

28 April 2016

Whistleblowing research will improve corporate culture says Governance Institute

The world's largest research project into whistleblowing launched today by Griffith University at an event hosted by Governance Institute of Australia will support a dramatic uplift in corporate culture at a critical time when the government, regulators and community are demanding higher standards of ethical conduct from Australian corporations.

Governance Institute is one of 21 integrity, regulatory and professional organisations supporting the Whistling While They Work 2 research project led by researchers from Griffith University, Australian National University, University of Sydney and Victoria University Wellington.

“Most Australian companies are genuine about preventing misconduct from within their ranks”, said Governance Institute’s chief executive, Steven Burrell. “After all, a company’s public standing depends on a reputation for ethical behaviour and this must be backed by a commitment to a fair and effective whistleblowing process, where wrongdoing is rigorously investigated and action taken to stamp it out.

“Regulators and policy-makers have quite rightly homed in on the important link between a good corporate culture and ethical corporate conduct. And a robust and independent whistleblowing process that makes employees feel comfortable about fearlessly reporting wrongdoing is a critical asset in building the kind of positive, ethical culture that supports strong corporate outcomes.

“However, the challenge for many organisations is that there is currently little evidence-based information to guide them in developing best practice whistleblowing processes that actually work and which have the confidence of staff, management and the board alike,” Mr Burrell said.

Mr Burrell also noted that there are currently legislative obstacles holding some companies back from implementing good whistleblowing processes.

“The Corporations Act as it currently stands requires company employees who receive information about corporate misconduct from a whistleblower to pass it on to regulators such as ASIC. They cannot discuss how to stop the misconduct with their colleagues or take internal action to remedy or prevent it unless the whistleblower provides consent, which means the misconduct can continue and does little to foster sound corporate governance. Impediments such as these need to be addressed, but again, what policy-makers need is reliable information to determine the best approach”, he said.

“We are delighted to support Griffith University’s research project, as the findings will be invaluable to companies, regulators and legislators. Not only will organisations benefit from strong evidence-based data to help them establish best practice internal processes,

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it will also assist policy-makers to develop appropriate guidance to promote, rather than hamper, good whistleblowing processes across all sectors”.

Governance Institute of Australia was the official host of the launch of the research project which took place at 10:30am on Thursday 28 April 2016 at the Institute’s Sydney headquarters. Speakers at the launch were: John McMillan AO, NSW Ombudsman; Warren Day, Regional Commissioner - Victoria and Head of the Office of the Whistleblower; Brian Hood, former company secretary, Note Printing Australia (Whistleblower); and Judith Fox, national director of policy, Governance Institute of Australia.

For further information contact Viv Hardy on 02 9283 4113 or 0411 208 951, or Su Lin Ho on (02) 9283 4110 or 0421 616 617, or Steven Burrell on (02) 9223 5744 or 0407 708 485.

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About Governance Institute of Australia

Governance Institute of Australia is the only independent professional association with a sole focus on whole-of-organisation governance. Our education, support and networking opportunities for directors, company secretaries, governance professionals and risk managers are second to none.

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