



## Australia's response to Recommendations on Bribery and Corruption in the OECD Phase 3 Report

THE OECD issued its Phase 3 Report in October 2014 on Australia's implementation of the **OECD Convention on Combatting Bribery of Foreign Public Officials in International Business**.

Australia's response<sup>1</sup> to the recommendations of the OECD Working Group was published in April 2015.

Of particular interest to AAMEG members operating in Africa are the OECD's recommendations on the issue of the facilitation payments and Australia's response to certain of the other capacity-building recommendations of the OECD.

The OECD Phase 3 Report recommended in 2014 that Australia "continue to raise awareness of the distinction between facilitation payments and bribes, and encourage companies to prohibit or discourage the use of small facilitation payments in internal company controls, ethics and compliance programmes or measures, recognising that such payments must in all cases be accurately accounted for in such companies' books and financial records".

From the time of its submission<sup>2</sup> to the Federal Attorney-General in December 2011, AAMEG has held a number of workshops in Australian capital cities. These workshops were aimed at raising awareness of the distinction between facilitation payments and bribes, the need for accurate financial recording of such pay-

ments, and the need for appropriate systems and processes to be put in place to enhance the development of



a demonstrable ethical corporate culture.

In its April 2015 response to the OECD Phase 3 Report, the Australian Government reported that it "has continued to raise awareness of the distinction between facilitation payments and bribes through outreach engagements at workshops, forums and training opportunities." In addition, it reported that the Federal "Attorney-General's Department is developing an online learning module on foreign bribery, in consultation with other agencies involved in foreign bribery outreach activities."

At AAMEG's networking session held in Perth on April 30, 2015, there were three related presentations: one by AAMEG member Deloitte on their Bribery and Corruption Survey of Australia and New Zealand 2015; the second by a senior representative of the Federal Attorney-General's Department presenting their online learning module on for-

eign bribery; and the third by a senior representative from the Australian Federal Police presenting on the establishment of the Fraud and Anti-Corruption Centre.

These AAMEG initiatives are part of an on-going collaborative effort involving the Government and the resources industry operating in Africa, aimed at establishing a unified Australian approach to bribery and corruption and other important issues.

AAMEG's approach to the issue of facilitation payments is consistent with that of the OECD and the Australian Government.

Facilitation payments are likely to be a continuing feature of business activity in a number of developing countries, particularly those which are impoverished and those in which the host governments do not have the resources to fund the delivery of key services essential for business to operate.

We would all like to be able to conduct business in Africa without the need for facilitation payments. However, such a situation will not materialise overnight, nor in response to blanket legislative changes imposed by Canberra or elsewhere that do not take into consideration the fact that there are 54 countries on the African continent, all in different stages of development and with different sets of challenges.

<sup>1</sup> <http://www.oecd.org/daf/anti-bribery/Australia-Phase-3-Follow-up-Report-ENG.pdf>

<sup>2</sup> <http://AAMEG.com/wp-content/uploads/2012/01/AAMIG-Submission-AG-Facilitation-Payments-15Dec11.pdf>