

# STRENGTH OF ORGANISATIONAL WHISTLEBLOWING PROCESSES – ANALYSIS FROM AUSTRALIA

**Further Results: *Whistling While They Work 2***  
**Survey of Organisational Processes & Procedures 2016**

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## Whistling While They Work 2: Improving managerial responses to whistleblowing in the public and private sectors\*

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- 1 CPA Australia
- 2 Commonwealth Ombudsman
- 3 NSW Ombudsman
- 4 WA Public Sector Commission
- 5 WA Corruption & Crime Commission
- 6 WA Ombudsman
- 7 Victorian Independent Broad-based Anticorruption Commission
- 8 Victorian Ombudsman
- 9 Queensland Ombudsman
- 10 South Australian Ombudsman
- 11 ACT Government
- 12 NT Commissioner for Public Interest Disclosures
- 13 Australian Securities & Investments Commission
- 14 New Zealand State Services Commission
- 15 New Zealand Ombudsman
- 16 Australian Council of Superannuation Investors
- 17 Australian Institute of Company Directors

### Supporters

- 18 Telecommunications Industry Ombudsman
- 19 South Australia Independent Commissioner Against Corruption
- 20 Tasmanian Ombudsman
- 21 Tasmanian Integrity Commission
- 22 Transparency International Australia
- 23 Governance Institute of Australia

\* Incorporating **Australian Research Council Linkage Project** LP150100386  
'Protecting While They Prosper? Organisational responses to whistleblowing'

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## STRENGTH OF ORGANISATIONAL WHISTLEBLOWING PROCESSES – ANALYSIS FROM AUSTRALIA

### SUMMARY

Whistleblowing processes – or processes for encouraging and protecting staff to speak up about wrongdoing concerns and integrity challenges – are vital to integrity and good governance systems in organisations.

This report presents the first stage of a new measure of the strength of organisational processes for responding to staff wrongdoing concerns, based on responses to the Survey of Organisational Processes and Procedures conducted in 2016 by *Whistling While They Work 2: Improving managerial responses to whistleblowing in public and private sector organisations*.

The analysis uses results from five questions to create a scale measure (expressed as a score out of 10) of strength of processes reported for 699 organisations, across 19 sector/jurisdiction groups:

- 10 public sector jurisdictions (Australia and New Zealand)
- 5 private industry sector groups (Australia only), and
- 4 not-for-profit industry sector groups (Australia only).

This report includes Australian results (634 organisations) in 18 sector/jurisdiction groups. New Zealand results will be released shortly.

The five sub-scales measure relative strength of processes for *incident reporting and tracking*; whether there is an active *support strategy* for staff who raise concerns; whether there are *risk assessment* processes for anticipating and preventing detrimental actions or reprisals; whether there are *dedicated supports* or only generalised supports for staff who report; and strength of processes for *remediation* of detrimental impacts or reprisals, if they occur.

Table 4 shows and ranks the mean scores (out of 10) of the industry/jurisdiction groups.

**Table 4.** *Ranked Mean Strength of Organisational Whistleblowing Processes Score by Sector, Country & Level/Industry*

Sector	Country	Level / industry	Rank	Mean <sup>a</sup>	SD	N
All organisations				5.66	2.27	699
Public	Australia	Commonwealth government	1	6.95	1.45	26
Public	Australia	State/Territory government	2	6.45	1.88	198
Public	Australia	Local government	3	5.83	2.08	147
Private	Australia	Finance & insurance	4	5.71	2.31	53
NFP <sup>c</sup>	Australia	Health care & social assistance	5	5.21	2.47	66
Private	Australia	Other private industry	6	5.11	2.25	28
Private	Australia	Professional, technical, administrative etc services	=7	4.67	2.61	13
NFP	Australia	Arts, recreation, accommodation, food & hospitality	=7	4.67	2.23	16
Private	Australia	Agriculture, forestry, fishing, mining & construction	9	4.44	2.21	19
NFP	Australia	Other NFP industry	10	4.15	1.80	18
Private	Australia	Manufacturing, wholesale & retail trade	11	4.02	2.45	35
NFP	Australia	Education & training	12	3.89	3.03	15

<sup>a</sup> range (min-max score) = .00 – 10.00. <sup>c</sup> Not-For-Profit.

**Table 7. Ranked Mean Strength of Whistleblowing Processes Scores by Sector & Jurisdiction/Industry, showing All Ranks**

Sector	Jurisdiction/Industry		Total score		Incident tracking	Support strategy	Risk assessment	Dedicated support	Remediation	N
			Mean <sup>a</sup>	Rank	Rank	Rank	Rank	Rank	Rank	
All organisations			5.66							699
Public	Aust	Commonwealth government	6.95	1	1	1	1	9	2	26
Public	Aust	Queensland government	6.59	2	2	4	6	1	4	54
Public	Aust	New South Wales government	6.37	3	=3	5	3	7	7	86
Public	Aust	South Australia government	6.36	4	=3	3	=4	4	8	47
Public	Aust	Victoria government	6.32	5	5	2	=4	2	12	58
Public	Aust	Western Australia government	6.13	6	6	6	7	=5	6	61
Private	Aust	Finance & insurance	5.71	7	=7	7	8	3	9	53
Public	Aust	Australian Capital Territory government	5.67	8	11	=16	2	12	1	7
NFP	Aust	Health care & social assistance	5.21	9	10	=8	9	11	11	66
Private	Aust	Other private industry	5.11	10	=7	=8	12	10	10	28
Public	Aust	Northern Territory government	4.92	11	=7	13	16	13	3	12
Public	Aust	Tasmania government	4.70	12	15	12	15	=5	16	20
Private	Aust	Professional, technical, administrative etc services	4.67	=13	=12	11	11	15	15	13
NFP	Aust	Arts, recreation, accommodation, food & hospitality	4.67	=13	=16	15	=13	8	13	16
Private	Aust	Agriculture, forestry, fishing, mining & construction	4.44	15	=12	14	10	16	17	19
NFP	Aust	Other NFP industry	4.15	16	=16	10	=13	18	18	18
Private	Aust	Manufacturing, wholesale & retail trade	4.02	17	=12	=16	17	17	14	35
NFP	Aust	Education & training	3.89	18	18	18	18	14	5	15

<sup>a</sup> range (min-max score) = .00 – 10.00. NB: colours denote range/rank

**Figure 2. Ranked Mean Strength of Whistleblowing Processes Scores by Sector & Jurisdiction/Industry (Graph)**

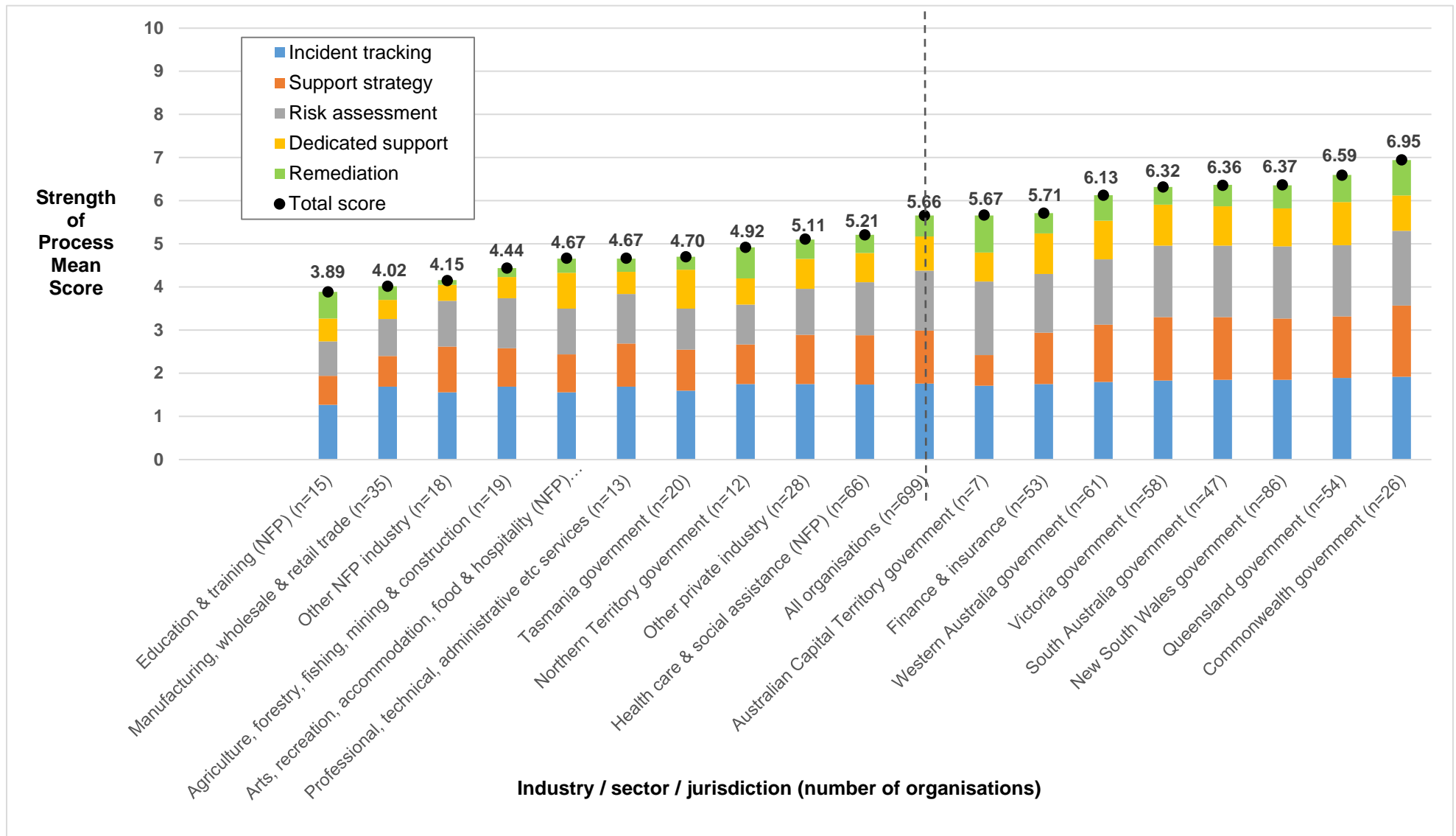


Table 7 and Figure 2 show the same ranking, with public sector jurisdictions (State/Territory government) broken down in more detail, and also showing how each industry/sector group compares on the five sub-scales that make up the measure.

This is the first ever survey to collect data on whistleblowing processes in a consistent way across organisations from a full diversity of sectors.

The self-reported nature of the data also means that the presence or absence of the reported processes has not been independently verified. The results disclose how different organisations from different sectors *report* the state and content of their whistleblowing processes when asked on a consistent, comparable basis. The actual state of organisation's processes may vary from those reported here. The results thus also underscore the importance of evidence to confirm what processes are in fact in place, and the outcomes and performance of organisations' processes – objectives of the main Integrity@WERQ phase of the research project.

The results nevertheless provide a new basis for comparison of the state of whistleblowing processes as reported by a wide cross-section of organisations, drawing not only on an unprecedented number, but an unprecedented range in terms of size, industries, public sector functions and not-for-profit activities.

This provides a new basis for investigating whether differences in the strength of organisational processes relate in part or whole to the operating environments of organisations, including factors such as different regulatory/legal requirements, extent or quality of oversight, or different industry standards, imperatives or cultures.

The results show that even when trying hard to encourage their staff to report integrity challenges, there is much that organisations can do, in all sectors and jurisdictions, to ensure whistleblowing processes are robust. In particular, under the current state of guidance and incentives, most sectors are finding it difficult to realise their own goals of having processes which provide strong staff support and protection.

The results highlight that efforts towards strong processes for ensuring support and protection can and should be enhanced, across all sectors and in individual sectors.

The significant variation between sectors, revealed by the rankings, show the enormous opportunity for companies in all industry sectors to learn from each other and from other sectors as to what may constitute best practice, and how best to move towards it. The results reinforce the benefit of organisations knowing exactly how they compare on a comparative basis, to inform their own strategies for developing and implementing strong processes; and provide a clearer basis for then measuring the relationship between the relative strength of processes and the outcomes being achieved, through research such as Integrity@WERQ.

Importantly, while size of organisation is a significant factor in the strength of processes, sectoral differences remain irrespective of size. This indicates that regulatory environment, oversight, operating conditions, professionalization, skills and industry leadership are also critical factors.

As well as supporting further investigation of explanations for differences in process strength, this new evidence of common areas of strength and weakness in whistleblowing processes has major significance for standard-setting and law reform. Key differences highlight questions regarding the best methods for developing, promoting and, potentially, requiring strong whistleblowing processes in organisations, as part of reform efforts (including the current inquiry by Australia's Parliamentary Joint Committee on Corporations and Financial Services into stronger protection).



# STRENGTH OF ORGANISATIONAL WHISTLEBLOWING PROCESSES – ANALYSIS FROM AUSTRALIA

## 1. INTRODUCTION

This report presents the first stage of an aggregate measure of the strength of organisational processes for responding to staff wrongdoing concerns, based on responses to the Survey of Organisational Processes and Procedures conducted in 2016 by *Whistling While They Work 2: Improving managerial responses to whistleblowing in public and private sector organisations*.

Full background, frequencies, and broad comparisons by sector (public, private, not-for-profit) and organisation size for 702 organisations from Australia and New Zealand can be found in the report: A J Brown, N Dozo and P Roberts (2016), *Whistleblowing Processes & Procedures: An Australian & New Zealand Snapshot. Preliminary results of the Whistling While They Work 2 Project*, Griffith University: Brisbane, November 2016. This report should be read in conjunction with the above.

The analysis uses results from five questions to create an initial scale measure (expressed as a score out of 10) of the overall strength of the whistleblowing processes reported for 699 organisations that had complete data, across 19 sector/jurisdiction groups listed in **Table 1**:

- 10 public sector jurisdictions (Australia and New Zealand)
- 5 private industry sector groups (Australia only), and
- 4 not-for-profit industry sector groups (Australia only).

This report includes Australian results (634 organisations) in 18 sector/jurisdiction groups. New Zealand results will be released shortly.

The analysis includes a score on each of the five sub-scales, explained in the next section, giving an indication of relative strength of processes for *incident reporting and tracking*; whether there is an active *support strategy* for staff who raise concerns; whether there are *risk assessment* processes for anticipating and preventing detrimental actions or reprisals; whether there are *dedicated supports* or only generalised supports for staff who report; and strength of processes for *remediation* of detrimental impacts or reprisals, if they occur.

**Figure 1** presents the distribution of aggregate scores (out of 10) for strength of organisational whistleblowing processes reported, for the overall sectors (public, private, not-for-profit). All sectors scored across the full range, with at least one organisation in each sector scoring 0 or 1 out of 10, and at least one in each sector scoring 10 out of 10. Nevertheless, the distributions reinforce the results already reported, showing the stronger average scores of public agencies over private business and not-for-profit organisations. The distributions also highlight the much greater extent of variation in processes across the not-for-profit and, especially, private organisations.

Tables 4-7 and Figure 2 present the rankings.

This is the first ever survey to collect data on whistleblowing processes in a consistent way across organisations from a full diversity of sectors. The results thus provide a new basis for investigating whether differences in the strength of organisational processes relate in part or whole to the operating environments of organisations, including factors such as different regulatory/legal requirements, extent or quality of oversight, or different industry standards, imperatives or cultures.

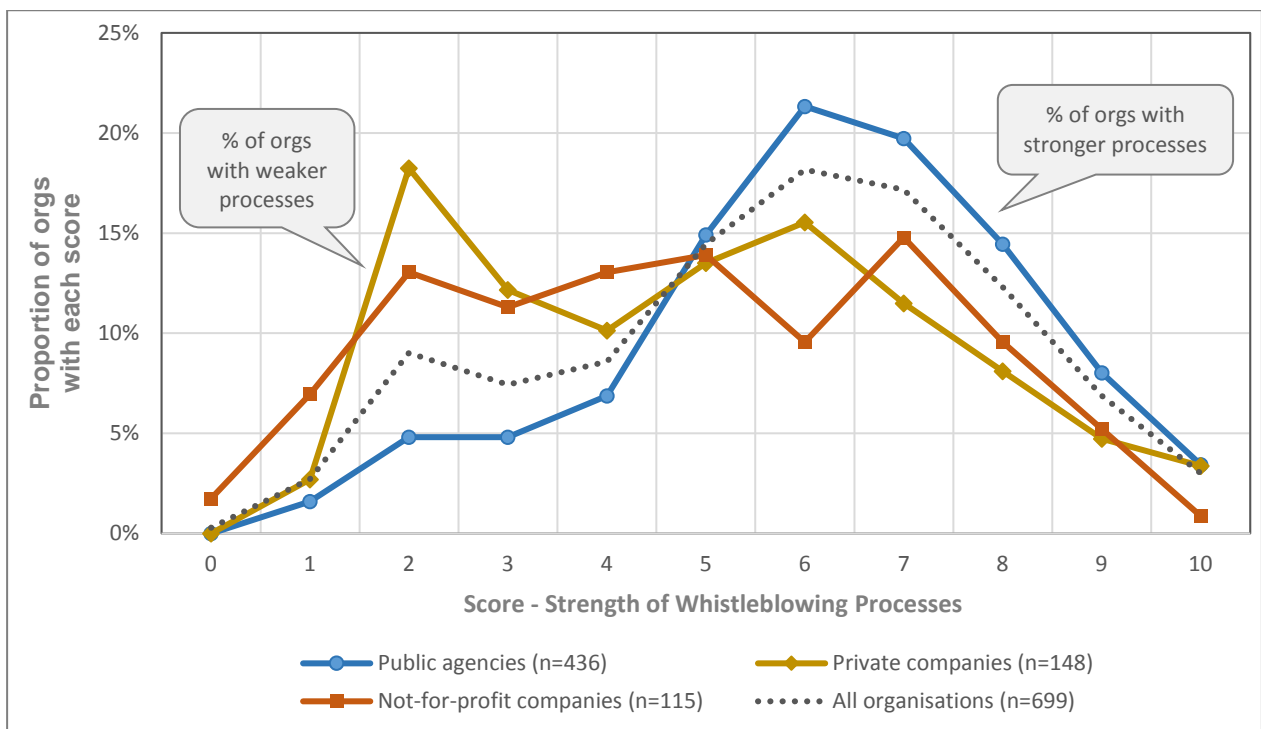
As well as supporting further investigation of explanations for differences in process strength, this new evidence of common areas of strength and weakness in whistleblowing processes has major significance for standard-setting and law reform.

**Table 1.** Organisations grouped by sector and jurisdiction/industry

Sector		Jurisdiction/Industry	No. of organisations		
			Central govt	Local govt	Total
<b>Public</b> (Australia & New Zealand)	1	Australian Commonwealth government	26	--	26
	2	Australian Capital Territory (ACT) government	7	--	7
	3	Northern Territory (NT) government	9	3	12
	4	New South Wales (NSW) government	50	36	86
	5	Queensland (QLD) government	33	21	54
	6	South Australian (SA) government	13	34	47
	7	Tasmanian (TAS) government	12	8	20
	8	Victorian (VIC) government	33	25	58
	9	Western Australian (WA) government	41	20	61
	10	New Zealand (NZ) government	47	18	65
<b>Private</b> (Australia)	11	Agriculture, forestry, fishing, mining & construction	n/a	n/a	19
	12	Finance & insurance (inc banking)	n/a	n/a	53
	13	Manufacturing, wholesale & retail trade	n/a	n/a	35
	14	Professional, technical, administrative, real estate, information & media services	n/a	n/a	13
	15	Other private sector	n/a	n/a	28
<b>Not-for-profit (NFP)</b> (Australia)	16	Arts, recreation, accommodation, food & hospitality	n/a	n/a	16
	17	Education & training	n/a	n/a	15
	18	Health care & social assistance	n/a	n/a	66
	19	Other NFP sector	n/a	n/a	18
		Total			699

**Figure 1.** Strength of Wrongdoing Reporting Processes (699 Organisations)

The range of scores out of 10 for the strength of whistleblowing processes, on our first stage analysis, among organisations responding to the 2016 Survey of Organisational Processes & Procedures.



## 2. MEASURE OF PROCESS STRENGTH

This first stage analysis commences with five key whistleblowing processes that together act as important indicators for assessing the strength of whistleblowing processes. In line with the preliminary results already reported (Brown et al., 2016), the selected processes focus on whistleblower support and protection components:

1. Incident reporting and tracking
2. Support strategy
3. Risk assessment
4. Dedicated support
5. Remediation

In selecting these items, priority has also been given to processes available to all organisations, over formal procedures more likely in larger organisations. The dimensions and items have also not been selected based on policy precedents or requirements in any particular sector (e.g. the public sector where, as will be discussed, such precedents are generally more prevalent). Rather, they comprise elements that are generic to the process of whistleblowing management and protection in any organisation, in any sector.

In future analyses, another five key questions are also proposed to be used (i.e. a total of ten measures from the Survey of Organisational Processes & Procedures) in a final overall measure of process strength based on each organisation's responses. How individual organisations score on this measure, compared with others, are among the results available to participating organisations who wish to order this individualised analysis.

Table 2 provides an overview of the proposed overall 10-item measure, with details of the components included in the initial 5-item analysis below.

Table 3 reports the mean results for all organisations, from this initial 5-item analysis.

### **1) Incident tracking**

While most organisations reported having systems for recording and tracking wrongdoing concerns, almost a quarter of organisations (22.5%) (not-for-profit organizations: 35.6%, small organizations: 37.1%) reported they had no particular system in place (either at all, or as needed when concerns were actually raised). This item was selected as a basic requirement for an effective process for facilitating and managing whistleblowing. Organisations were given a score from 0-2, depending on whether they reported that they had: a system where every manager records an issue brought to them or specialist staff record and track the issue (2); no particular system for recording and tracking issues, but did so as needed if issues arise (1); or did not record or track wrongdoing issues (0). The mean result was 1.76 out of 2.00.

### **2) Support strategy**

Again, while many organisations reported have a strategy for protecting staff who raise wrongdoing concerns, 22.8% (especially 32.7% of private businesses and 33.9% of not-for-profits) reported having no specific strategy, program or process for delivering support and protection to staff. Another 26.8% of organizations relied on setting up such a strategy as needed, rather than having any standing support program (including 29.3% of private businesses and 29.4% of large organizations). Organisations were scored from 0-2 depending on whether they reported having a standing program, available to all staff at any time (2), a process for setting up a support strategy as needed for individual staff, if any issues arise (1), or did not currently have any specific strategy, program or process (0). The mean result was 1.23 out of 2.00.

**Table 2. Components of the [proposed full] measure of whistleblowing processes strength**

\* Indicates measure included in first stage analysis below

Dimension	Measure	Relevant question – Survey of Organisational Processes and Procedures
A. Advice, awareness & training	1. Advice provision	Does your organisation provide staff with advice on their rights and responsibilities if they raise wrongdoing concerns, or if concerns are raised involving them? (0A/q17)
	2. Awareness methods	How are staff made aware of your organisation's processes for responding to wrongdoing concerns? (0A/q25)
	3. Training	Which staff in your organisation receive specialised training in relation to receiving and managing wrongdoing concerns, including training about staff support? (0A/q26)
B. Reporting & investigation processes	4. Reporting channels	With whom are staff and others in your organisation allowed to raise wrongdoing concerns? (0A/q14)
	5. Incident tracking*	<p><b>How does your organisation record and/or track wrongdoing concerns (whether identified by staff or other means such as audits or system controls)? (0A/q15)</b></p> <p><b>Our organisation:</b></p> <ol style="list-style-type: none"> <li>Has a system where every supervisor or manager records an issue when it is brought to them [2]</li> <li>Has a system where only selected specialist staff record and track the issue (e.g. internal audit, fraud control, ethical standards, human resources, grievance officers, public interest disclosure coordinator) [2]</li> <li>Has no particular system for recording and tracking issues, but does so as needed if issues arise [1]</li> <li>Does not record or track wrongdoing issues [0]</li> </ol>
	6. Investigation processes	Does your organisation have processes for [assessing, investigating and reporting on concerns]? (0A/q16)
C. Risk assessment, support & protection	7. Support strategy*	<p><b>Does your organisation have a strategy, or program, for delivering support and protection to staff who raise concerns about wrongdoing? (0A/q21)</b></p> <p><b>Our organisation:</b></p> <ol style="list-style-type: none"> <li>Has a standing support program, available to all staff at any time [2]</li> <li>Has a process for setting up a support strategy as needed for individual staff, if any issues arise [1]</li> <li>Does not currently have any specific strategy, program or process [0]</li> </ol>
	8. Risk assessment*	<p><b>When staff raise wrongdoing concerns, does your organisation assess the risks of any detrimental impacts they may experience? (0A/q18)</b></p> <p><b>Our organisation:</b></p> <ol style="list-style-type: none"> <li>Starts assessing the risks against any staff member as soon as they raise a concern [2]</li> <li>Assesses the risks if and when any actual conflicts or problems begin to arise [1]</li> <li>Does not currently have a process for assessing the risks [0]</li> </ol>
	9. Dedicated support*	<p><b>What types of support are available for staff who raise wrongdoing concerns in your organisation? (0A/q22)</b></p> <ol style="list-style-type: none"> <li>Advice and information on how the organisation will respond</li> <li>Progress reports on the response</li> <li>Advice about outcomes, including any actions taken, benefits or changes made</li> <li>Access to a management-designated support person inside the organisation [*]</li> <li>Access to professional stress management, counselling or legal services [*]</li> <li>Access to external employee support services (e.g. EAPs)</li> <li>Support from external public integrity or regulatory agencies</li> <li>Management intervention in workplace problems, if required</li> <li>Physical protection or relocation, if required</li> <li>Formal acknowledgement of service, including thanks and congratulations, where appropriate [*]</li> <li>Rewards or other incentives</li> <li>No particular types of support</li> </ol>
	10. Remediation*	<p><b>Where staff experience issues (e.g. reprisals, workplace conflicts, stress or other detrimental impacts) after raising wrongdoing concerns, what processes does your organisation have for seeking a resolution? (0A/q23)</b></p> <ol style="list-style-type: none"> <li>Mechanisms for ensuring adequate compensation or restitution [*]</li> <li>Agreed alternative employment arrangements [*]</li> <li>Management intervention to stop the problems</li> <li>Disciplinary action against persons responsible for the problems</li> <li>A process for managers or the organisation to apologise [*]</li> <li>Follow-up processes for ensuring the staff member's longer term welfare</li> <li>No particular processes for seeking a resolution</li> </ol>

### **3) Risk assessment**

Most organisations reported that when staff raise wrongdoing concerns, the organisation assesses the risks of detrimental impacts they may experience (for example, stress, workplace conflict, reprisals or other repercussions). However, over a third of organizations (37.7%), including approximately half of businesses and not-for-profits (48.7% and 51.3% respectively), indicated they did not assess the risks of detrimental impacts, either at all or until actual conflicts or problems began to arise. Organisations were scored from 0-2 depending on whether they reported that they started assessing the risks as soon as the staff member raised a concern (2), assessed the risks if and when any actual conflicts or problems began to arise (1), or did not currently have a process for assessing the risks (0). The mean was 1.39 out of 2.00.

### **4) Dedicated support**

Almost all organisations (96.2%) reported availability of at least one of the nominated types of support for staff who raise wrongdoing concerns. However, most support types either related to the provision of information or advice, rather than more active or concrete support; or involved access to general support services for any staff experiencing workplace problems. This is notwithstanding the different (higher) level of conflicts, pressures and reprisal risks often present in internal whistleblowing situations. Less than half of organisations (46.2%) reported that staff had access to a management-designated support person inside the organisation (only 39.3% of private business and 32.2% of not-for-profits); and less than a third (31.2%) reported that formal acknowledgement of service such as thanks or congratulations, where appropriate, were available.

Each organisation was scored on how many of three, basic but tailored or 'dedicated' support types were identified as available for staff who raise concerns: access to a management-designated support person inside the organisation; access to professional stress management, counselling or legal services (over and above other employee assistance programs); and formal acknowledgement including thanks and congratulations, where appropriate. The score of 0-3 was scaled back to a score of between 0-2 for easier comparison with the other results. The mean result was 0.79 out of 2.00.

### **5) Remediation**

A major objective of whistleblowing systems is to ensure that if those who report wrongdoing do suffer reprisals or other detrimental impacts, these problems are addressed and damage is "made good" where possible. Three-quarters of organisations reported they would respond to reprisals or detrimental impacts through management intervention to stop the problem (77.2%) or disciplinary action against persons responsible (74.4%). However, only 34.8% of organizations (including 26.0% of business and 21.7% of not-for-profits) reported having agreed alternative employment arrangements; and 22.1% (including 14.0% of business and 23.5% of not-for-profits) had a process for managers or the organization to apologise. Less than a fifth (16.4%) of organizations reported having mechanisms for ensuring adequate compensation or restitution.

This element was assessed by scoring each organisation on how many of three basic processes for seeking a resolution were nominated as available: mechanisms for ensuring adequate compensation or restitution; agreed alternative employment arrangements; and a process for managers or the organisation to apologise. The resulting score of 0-3 was then scaled back to a score of between 0-2 for easier comparison with the other results. The mean was 0.49 out of 2.00.

### **Strength of Whistleblowing Processes**

Finally, a composite of the strength of processes was created by adding the scores for each of the above. As all the above five variables ranged from 0-2, the resulting score for overall strength of whistleblowing processes score ranged from 0-10. The mean was 5.66 out of 10.

### 3. RESULTS

Figure 1 above showed the range and distribution of aggregate scores for strength of whistleblowing processes by overall sector (public, private, not-for-profit). The distributions confirm the higher relative strength of processes recorded for the public sector, while highlighting the much greater extent of variation in process strength across the private and not-for-profit sectors.

Table 3 reports the mean results for all 699 organisations, on each measure and the overall strength of whistleblowing processes scale. Significant bivariate correlations confirm the extent to which public agencies are associated with stronger whistleblowing process, and private and not-for-profit companies associated with weaker whistleblowing processes. This is the case for the overall measure, and also strongly the case for two of the constituent elements (support strategy and risk assessment) with greater variation in this correlation for the other three elements.

Importantly, all the whistleblowing process measures correlate strongly with **size**, i.e. all scores increased as the size of the organisation increased. However, as also shown, when the effect of size was controlled for in a subsequent partial correlation analysis, there remained a significant positive relationship between the strength of whistleblowing processes and public sector organisations ( $r = .23, p < .001$ ) and significant negative relationships between the strength of whistleblowing processes and private and NFP sector organisations ( $r = -.17, p < .001$  and  $r = -.11, p < .01$ , respectively). These results confirm the differences between sectors are not produced by the size of the organisations in these sectors, but rather by others factors (see *Discussion*).

**Table 3.** Descriptive Statistics and Bivariate Correlations between Strength of Whistleblowing Processes and Organizational Demographic Factors

Variables	Descriptives			Bivariate Correlations			
	Mean	SD	Range	Public Sector	Private Sector	NFP <sup>a</sup> Sector	Org. Size <sup>b</sup>
Incident tracking	<b>1.76</b>	.44	0-2.00	.14***	-.04	-.13***	.24***
Support strategy	<b>1.23</b>	.82	0-2.00	.20***	-.14***	-.11***	.20***
Risk assessment	<b>1.39</b>	.78	0-2.00	.26***	-.17***	-.15***	.21***
Dedicated support	<b>.79</b>	.72	0-2.00	.15***	-.08*	-.10**	.14***
Remediation	<b>.49</b>	.65	0-2.00	.12**	-.08*	-.07	.21**
Strength of Whistleblowing Processes	<b>5.66</b>	2.27	0-10.00	.27***	-.16***	-.17***	.30***
Strength of Whistleblowing Processes (Partial correlation controlling for size)				.23***	-.17***	-.11**	n/a

\*\*\*  $p < .001$ ; \*\*  $p < .01$ ; \*  $p < .05$ . N = 699

<sup>a</sup> Not-For-Profit. <sup>b</sup> Size = small (100 or less employees), medium (101-1000), large (over 1000).

Tables 4 and 5 both report the score out of 10 for strength of whistleblowing processes for each of the main jurisdictions/sectors (levels of government and industry/NFP sectors), ranked from the mean showing the strongest average processes, to the weakest average processes. These tables present the same results in two different ways:

- Table 4 shows the ranked means at a broad level, collapsing all Australian State and Territory public sector jurisdictions to show the results for all State/Territory government

agencies, and all Local government agencies, along with national government agencies and the 9 private and not-for-profit industry groupings;

- *Table 5* shows the ranked means for all 18 sector/jurisdiction/industry groups, including each Australian State/Territory public sector jurisdiction separately, with the ranking of these based on their overall mean including local government agencies where relevant (but with the specific results for central and local government agencies also shown).

In both tables, the standard deviation (SD) highlights the much greater range in scores for some groups, than others. The range is generally the most narrow for public sector jurisdictions, although as *Table 5* shows, the range widens for public sectors with lower mean scores. The widest variation occurs within the group with the lowest mean score (**Not-for-profit education and training organisations**; SD=3.03) followed by **professional, technical and administrative service businesses** (SD=2.61), **not-for-profit health and social assistance** organisations (SD=2.47) and businesses in **manufacturing, wholesale or retail** (SD=2.45).

*Tables 6 and 7* then provide a more detailed breakdown of the results in *Table 5*, showing the mean results for each organisation group for each of the 5 sub-scales making up the measure:

- *Table 6* shows the means for each of the 5 sub-scales, ranking the organisation groups by strength of process on the first item (incident tracking);
- *Table 7* shows the simple rank position for each of the 18 organisation groups on each of the same sub-scales, again ranking the groups by their overall process score (as in *Table 5*), but also showing where they rank on each sub-scale – highlighting differences between the groups as to the different combinations of scores which are contributing to their overall score.

Figure 2 presents the data in *Tables 6 and 7* (mean strength of processes on each sub-scale, and overall mean scores for each industry/sector group (ranked)), in graphical form.

**Table 4.** *Ranked Mean Strength of Organisational Whistleblowing Processes Score by Sector, Country & Level/Industry*

Sector	Country	Level / industry	Rank	Mean <sup>a</sup>	SD	N
All organisations				5.66	2.27	699
Public	Australia	Commonwealth government	1	6.95	1.45	26
Public	Australia	State/Territory government	2	6.45	1.88	198
Public	Australia	Local government	3	5.83	2.08	147
Private	Australia	Finance & insurance	4	5.71	2.31	53
NFP <sup>c</sup>	Australia	Health care & social assistance	5	5.21	2.47	66
Private	Australia	Other private industry	6	5.11	2.25	28
Private	Australia	Professional, technical, administrative etc services	=7	4.67	2.61	13
NFP	Australia	Arts, recreation, accommodation, food & hospitality	=7	4.67	2.23	16
Private	Australia	Agriculture, forestry, fishing, mining & construction	9	4.44	2.21	19
NFP	Australia	Other NFP industry	10	4.15	1.80	18
Private	Australia	Manufacturing, wholesale & retail trade	11	4.02	2.45	35
NFP	Australia	Education & training	12	3.89	3.03	15

<sup>a</sup> range (min-max score) = .00 – 10.00. <sup>c</sup> Not-For-Profit.

**Table 5. Ranked Mean Strength of Organisational Whistleblowing Processes Score by Sector and Industry/Jurisdiction (Expanded)**

Sector	Country	Jurisdiction/Industry	Total <sup>a</sup>				Central govt			Local govt		
			Rank	Mean <sup>b</sup>	SD	N	Mean	SD	N	Mean	SD	N
		All organisations		5.66	2.27	699						
Public	Australia	Commonwealth government	1	6.95	1.45	26	6.95	1.45	26	---	---	--
Public	Australia	Queensland government	2	6.59	1.93	54	7.05	1.75	33	5.87	2.03	21
Public	Australia	New South Wales government	3	6.37	1.86	86	6.70	1.73	50	5.91	1.97	36
Public	Australia	South Australia government	4	6.36	1.68	47	6.64	1.73	13	6.25	1.68	34
Public	Australia	Victoria government	5	6.32	1.75	58	6.10	1.67	33	6.50	1.82	25
Public	Australia	Western Australia government	6	6.13	2.12	61	6.44	1.93	41	5.48	2.40	20
Private	Australia	Finance & insurance	7	5.71	2.31	53	---	---	---	---	---	---
Public	Australia	Australian Capital Territory government	8	5.67	2.09	7	5.67	2.09	7	---	---	---
NFP	Australia	Health care & social assistance	9	5.21	2.47	66	---	---	---	---	---	---
Private	Australia	Other private industry	10	5.11	2.25	28	---	---	---	---	---	---
Public	Australia	Northern Territory government	11	4.92	2.38	12	5.22	2.57	9	4.00	1.73	3
Public	Australia	Tasmania government	12	4.70	2.52	20	6.00	2.29	12	2.75	1.31	8
Private	Australia	Professional, technical, administrative etc services	=13	4.67	2.61	13	---	---	---	---	---	---
NFP	Australia	Arts, recreation, accommodation, food & hospitality	=13	4.67	2.23	16	---	---	---	---	---	---
Private	Australia	Agriculture, forestry, fishing, mining & construction	15	4.44	2.21	19	---	---	---	---	---	---
NFP	Australia	Other NFP industry	16	4.15	1.80	18	---	---	---	---	---	---
Private	Australia	Manufacturing, wholesale & retail trade	17	4.02	2.45	35	---	---	---	---	---	---
NFP	Australia	Education & training	18	3.89	3.03	15	---	---	---	---	---	---

<sup>a</sup> Total means for public sector entities includes Central Govt and Local Govt scores, with the exception of Public Australian Commonwealth.

<sup>b</sup> range (min-max score) = **.00 – 10.00**.



**Table 6.** Ranked Mean Specific Whistleblowing Processes Scores by Sector by Industry or Jurisdiction, ordered by Incident Tracking

Sector	Jurisdiction/Industry		Incident tracking		Support strategy		Risk assessment		Dedicated support		Remediation		N
			Mean <sup>a</sup>	SD	Mean <sup>a</sup>	SD	Mean <sup>a</sup>	SD	Mean <sup>a</sup>	SD	Mean <sup>a</sup>	SD	
		All organisations	<b>1.76</b>	0.44	<b>1.23</b>	0.82	<b>1.39</b>	0.78	<b>0.79</b>	0.72	<b>0.49</b>	0.65	699
Public	Aust	Commonwealth government	<b>1.92</b>	0.27	<b>1.65</b>	0.49	<b>1.73</b>	0.53	<b>0.82</b>	0.66	<b>0.82</b>	0.71	26
Public	Aust	Queensland government	<b>1.89</b>	0.32	<b>1.43</b>	0.72	<b>1.65</b>	0.65	<b>1.00</b>	0.73	<b>0.63</b>	0.69	54
Public	Aust	New South Wales government	<b>1.85</b>	0.36	<b>1.42</b>	0.74	<b>1.67</b>	0.58	<b>0.88</b>	0.73	<b>0.54</b>	0.56	86
Public	Aust	South Australia government	<b>1.85</b>	0.36	<b>1.45</b>	0.72	<b>1.66</b>	0.56	<b>0.91</b>	0.75	<b>0.50</b>	0.69	47
Public	Aust	Victoria government	<b>1.83</b>	0.38	<b>1.47</b>	0.68	<b>1.66</b>	0.55	<b>0.95</b>	0.65	<b>0.41</b>	0.63	58
Public	Aust	Western Australia government	<b>1.80</b>	0.40	<b>1.33</b>	0.81	<b>1.51</b>	0.67	<b>0.90</b>	0.75	<b>0.59</b>	0.62	61
Private	Aust	Finance & insurance	<b>1.75</b>	0.48	<b>1.19</b>	0.76	<b>1.36</b>	0.81	<b>0.94</b>	0.72	<b>0.47</b>	0.67	53
Private	Aust	Other private industry	<b>1.75</b>	0.44	<b>1.14</b>	0.80	<b>1.07</b>	0.86	<b>0.69</b>	0.69	<b>0.45</b>	0.73	28
Public	Aust	Northern Territory government	<b>1.75</b>	0.45	<b>0.92</b>	0.90	<b>0.92</b>	0.79	<b>0.61</b>	0.60	<b>0.72</b>	0.72	12
NFP	Aust	Health care & social assistance	<b>1.74</b>	0.47	<b>1.14</b>	0.89	<b>1.23</b>	0.86	<b>0.68</b>	0.74	<b>0.42</b>	0.61	66
Public	Aust	Australian Capital Territory government	<b>1.71</b>	0.49	<b>0.71</b>	0.95	<b>1.71</b>	0.76	<b>0.67</b>	0.67	<b>0.86</b>	0.74	7
Private	Aust	Professional, technical, administrative etc services	<b>1.69</b>	0.48	<b>1.00</b>	1.00	<b>1.15</b>	0.99	<b>0.51</b>	0.73	<b>0.31</b>	0.52	13
Private	Aust	Agriculture, forestry, fishing, mining, construction	<b>1.69</b>	0.48	<b>0.89</b>	0.94	<b>1.16</b>	0.90	<b>0.49</b>	0.62	<b>0.21</b>	0.39	19
Private	Aust	Manufacturing, wholesale & retail trade	<b>1.69</b>	0.47	<b>0.71</b>	0.79	<b>0.86</b>	0.91	<b>0.44</b>	0.65	<b>0.32</b>	0.59	35
Public	Aust	Tasmania government	<b>1.60</b>	0.50	<b>0.95</b>	0.89	<b>0.95</b>	0.89	<b>0.90</b>	0.69	<b>0.30</b>	0.63	20
NFP	Aust	Other NFP industry	<b>1.56</b>	0.51	<b>1.06</b>	0.94	<b>1.06</b>	0.94	<b>0.37</b>	0.41	<b>0.11</b>	0.34	18
NFP	Aust	Arts, recreation, accommodation, food, hospitality	<b>1.56</b>	0.51	<b>0.88</b>	0.72	<b>1.06</b>	0.86	<b>0.83</b>	0.67	<b>0.33</b>	0.49	16
NFP	Aust	Education & training	<b>1.27</b>	0.59	<b>0.67</b>	0.82	<b>0.80</b>	0.86	<b>0.53</b>	0.72	<b>0.62</b>	0.78	15

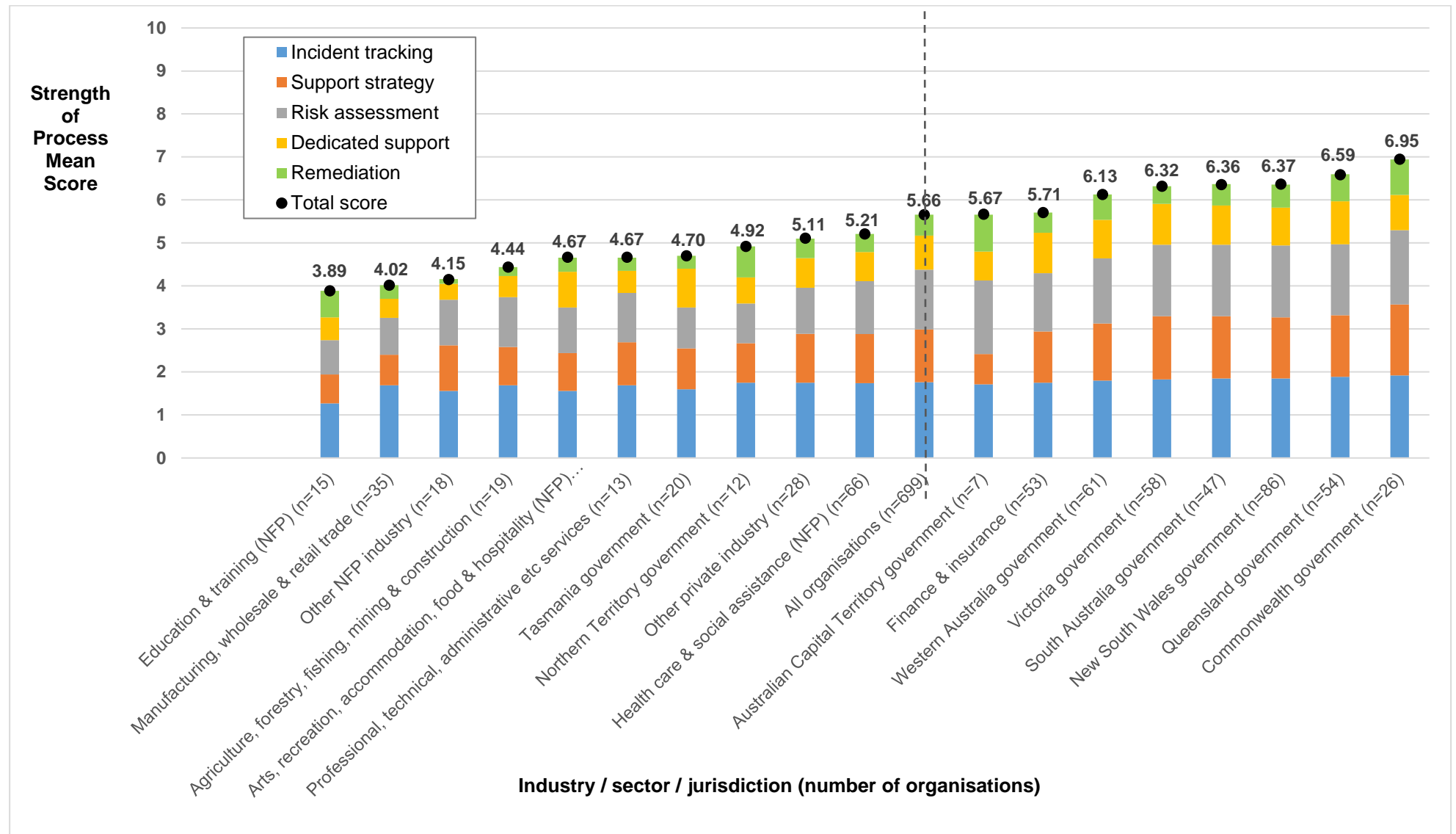
<sup>a</sup> range (min-max score) = .00 – 2.00.

**Table 7.** Ranked Mean Strength of Whistleblowing Processes Scores by Sector & Jurisdiction/Industry, showing All Ranks

Sector	Jurisdiction/Industry		Total score		Incident tracking	Support strategy	Risk assessment	Dedicated support	Remediation	N
			Mean <sup>a</sup>	Rank	Rank	Rank	Rank	Rank	Rank	
All organisations			5.66							699
Public	Aust	Commonwealth government	6.95	1	1	1	1	9	2	26
Public	Aust	Queensland government	6.59	2	2	4	6	1	4	54
Public	Aust	New South Wales government	6.37	3	=3	5	3	7	7	86
Public	Aust	South Australia government	6.36	4	=3	3	=4	4	8	47
Public	Aust	Victoria government	6.32	5	5	2	=4	2	12	58
Public	Aust	Western Australia government	6.13	6	6	6	7	=5	6	61
Private	Aust	Finance & insurance	5.71	7	=7	7	8	3	9	53
Public	Aust	Australian Capital Territory government	5.67	8	11	=16	2	12	1	7
NFP	Aust	Health care & social assistance	5.21	9	10	=8	9	11	11	66
Private	Aust	Other private industry	5.11	10	=7	=8	12	10	10	28
Public	Aust	Northern Territory government	4.92	11	=7	13	16	13	3	12
Public	Aust	Tasmania government	4.70	12	15	12	15	=5	16	20
Private	Aust	Professional, technical, administrative etc services	4.67	=13	=12	11	11	15	15	13
NFP	Aust	Arts, recreation, accommodation, food & hospitality	4.67	=13	=16	15	=13	8	13	16
Private	Aust	Agriculture, forestry, fishing, mining & construction	4.44	15	=12	14	10	16	17	19
NFP	Aust	Other NFP industry	4.15	16	=16	10	=13	18	18	18
Private	Aust	Manufacturing, wholesale & retail trade	4.02	17	=12	=16	17	17	14	35
NFP	Aust	Education & training	3.89	18	18	18	18	14	5	15

<sup>a</sup> range (min-max score) = .00 – 10.00. NB: colours denote range/rank

**Figure 2. Ranked Mean Strength of Whistleblowing Processes Scores by Sector & Jurisdiction/Industry (Graph)**



#### 4. SIGNIFICANCE AND LIMITATIONS

The statistical significance of key results in *Table 3* was reported above.

ANOVA tests comparing the organisation groups on the strength of their whistleblowing processes scores, as presented in *Tables 4 and 5*, revealed differences between the groups to be statistically significant.

For the results in **Table 4**, significant differences were revealed by an ANOVA test comparing government levels and private/not-for-profit sector industry groups ( $F(13,685) = 7.303$ ,  $p < .001$ ). Gabriel post-hoc multiple comparisons tests revealed statistically significant differences between:

- the process scores of both the *Australian Commonwealth* and combined *State/Territory government* levels in this Table, and five of the private and not-for-profit (NFP) sector industry groups: *Health care and social assistance* (NFP) ( $p = .032$  and  $p = .002$  respectively), *Agriculture, forestry, fishing, mining and construction* ( $p = .010$  and  $p = .001$  respectively), *Other not-for-profit* ( $p = .002$  and  $p = .000$  respectively), *Manufacturing, wholesale and retail trade* ( $p = .000$  and  $p = .000$  respectively), and *Education and training* (NFP) ( $p = .001$  and  $p = .000$  respectively);
- the process scores of the combined *State/Territory government* level and the *Arts, recreation, accommodation, food and hospitality* NFP group ( $p = .024$ );
- the process scores registered by the combined *Local government* level and three industry groups: *Manufacturing, wholesale and retail trade* ( $p = .000$ ), *Education and training* (NFP) ( $p = .017$ ), and *Other not-for-profit* ( $p = .047$ ).

Gabriel post-hoc tests also revealed a significant difference between the strength of whistleblowing processes scores of the *Finance and insurance* industry group (the private sector industry group with the strongest mean score) and the *Manufacturing, wholesale and retail trade* group (the lowest scoring private industry group) ( $p = .027$ ). Finally, whilst the *Australian healthcare and social assistance* (NFP) group ranked higher than most private sector industries and all the remaining not-for-profit groups, the differences between these groups were not revealed as statistically significant by these tests.

For the results in **Table 5**, additional significant differences were revealed by an ANOVA test comparing the public sector jurisdictions when further broken down ( $F(9,426) = 3.476$ ,  $p = .001$ ). Gabriel post-hoc multiple comparisons tests revealed the score for the lowest ranked public sector group (*Tasmanian* public agencies, including local government) to be significantly different from three highest ranked groups: *Australian Commonwealth* agencies ( $p = .007$ ), *Queensland* public agencies including local government ( $p = .009$ ), and *New South Wales* public agencies including local government ( $p = .017$ ).

When interpreting the results, it must be recognized that the sample of organisations was self-selecting, rather than randomly selected. Thus the results cannot be concluded to be necessarily representative of all sectors, particularly the private and not for profit sectors, but also in some part of the public sector (for example, the result for *Australian Commonwealth* is based on responses from only 26 agencies, as against up to 86 agencies in *NSW*).

Further, while the opportunity to participate was extensively advertised, the combination of self-selection and self-reporting means results may be skewed – either positively, e.g. because organisations were confident in their processes, or negatively, e.g. because organisations elected to participate because they knew they lacked processes or had less confidence in them; or both.

The self-reported nature of the data also means that the presence or absence of the reported processes has not been independently verified. The actual state of organisation's processes may vary from those reported here. For example, the presence of self-reported risk assessment processes, as presented above, varies if a requirement is applied for such assessments to be documented at least sometimes (the subject of an additional question).

Overall, these results disclose how different organisations from different sectors *report* the state and content of their whistleblowing processes when asked on a consistent, comparable basis. They underscore the importance of evidence to confirm what processes are in fact in place, and what the outcomes and performance of organisations' processes may be, whether as reported here or not. This is an objective of the Integrity@WERQ phase of the research.

The results nevertheless provide a new basis for comparison of the state of whistleblowing processes as reported by a wide cross-section of organisations, drawing not only on an unprecedented number, but an unprecedented range in terms of size, industries, public sector functions and not-for-profit activities.

## 5. DISCUSSION AND CONCLUSIONS

As reported previously (Brown, Dozo & Reports 2016), the response to the WWTW2 Survey of Organisational Processes and Procedures confirms the strong efforts that many public, private and not-for-profit organisations are making towards whistleblower protection, and affirms the central role that whistleblowing is intended to play in integrity and good governance systems across the sectors.

A finding of previous public sector research was that the 'administrative' areas of whistleblowing processes – e.g. advice on what can be reported, to whom and how it will be investigated – were stronger than processes for delivering on commitments to employees around these goals (Roberts 2008 p.259; Brown & Olsen 2008). Hence, survey design and the first stage of overall analysis here have focused in more detail on support and protection.

The results nevertheless continue to show that even when trying hard to encourage their staff to report integrity challenges, there is much that organisations can do, in all sectors and jurisdictions, to ensure whistleblowing processes are robust. In particular, under the current state of guidance and incentives, most sectors are finding it difficult to realise their own goals of having processes which provide strong staff support and protection.

The results in Tables 3, 6 and 7, repeated in Figure 2, highlight that efforts towards strong processes for ensuring support and protection can and should be enhanced, across all sectors and in individual sectors.

The significant variation between sectors, revealed by the rankings in Tables 4 and 5 (and again repeated in Figure 2, show the enormous opportunity for companies in all industry sectors to learn a great deal from each other and from other sectors as to what may constitute best practice, and how best to move towards it. Key differences between sectors and jurisdictions also highlight questions regarding the best methods for developing, promoting and, potentially, requiring strong whistleblowing processes in organisations, as part of current reform efforts.

## Public sectors

The results confirm that, as measured here, the processes reported by organisations were stronger in public sector jurisdictions than in most of the private sector, and in the not-for-profit sector. This is consistent with a longer history of statutory protections, procedures and oversight with respect to public interest whistleblowing in all the public sector jurisdictions involved, compared with the relative absence of such frameworks in the Australian private and not-for-profit sectors. This also reflects, and is reflected in, an international history of more comprehensive research into public sector whistleblowing processes over private sector ones (e.g. de Graaf 2010; see Olsen 2014).

However, the results also show significant variation between public sector jurisdictions, raising questions about differences in these frameworks and/or their implementation.

Previous research assessed the comprehensiveness of whistleblowing procedures from 175 agencies across four Australian jurisdictions (Roberts 2008: 249). At that time, the most comprehensive procedures were found in NSW agencies, followed closely by Commonwealth and Western Australian agencies, and by Queensland agencies.

Those results highlighted the different factors that may account for strong procedures (noting that the present research compares reported processes, rather than content of published procedures). For example, in 2008, the NSW results were attributed to the wide dissemination of detailed guidelines by the NSW Ombudsman's office, notwithstanding the lack of any statutory requirement for organisational procedures under the *Protected Disclosures Act 1994 (NSW)*. Some Commonwealth agencies were at that time subject to limited requirements under the *Public Service Act 1999 (Cth)* and others not at all, leading to the widest ranges in procedural comprehensiveness and outcomes. By contrast, from 1994 until 2010, every Queensland agency had been under a statutory requirement to have 'reasonable procedures to protect its officers from reprisals',<sup>1</sup> but with no guidance to inform those procedures nor any oversight agency charged with ensuring they were made.

A decade on, the findings in Tables 4 and 5 yield a different pattern, but one consistent with a changed regulatory landscape since 2008. The evidence that the strongest whistleblowing processes were found among **Commonwealth** agencies (together with small standard deviation) is consistent with reforms since introduction of the *Public Interest Disclosure Act 2013 (Cth)*, including comprehensive new requirements for all entities to have 'procedures for facilitating and dealing with public interest disclosures'. These must meet standards set by the Commonwealth Ombudsman,<sup>2</sup> and were supported by a major 'community of practice' implementation. Further, at the same time, Commonwealth agency heads came under a direct statutory responsibility to take 'reasonable steps... to protect public officials who belong to the agency from detriment, or threats of detriment' relating to disclosures.<sup>3</sup>

**Queensland** agencies also came under a new regime, three years earlier, supported by the Public Service Commission and more recently the Queensland Ombudsman.<sup>4</sup> Table 5 shows that, in fact, Queensland Government State agencies now record the strongest processes of any jurisdictional group on the present measure (mean of 7.05 out of 10), when considered without the weaker average processes of local governments.

<sup>1</sup> *Whistleblowers Protection Act 1994 (Qld)*, s 44.

<sup>2</sup> *Public Interest Disclosure Act 2013 (Cth)*, ss 59(1) and 74.

<sup>3</sup> *Public Interest Disclosure Act 2013 (Cth)*, s 59(3)(a).

<sup>4</sup> *Public Interest Disclosure Act 2010 (Qld)*, ss 28, 49, 60.

**NSW** government agencies also continue to record comparatively strong processes, on average, especially when considered without local government. The NSW regime was also upgraded, requiring each public authority to have procedures for 'receiving, assessing and dealing with public interest disclosures' and empowering the Ombudsman's role in disseminating guidelines for these.<sup>5</sup> However, unlike in the Commonwealth and Queensland regimes, NSW public authorities are not formally bound by the Ombudsman's guidelines.<sup>6</sup>

Also consistently with present regimes, the two jurisdictions who scored most strongly for risk assessment – the **Commonwealth** and **ACT** – are the only jurisdictions where, by statute, agencies are required to have processes for 'assessing risks that reprisals may be taken against the persons who make those disclosures'.<sup>7</sup> Since introduction of these precedents in 2012 and 2013, the other major jurisdiction to follow them is China, where requirements for authorities to undertake 'risk assessment..., implement a protection plan and prevent reprisals on the whistle-blower' were announced shortly before the Brisbane G20 Summit, after an Australian-led review of G20 whistleblowing laws (BBC 2014).

These developments highlight the extent to which Australian public sector regimes have pioneered an 'institutional' approach which seeks to normalise whistleblowing as an element of governance, and prioritise preventive support and protection, rather than relying on legal remedies after retaliation has already occurred (Brown 2013). However, the results here suggest this goal remains some way off, in all public sectors, especially considering the comparisons in Tables 3 and 6. These results should give impetus to continual improvement in these regimes, such as recently recommended by statutory reviews conducted by the Commonwealth (Moss 2016) and Queensland (Queensland Ombudsman 2017).

The public sector results also highlight the comparative weakness of **local government** processes, relative to central government, in all jurisdictions other than Victoria.

This factor especially explains **Tasmania's** ranking (4.70) as having the weakest processes, on average, of all government sectors (Table 5). At least on paper, Tasmania's requirements are relatively strong, with public bodies required to establish procedures which meet the Ombudsman's model guidelines, including appointment of a welfare manager in whistleblowing cases.<sup>8</sup> This may explain why despite scoring less well on other components, Tasmanian agencies scored equal fifth for 'dedicated support'. More recently, these procedures have been reinforced by the Tasmanian Integrity Commission's 'speak up' campaign.<sup>9</sup> However, these initiatives seem to have had seriously less traction among the eight Tasmanian local governments who responded to the survey (an extremely poor mean of 2.75) than in the 12 State agencies (who had a much stronger mean of 6.00).

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<sup>5</sup> *Public Interest Disclosures Act 1994 (NSW)* as amended in 2010: s.6D. For the NSW Ombudsman's current detailed guidelines, see e.g. <https://www.ombo.nsw.gov.au/news-and-publications/publications/guidelines/public-interest-disclosures/public-interest-disclosures-guideline-d1-internal-reporter-support-strategy>.

<sup>6</sup> *Public Interest Disclosures Act 1994 (NSW)* as amended in 2010: s.6D.

<sup>7</sup> *Public Interest Disclosure Act 2013 (Cth)*, s 59(1); following the precedent of the *Public Interest Disclosure Act 2012 (ACT)*, s 33(2).

<sup>8</sup> *Public Interest Disclosures Act 2002 (Tas)*, ss 60 and 38; see Ombudsman Tasmania (2014), *Public Interest Disclosures Act 2002, Model Procedures to be followed by Public Bodies*: section 8.5 <[www.ombudsman.tas.gov.au/publications\\_and\\_media/guidelines/pid\\_guidelines\\_and\\_standards](http://www.ombudsman.tas.gov.au/publications_and_media/guidelines/pid_guidelines_and_standards)>.

<sup>9</sup> <[www.integrity.tas.gov.au/education\\_and\\_resources/awareness\\_campaigns/speak\\_up\\_campaign](http://www.integrity.tas.gov.au/education_and_resources/awareness_campaigns/speak_up_campaign)>.

### **Private and not-for-profit sectors**

This is the first research to collect data capable of allowing sizeable groups of private sector and not-for-profit organisations to be compared either with each other, or with public sector entities, in a systematic way with respect to the strength of whistleblowing processes.

Typically prior research on these issues has been confined to groups of businesses alone, including based simply on their publicly available material, or limited to lessons from individual industries or organisations (Hassink et al. 2007; Lee and Fargher 2013; Dixon 2016; Dewing and Russell 2016).

As Figure 1 demonstrated, the range of results across both the private and not-for-profit sectors was wider than for the public sector, as well as generally ranking lower. While this greater range is not unexpected given the diversity of industries, conditions and organisation types present in these sectors, it also provides a rich basis for considering which industry groups rate more strongly, and why these industry groups stand where they do relative to others.

The most striking result is the clear leadership of the **Finance and insurance** industry with respect to strength of their reported processes, relative to all other industry groups (defined using ABS industry group codes). Indeed, notwithstanding the overall strength of processes in most public sectors, this industry group ranked more strongly than three government jurisdictions (ACT, Northern Territory and Tasmania).

Like all Australian companies, businesses in this industry are subject to the whistleblower protection obligations reflected in Part 9.4AAA of the *Corporations Act 2001* (Cth). These provisions provide neither requirements nor direct incentives for companies to establish quality internal processes. However, this industry is also subject to similar, duplicatory requirements under the *Banking Act 1959*, *Life Insurance Act 1995*, *Superannuation Industry (Supervision) Act 1993* and *Insurance Act 1973* (Cth). This legislation reinforces the potential liability, at least in theory, if reporting of regulatory breaches is not handled responsibly.

Perhaps most importantly, the banking and finance industry has been the most responsive of all Australian industry groups to the need to develop and implement strong processes, including in response to public and political pressure. For example, the Australian Bankers Association has developed its own, comparatively strong principles for such processes across the banking and finance sector (ABA 2016). The results here are consistent with this effort, while still confirming that even for this sector, there is much that remains to be done.

In the not-for-profit sector, organisations working in **healthcare and social assistance** also bucked the overall trend with respect to the weakness of that sector – ranking higher than some public sector jurisdictions, most private sector industry groups, and the other not-for-profit sector industry groups.

Like public sector healthcare providers, not-for-profit providers are subject to a high degree of clinical professionalization, as well as being subject to other formal reporting systems as part of the health care quality chain (e.g. clinical incident reporting) (Vincenza et al 2017). Further, organisations working in social assistance are frequently subject to statutory mandatory requirements for their staff to report wrongdoing or client mistreatment – for example, in child protection or disability services areas, or as a condition of public funding and contracts. In this industry group, therefore, not only may the nature of the work mean that lives may be readily jeopardised by wrongdoing, but staff are often under three different types of duty to report concerns (professional, contractual and statutory).



These direct and indirect influences on stronger reporting processes in that industry group, contrast with the weakest industry groups (**manufacturing, wholesale and retail trade, and not-for-profit education and training**). Manufacturing, wholesale and retail not only tend to experience a high degree of casualization of labour, lower professionalization and high staff turnover, but some of the greatest competitiveness and performance pressures in the economy. Some of these factors are also present in some areas of education and training, which may also include institutions with a longer term history of challenges with respect to responding to wrongdoing and recognising their duties of care towards clients and staff. In these industries, weaker whistleblowing processes can be seen as relating to conditions which impact on labour, governance and integrity standards much more generally.

### ***In conclusion...***

Together, these results show the enormous opportunity for companies in all industry sectors to learn from each other and from other sectors as to what may constitute best practice, and how best to move towards it. They reinforce the benefit of organisations knowing exactly how they compare on a comparative basis, to inform their own strategies for developing and implementing strong processes; and provide a clearer basis for then also being able to measure the relationship between the relative strength of their processes and the outcomes being achieved, through ongoing research such as the Integrity@WERQ phase of the present project.

The findings also highlight the need for clearer guidance, and either statutory or industry requirements, or incentives, across key areas of whistleblowing processes. While this is true for most public sector jurisdictions, the results suggest that it is especially true for the Australian private and not-for-profit sectors. Most public jurisdictions already possess a framework for mandatory procedures which can be adapted and developed to address the gaps in processes identified by these comparisons. The more critical questions relate to how stronger processes will be achieved in the private and not-for-profit sectors.

Importantly, while size of organisation is a significant factor in the strength of whistleblowing processes across all sectors, the finding that sectoral differences remain irrespective of size – for example, that local government in many jurisdictions can achieve relatively strong processes – shows that regulatory environment, oversight, operating conditions, professionalization, skills and industry leadership are likely critical factors.

As the Australian Government has recognised, the protections available to corporate whistleblowers are lagging behind, relative not only to most public sector whistleblowing regimes but to other countries including the United Kingdom and United States (Commonwealth of Australia 2016: 12-14). However, it should be noted that neither of those jurisdictions have yet hit on the best way to set and ensure the standards for strong organisational processes, on which such protection relies.

The results therefore suggest the answers will lie in new, rather than copied responses to these challenges, as part of the movement towards new legislative protections, promised by the Australian Government by June 2018. For example, recent reforms to Australian legislation already provide new drivers for some organisations to have strong processes, by extending civil liability to any manager who fails to fulfil 'a duty to prevent, refrain from, or take reasonable steps to ensure other persons [prevent or refrain] from, any act or omission

likely to result in detriment' to a whistleblower.<sup>10</sup> Given the Government's objective of using 'the substance and detail of those amendments to achieve an equal or better whistle-blower protection and compensation regime in the corporate and public sectors' generally (Commonwealth of Australia 2016: 14), the need is clear for a robust framework to ensure organisations know how to meet these standards.

The results should thus also assist the framing of new International and Australian Standards for whistleblowing programs, under consideration by Standards Australia's technical committee QR-17 and the International Standards Organisation. As the first systematic comparison between sectors of its kind, the results also help inform international policy developments more generally – for example, the European Union's current deliberations on a possible Directive on whistleblowing – by highlighting practical reasons why all industry sectors should be covered by expectations of strong processes, and why size of organisation should not be a major basis for excluding organisations from such expectations.

These findings also confirm the need for improvement on the former Australian Standard on Whistleblower Protection Programs (Standards Australia International 2003); the weakness of which was identified relatively early by research (Roberts 2008). If the former Standard had provided sufficient guidance, organisational whistleblowing processes today should be stronger than revealed by these results. More recent overseas standards and guides (e.g. British Standards Institute 2008; Canadian Standards Association 2016) will also be helpful.

A crucial issue for policy attention becomes how implementation and compliance with such standards will be ensured. The question is no longer whether, but *how* organisations will ensure they have strong whistleblowing processes that meet their public and regulatory commitments. The first-stage measure, reported here, can assist organisations and industries to assess where they stand, maintain their strengths, address their weaknesses and pursue continual improvement in their processes and standards of governance.

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<sup>10</sup> *Fair Work (Registered Organisations) Act 2009* (Cth), s 337BB(3) & (6), as inserted by the *Fair Work (Registered Organisations) Amendment Act 2016* (Cth).

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