Acknowledgements:
Your Excellency, Dr Ken Michael AC, Governor of Western Australia
The Hon. Justice Stephen Thackray, Chief Judge Family Court of Western Australia
The Hon Giz Watson MLC, Leader of the Greens
Leaders of our State Government Public Authorities
Local Government leaders
Ladies and Gentlemen

Welcome:
Thank you all for attending breakfast with the Commission this morning.

Meeting collectively with the leaders of the Western Australian public sector is not an event that occurs very often and I greatly value this opportunity to speak with you all today.

It is also a reasonably rare, but a nonetheless welcome occasion, when I have the chance to talk about the Commission’s corruption prevention function and our activities, working along side public authorities, in building a misconduct resistant public sector.

It is about how we can build our sector’s integrity that I will speak this morning, addressing how the Corruption and Crime Commission can and will assist you, the leaders of our public sector authorities, to more effectively manage misconduct risk within your agencies.

I’m sure it will not be news to anyone here today that misconduct by public officers strikes fundamentally at the functioning and sustainability of government services, undermining both their efficiency and effectiveness. That social responsibility concern
aside, the protection of agency integrity, and community confidence in that integrity, is in today’s world a core business imperative for all public sector authorities.

The question for us is not whether we need to be concerned about matters of integrity, and the business risks arising from misconduct, but rather what we do about them.

While the Commission has been given legislated responsibility to improve integrity and reduce the incidence of misconduct across the public sector as a whole, the primary responsibility for addressing integrity and misconduct matters within individual agencies lies with the leaders of those agencies: with the Directors General, Chief Executive Officers, Mayors, Presidents, Board Members and other senior executives gathered here this morning.

The Commission’s job is not to take on that responsibility for agencies, but rather to light the way, to provide the vision for what needs to be achieved and the tools and resources to help agencies then achieve these outcomes.

This, if you were wondering, was why you have been invited here this morning and only goes to prove that old saying about there being no such thing as a free lunch, or in this case a free breakfast.

**So how are we doing in meeting this challenge?**

What would be our score card do you think if the community of Western Australia was asked to grade us on how good a job we in the public sector are doing?

I think we can and should be proud of the public sector we are building in this state.

I believe that the great majority of public officers in this state operate with integrity in all their work – that they are dedicated and committed servants of the public and are doing a great job.

Encouragingly, this is a view that seems to be shared by the majority in our community. In February this year the Commission conducted a survey of community perceptions about our public sector and found that 8 out of 10 West Australians believed that government employees were honest.

I also think that our public sector agencies as a whole are performing well. That while other states in Australia have experienced major scandals arising from failures in public administration and corrupt systems – matters of individual misconduct aside, Western Australia has not in recent times experienced these same well established failures in governance.

This is not a reason for complacency however, nor should we take our success to mean that we cannot do better.

The same community perceptions survey also found that members of the public had little confidence in the ability of public sector agencies to detect misconduct with nearly 50% believing that the chance of someone getting caught doing something wrong were
slim and 90% expressing the view that more could be done to combat dishonesty and unethical behaviour in public sector agencies.

A separate survey of over 2000 public officers in July this year found that over 60% considered themselves to be 'at best' poorly informed about misconduct risks in their agencies and nearly 70% reported that they had not received or could not recall receiving any training related to misconduct.

The Commission’s oversight activities have also shown that

- by and large agencies are not managing misconduct very effectively;
- we need to adopt more systematic approaches to the prevention, identification and treatment of misconduct;
- approaches must be comprehensive enough to address the nature and extent of our risk, and
- coordinated towards improving agency performance.

As a sector we need much more robust systems if we are to be confident that misconduct risk is not flourishing quietly under the radar, only to emerge one day as serious and systemic corruption.

A way forward:

The Commission has recognised for some time that there has been a dearth of local resources to assist agencies in managing misconduct. As a new Commission, with an even newer prevention function, it has taken time and experience for us to develop an understanding and vision about what represents best practice and what is needed to better assist the sector.

In June this year the Commission released the framework ‘Misconduct Resistance: An Integrated Governance Approach to Protecting Agency Integrity’. The framework draws not only on the Commission’s experience, but also the work of other integrity and anti-corruption bodies across Australia.

The Misconduct Resistance framework promotes a **two pronged approach** to managing misconduct by

- First, encouraging and increasing those factors which work to inhibit misconduct. Another way of saying this would be to talk about building integrity.

- Secondly, by eliminating and restricting those factors which allow misconduct to occur. In other words adopting a risk management approach.

The objective of the framework is to enhance agency strategies in both areas by integrating misconduct resistance with existing agency integrity, risk management, governance and service delivery systems at the strategic, tactical and operational levels of the agency. A key principle being ‘integration’, to which I will return later.
The framework itself is outcome based, focusing on the three organisational preconditions necessary to building misconduct resistance.

- A culture that values integrity and is intolerant of misconduct.
- Operational strategies that support the effective treatment of misconduct risks.
- A management environment where misconduct resistance is an integrated and established component of agency life.

So what's new?

**What** we need to address in building misconduct resistant agencies is not new and I would be surprised if any senior executive, whether in the private or public sector, had not heard about and was not already concerned about issues relating to their agency culture, business risks and management environment.

**How**, we go about building these preconditions into our agencies, getting them working together as an integrated whole, and within our resourcing and other constraints are issues that are less clear.

We are not a homogenous sector – our public authorities vary greatly in terms of size, purpose, legislation, customer base and the nature and extent of their misconduct risks. It is clear that a **one size fits all approach is not going to work**.

An outcome based approach encourages flexibility and customisation to fit agency needs, enabling agencies to implement the same best practice principles in different ways so that the size and complexity of misconduct resistance systems and strategies reflect their unique needs.

**Our public sector authorities also operate within a complex arrangement of accountability requirements** that extend to all aspects of agency operations and represent a significant demand on finite agency resources. In this context, the **approach to misconduct resistance needs to be both realistic and achievable** for the sector.

By building upon and targeting the existing governance, risk management and accountability systems that agencies have in place to more effectively address misconduct risk, the framework aims to avoid adding another layer of competing accountability requirements. It aims at **integrating systems** so that they are more efficient and effective, delivering maximum benefit to the agency and contributing to the overall integrity of the agency.

The framework does not require the costly duplication of systems and structures, nor is it necessarily about more resources and controls, although this may be needed by some agencies. Many of the structures, systems and strategies that agencies have in place to meet accountability requirements in other areas, such as financial management,
records keeping, HR standards to name a few, can and do contribute to the management of misconduct and vice versa. **Without integration, misconduct resistance strategies are at risk of being both a costly and ineffective add on for agencies.**

To assist the public sector in understanding what is required in managing misconduct, and to help agencies take the next step from understanding to implementation and integration, the Commission has produced a series of resources, copies of which you have been given this morning.

- The **red conceptual framework** details the Commission’s view about whole-of-agency misconduct management, giving clear direction as to ‘what’ agencies need to be addressing through the use of outcomes and key elements.

- The blue ‘**Integration Guide**’ is a practical guide to integrating misconduct strategies, providing a methodology for implementation, review and action planning.

- Some ‘**Tools**’ contained in the back of the Integration Guide give more targeted assistance on specific misconduct resistance strategies. These will be added to over time as the need is identified.

**So what does this mean for you?**

The Commission’s role as I explained earlier is to point the sector in the right direction and then help them get there. Your role is to make misconduct resistance happen within your agencies.

It is up to each of you to ensure that you have the structures, systems and governance programs in place to protect your agency’s integrity and build misconduct resistance. It is up to you to act on the advice the Commission provides.

Your challenge is to

- Take misconduct out of the too hard basket and prioritise its management as the significant business risk it actually is.

- Provide the leadership, oversight and allocation of resources necessary to make sure it happens.

- Integrate misconduct resistance into all operational activities and across all levels so that it becomes an accepted and standard part of way the agency operates.

- Monitor and evaluate your agency’s progress, ensuring that systems are both efficient and effective.

Without this commitment, without your enthusiastic and strategic resolve it will not happen.
Concluding remarks:

Success in building integrity and dealing with misconduct across the public sector requires a partnership between the Commission, individual agencies and other oversight bodies. All of us need to do our part if we are to nurture and protect a public sector to be proud of.

The release of the Misconduct Resistance series marks an important milestone for Western Australian Public Sector governance. It sets the agenda for our future management of misconduct, provides a vision for what we want to achieve and gives us benchmarks to evaluate and report on our performance.

Over the next 12 – 18 months you can expect the Commission to be offering a range of education and consultancy programs designed to help agencies develop and implement their own misconduct resistance approaches. We will be approaching corporate executive groups to provide tailored presentations about the framework aimed at assisting you in your strategic planning. Practitioner forums providing networking support and specialist information about implementation and integration issues are also planned to commence shortly.

Change, introducing a new idea or approach isn’t achieved overnight. Embedding misconduct resistance represents a significant change for both our sector and our individual agencies. It will not be easily achieved and will require the sustained and cooperative effort from all of us here today.

To quote two US business executives in the book ‘Putting the One Minute Manager to Work’

“Achieving good performance is a journey, not a destination.”

I wish you well on that journey - Thank You.