OFFICIAL



Submission to Joint Committee of Public Accounts and Audit

Inquiry into probity and ethics in the Australian public sector

March 2024

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the department) welcomes the opportunity to provide a submission on culture to the Joint Committee of Public Accounts and Audit (the Committee) inquiry into probity and ethics in the Australian public sector.

The department notes the Committee's request for information on the issue of culture and will address the Committee's points on:

- the definition of culture and how entities can best build a culture that fosters integrity and probity
- . how an agency and its leaders can and should be accountable for its culture
- metrics and ways in which it can be measured.

The department considers culture in the context of the standards that outline expected behaviours. It has a positive workplace culture which supports all staff to understand and embed the standards expected of the Australian Public Service. The standards include the APS Code of Conduct, the APS Values, the APS Employment Principles and the Public Governance, Performance and Accountability Act 2013. These standards give confidence in the way the department works to achieve its objectives.

In the context of probity and ethics, the department's culture is underpinned by its commitment to integrity. Within the department, probity and ethics are considered under the banner of integrity.

In 2022, the department launched an Integrity Strategy (the Strategy) to enhance its overall integrity arrangements, and provide staff with appropriate guidance and tools to act with and consider integrity as part of their business as usual.

The department has undertaken a body of work to promote the elements of a pro-integrity culture. This includes setting clear expectations that are communicated to staff, including that they are honest and transparent, do the right thing at the right time, and have a value-driven mindset. Within these broader expectations is a requirement to follow the APS Values and Code of Conduct and live the Secretaries' Charter of Leadership Behaviours (be Dynamic, be Respectful, have Integrity, Value others, and Empower people – DRIVE).

The department's pro-integrity culture is based on openness, trust, and accountability with the emphasis on doing the right thing, rather than avoiding doing the wrong thing.

For this pro-integrity culture to thrive, the psychological safety of staff is critical. This is backed by research undertaken by the APS Integrity Taskforce in 2023, which found that 'cultures where people feel able to

Inquiry into probity and ethics in the Australian public sector Submission 4 - Supplementary Submission

OFFICIAL

contribute ideas, share information and report mistakes are more likely to engage in ethical behaviour in the workplace'¹. The Taskforce also found that Leaders have an important role to play in terms of building psychological safety, including inviting genuine participation from staff and responding productively to the risks that staff take. As part of creating an environment where a pro-integrity culture can thrive, we must provide staff with the tools and resources to practice integrity in their everyday work. Some of the resources include the department's Conflict of Interest (COI) Accountable Authority Instruction, which outlines the COI requirements for all staff, the gifts and benefits procedures in relation to the declaration and reporting of gifts, and the departments procurement procedures.

To create this psychologically safe workplace where integrity can thrive, all staff, but particularly leaders, need to create an environment where staff feel comfortable in speaking up when something doesn't feel right.

The behaviours expected by leaders at all levels are set out in the Secretaries' Charter of Leadership Behaviours. These behaviours have been built into the department's leadership performance agreements and relevant training modules. This is in line with a broader APS reform initiative of strengthening behaviour and outcomes-based performance management.

The SES Performance Leadership Framework, released by the Australian Public Service Commission, requires the department to put in place performance arrangements for SES officers that gives equal weight to outcomes and behaviours. The Framework notes 'Increasing the emphasis on how outcomes are delivered in the Framework will support the development of more well-rounded senior leaders and improve workplace culture.'2

The recent Capability Review of the department highlighted the opportunity the department has for its leadership to continue to model pro-integrity behaviours, which is reflected as a key action in the department's action plan response to the review.

To monitor our integrity culture, the department undertakes an annual review of the Strategy and Integrity Framework to ensure continuous improvement.

The department has also developed an Integrity Dashboard, which provides the Executive with insights on the department's integrity culture and where work may be needed to uplift culture. The dashboard complements other compliance reporting frameworks across the department.

The metrics in the dashboard were selected using the Australian Public Service Commission's *Integrity Metrics Resource*³ as a guide. The metrics are linked with the department's Integrity Framework pillars, which are the key areas of activity in the department where integrity matters need to be considered most.

The dashboard includes early lead indicators, such as risk, privacy and fraud inquiries. When there is an increase in inquiries, this is viewed a positive as it shows the department has created a culture where people feel safe to raise their integrity concerns. An increase in these inquires also provides the Executive with early insight over potential areas of focus, and enables the department to respond proactively. Trend data in the dashboard is monitored to assess the impact of the response.

Another way the department measures culture is through its participation in the APS Employee Census (the census) on an annual basis. The results from the census provide useful insights for the department's workforce planning initiatives that aim to create a skilled, respectful and innovative workforce. Furthermore, the data gained from the census enables the development of strategies to build the department's workplace culture and capability, now and into the future.

¹ ANZSOG, 'There but for the grace of God...' – Sue Robertson's reflections on leading the APS Integrity Taskforce, 2023 <u>'There but for the grace of God...' – Sue Robertson's reflections on leading the APS Integrity Taskforce | ANZSOG</u>

² SES performance leadership framework.pdf (apsc.gov.au)

Inquiry into probity and ethics in the Australian public sector Submission 4 - Supplementary Submission

OFFICIAL

The department's census outcomes highlight its positive focus on diversity, equity and inclusion, with ratings 3-4 points higher than other policy departments and large agencies.

In the 2023 Census, understanding the importance of integrity on the department's culture, a statement was included that read 'I have read and understand the department's Integrity Strategy'. Of the 1637 departmental staff who participated, 68% agreed with the statement, while 18% were neutral.