

# Whistleblowing: An Australian Perspective



Recent scandals have increased scrutiny of organisations' regular reporting channels. In many cases, those ultimately responsible have appeared to be the last to know.

While it may be called Whistleblowing, Speaking Up or Good Faith Reporting, the 132 responses from our cross industry survey suggests this is an area of active focus. This appears to be driven by a desire by Australian organisations to positively shape their culture to meet higher market and regulatory expectations.

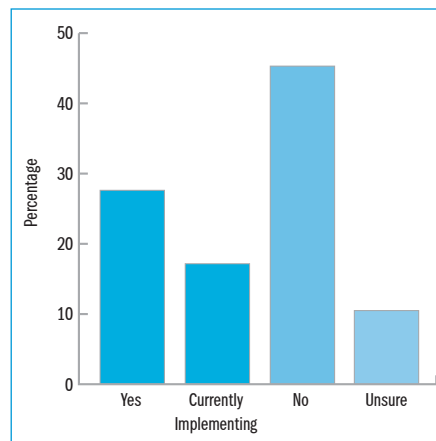
Implemented properly, whistleblowing programs provide a valuable tool. They encourage a culture of openness, provide an early warning of serious governance, risk and compliance related issues, while tangibly demonstrating management's commitment to "do the right thing".

Implemented poorly, whistleblowing programs can undermine an organisation's ethical foundation, negatively impact morale and possibly result in significant reputational damage.

## The current situation

- 44% of respondents to our survey either have or are currently implementing a whistleblower program consistent with the Australian Standard.

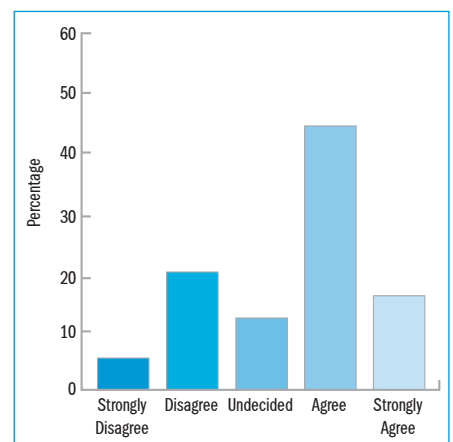
## Does your organisation currently have a whistleblower protection program?



- 60% of respondents who do not have a whistleblowing program believe their organisation would benefit from doing so.

- 66% of respondents believe that, if implemented properly, a whistleblowing program could positively impact their organisation's culture.
- 77% of those respondents working for organisations with whistleblowing protection programs believe that senior management understood the real extent and cost of unethical or unlawful behaviour. This decreases to 53% for those working for organisations without a program.

## Senior management understand the real extent and cost of unethical or unlawful behaviour - Overall response



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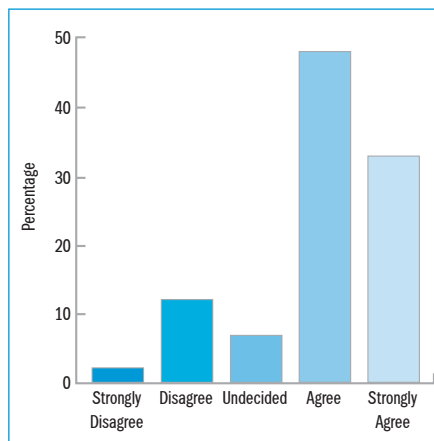
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**ERNST & YOUNG**[www.ey.com/au](http://www.ey.com/au)**It's a matter of trust**

While organisations strive for an environment where people can openly speak up without fear of being disadvantaged, our survey indicates there is more work to be done.

- On the critical issue of trust, only 64% of respondents would believe their organisation's leaders if they stated that no one would be disadvantaged for speaking out about unethical behaviour.
- Overall, a relatively large percentage of respondents (32%) believe that junior employees would be reluctant to speak out about the unlawful behaviour of their managers. Reluctance about speaking out is influenced by seniority. 50% of managerial employees would be comfortable speaking out compared with 32% of line employees.
- The vast majority (80%) of respondents believe that employees would be more likely to report unethical behaviour if they could report anonymously.

**More likely to report if able to report anonymously**

- While there is a strong preference by respondents for anonymous reporting, a significant percentage (32%) believe that management would attempt to trace the identity of anonymous reporters.
- 43% of respondents from organisations with a whistleblowing program did not have confidence that the promised anonymity of whistleblowers would be protected.

**Contact**

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Email: [Rob.Walsh@au.ey.com](mailto:Rob.Walsh@au.ey.com)**About our survey**

In late May 2004, Ernst & Young's Compliance Advisory Practice in association with the Australian Compliance Institute undertook an anonymous survey to find out more about whistleblower protection practices in the Australian market. Our results reflect the opinions of 132 respondents of differing levels of seniority working for a diverse range of organisations.



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