

The public sector is governed by a plethora of prescribed requirements, including those stemming from legislation, government directives and policies, and internal policies and standards. These are in part designed to achieve good governance within an organisation and, ultimately, to guide that organisation toward providing value to the community and enhancing public trust and reputation.

It is **good governance** to provide a framework or guidance in situations where there are no specific rules or where matters are unclear. These often involve elements of discretion and personal judgment and, as such, provide a risk that certain decisions may not be viewed by the public to have been made in its best interests but may be perceived to have been made with a degree of self-interest, dishonesty or lack of independence. The reputation of the public sector in general requires people of integrity. Integrity and ethical behaviour are driven by an entity's ethical and behavioural standards; how they are communicated; and how they are reinforced in practice, including management's actions to eliminate or mitigate incentives or opportunities that might prompt personnel to engage in dishonest, illegal or unethical behaviour. Both the government of the day and the public require confidence in government officials and the manner in which their decisions are made. Public officials will benefit from having frameworks that will assist them in making ethical decisions as part of good public administration.

It is **good governance** for public sector entities to develop and implement a framework that encourages ethical behaviour and integrity in decision making. Such a framework could include either a code of conduct or a code of ethics or both. It is for the individual organisation to choose the most appropriate framework for its needs unless otherwise specified by legislation. The important issue for the organisation is to consider the appropriate structures for officials and employees to refer to for guidance concerning ethics, behaviour, rules, probity and managing conflicts of interest.

A code of ethics expresses fundamental principles that provide guidance in cases where no specific rule is in place or where matters are unclear. A code of conduct will provide much more specific guidance on behaviours and processes.

Although not an exhaustive list, it is **good governance** for an ethics framework to:

- be equally applicable to all staff, including executives and relevant contractors
- specifically address the meaning and applicability to all levels of the organisation of such terms, where used, as 'ethical conduct', 'acting with integrity' and 'public interest'
- clearly set out the organisation's values and expectations in relation to behaviour and decision making
- provide clarity on the expectations of the agency's staff when interacting with the community, Ministerial staff of Commonwealth and state governments and Councillors of local government and their Ward staff, including expectations concerning their behaviour
- be specifically geared toward integration with the organisation's risk management framework
- address susceptibility to unethical behaviour and conflicts of interest
- be kept up-to-date through a regular review process
- clearly articulate sanctions for breaches of the ethical code or codes (for example, forfeiture of entitlements on resignation or dismissal)
- be readily accessible by all members of the organisation and by the public
- link to the organisation's annual report by providing a statement of compliance with policies and procedures that address ethics and integrity risks
- link to the public interest disclosure framework and/or the complaints-handling processes of the entity, to provide a mechanism for anonymous reporting of suspected breaches of the framework

- link to individual employee performance
- address leadership through the agency's demonstrated public commitment to ethical behaviour
- provide for appropriate induction and training for new employees, with regular ongoing training for all employees at all levels demonstrating the organisation's sustained commitment
- ensure appropriate decisive action is taken in a timely manner when breaches of the code of conduct occur
- include a review of the ethics framework for improvement after unethical behaviour has been identified and dealt with
- provide guidance on solving ethical dilemmas through articulation of a framework for ethical decision making which might include:
 - describing the current context and facts of the dilemma
 - identifying the ethical issues at stake
 - determining who is affected and how
 - identifying alternatives (this may include a cost/benefit analysis) available to the person who must resolve the dilemma
 - identifying the likely consequence of each alternative
 - deciding on the appropriate action
 - reflecting on the process, monitoring and amending actions if appropriate
- provide an introduction to self-questioning processes, to allow employees to develop skills in ethical decision making
- help implement a compliance regime to ensure, for example, that aspects of decision making accord with the provisions of any code of conduct
- use internal communication mechanisms, such as the intranet, to highlight details of both exemplary and non-compliant conduct, as well as management's responsiveness to that conduct
- include appropriate processes for encouraging discussion of conflicts of interest and probity issues. This could be by way of the 'appointment' of mentors or senior people who can be confidentially consulted specifically in relation to ethical issues (or use of an ethics hotline)
- be regularly reviewed for effectiveness.

Further information may be found in the specific legal requirements or directions of each state (for example Public Service Commission /Public Sector Commission), often set out in relevant government websites.

Overall governing for ethical behaviour concerns prescribing a set of values and behaviours about what is right and wrong and the outcomes of unethical behaviour. The aim is to align each individual's own values and behaviours with public sector requirements and to foster community trust.

Governance Institute of Australia has also released [Good Governance Guide: Conflicts of interest and Related Party Transactions](#) which provides further information.