public reporting, a greater role for civil society in monitoring, and having a more independent oversight committee.

Transparency International Australia's recommendations for reform are aligned with the new global *Transparency International Standards for Integrity in Political Finance*. These standards detail six principles: transparency, clean money, a level playing field, gender equality, state neutrality and accountability, that are needed to mitigate corruption risks and promote integrity of the financing of political parties, candidates and election campaigns.

CONCLUSION

Members of the 48th Parliament have an important opportunity to enact critical reforms to strengthen the integrity of Australian politics, and to close some glaring loopholes that enable corruption.

They can work toward improving Australia's score on Transparency International's Corruption Perceptions Index, and restore the Australian people's trust and confidence in government.

With these targeted reforms, this federal parliament can build a fairer, more open, and more accountable system of government; stop criminals prospering from the proceeds of crime and corruption; and rebuild the trust of whistleblowers to raise their concerns.

For more information, please reach out to us at Transparency International Australia. All around the world, we work with all sides of politics to achieve worthwhile integrity reforms, and have many resources providing detailed solutions on all the issues highlighted in this document.



ENDNOTES

¹ Transparency International Australia, 'Australia's corruption fight is at the crossroads' (30 January 2024). Available at: <https://transparency.org.au/australias-corruption-fight-is-at-the-crossroads/>

² Transparency International Australia and Griffith University, Global Corruption Barometer (2023)

³ The Australian National University 'Perceptions of democracy and other political attitudes in Australia' (October 2024) Available at: <https://csrc.cass.anu.edu.au/research/publications/perceptions-democracy-and-other-political-attitudes-australia-october-2024>

⁴ Transparency International Australia and Griffith University, Global Corruption Barometer (2020)

⁵ International Monetary Fund, 'The Measurement and Macro-Relevance of Corruption: A Big Data Approach' (August 2018) Available at: <https://www.imf.org/en/Publications/WP/Issues/2018/08/31/The-Measurement-and-Macro-Relevance-of-Corruption-A-Big-Data-Approach-46157>

⁶ Transparency International Australia, Griffith University and Human Rights Law Centre, *Protecting Australia's whistleblowers, The Federal Roadmap* (June 2023). Available at: <https://transparency.org.au/wp-content/uploads/2023/06/Protecting-Australias-Whistleblowers-Federal-Roadmap-2022-June-2023-update.pdf>

⁷ Transparency International Australia, Griffith University and Human Rights Law Centre, *Draft Design Principles for a Whistleblower Protection Authority* (February 2024). Available at: <https://transparency.org.au/draft-design-principles-for-a-whistleblower-protection-authority/>

⁸ Australian Government, The Treasury, 'Enhanced beneficial ownership disclosure for listed entities', and 'Beneficial ownership reforms affecting unlisted companies' consultations.' Available at: <https://treasury.gov.au/consultation>.

⁹ Financial Action Taskforce, 'Guidance on Beneficial Ownership of Legal Persons', (March 2023). Available at: <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Guidance-Beneficial-Ownership-Legal-Persons.html>

¹⁰ Australian Government, The Treasury, 'Beneficial Ownership Reform in Australia', Available at: <https://treasury.gov.au/sites/default/files/2024-12/p2024-604994-ps.pdf>

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CREATE CHANGE WITH US

ENGAGE

Get in touch to discuss how we can work together to strengthen transparency, accountability and integrity in Australian politics and business.

LEARN

Visit our website to learn more about our work.

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