

Implementation of Ethical Frameworks by the Department of Employment and Workplace Relations

Department of Employment and Workplace Relations

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Canberra ACT
11 August 2025

Dear President
Dear Mr Speaker

In accordance with the authority contained in the *Auditor-General Act 1997*, I have undertaken an independent performance audit in the Department of Employment and Workplace Relations. The report is titled *Implementation of Ethical Frameworks by the Department of Employment and Workplace Relations*. Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website — <http://www.anao.gov.au>.

Yours sincerely



Dr Caralee McLiesh PSM
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out their duties under the *Auditor-General Act 1997* to undertake performance audits, financial statement audits and assurance reviews of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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Audit snapshot

Auditor-General Report No.1 2025–26

Implementation of Ethical Frameworks by the Department of Employment and Workplace Relations



Why did we do this audit?

- ▶ The Australian Government sector ethical framework is the application of the *Public Governance, Performance and Accountability Act 2013*, the Public Governance, Performance and Accountability Rule 2014, the *Public Service Act 1999* and the APS Commissioner's Directions 2022.
- ▶ This audit provides assurance to Parliament on the effectiveness of the Department of Employment and Workplace Relations (DEWR) implementation of the Australian Government sector ethical framework.



What did we find?

- ▶ DEWR has largely effective strategies and frameworks that have the potential to support its staff to comply with the Australian Government sector ethical framework.
- ▶ DEWR has messaging in place within its Corporate Plan 2024–25 to set the tone from the top. It has developed an Integrity Framework, and the DEWR executive issue regular communication on ethical matters.
- ▶ Assurance and oversight primarily occurs through reporting to DEWR's governance forums.



What did we recommend?

- ▶ The Auditor-General made two recommendations for DEWR to ensure its Integrity Framework or People Strategy are measurable and establish baselines and metrics for integrity-related reporting.
- ▶ DEWR agreed to the two recommendations.



Key facts

- ▶ DEWR was established as a new department in July 2022. Since then, DEWR has been developing and implementing corporate strategies, policies and mechanisms to support compliance with the Australian Government sector ethical framework.

4,445

total staff employed by DEWR as at April 2025

118

Senior Executive Service officers employed by
DEWR as at April 2025

Summary and recommendations

Background

1. Australian Public Service (APS) employees have an obligation to comply with the Australian Government sector ethical framework and behave with integrity. The Australian Government sector ethical framework is defined by the Australian National Audit Office (ANAO) as the application of legislation and rules including the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), *Public Service Act 1999* (PS Act) and the APS Commissioner's Directions 2022 (Commissioner's Directions).

2. The Department of Employment and Workplace Relations (DEWR) was established on 1 July 2022 as a result of machinery of government changes. DEWR's 2024–25 Corporate Plan states that its purpose is to 'support people in Australia to have safe, secure and well-paid work with the skills for a sustainable future'. DEWR is responsible for administering programs relating to training and employment, workplace relations, and work health and safety.

Rationale for undertaking the audit

3. All members of the APS are subject to ethical obligations established by legislation, specifically the PGPA Act, the PGPA Rule, the PS Act, and the Commissioner's Directions. This audit will provide assurance to the Parliament on the effectiveness of DEWR's approach to implementation of the Australian Government sector ethical framework.

Audit objective and criteria

4. The objective of the audit was to examine the effectiveness of the implementation of frameworks to support ethical behaviours within DEWR.

5. To form a conclusion against the objective, the ANAO applied the following high-level criteria.

- Do the 'tone from the top' and overarching strategies and policies within DEWR promote ethical behaviour and facilitate compliance with the Australian Government sector ethical framework?
- Are there appropriate supporting mechanisms in place to implement the ethical strategies and policies?
- Is there monitoring and reporting to provide assurance to the accountable authority that the strategies and policies are being implemented effectively?

Conclusion

6. DEWR has implemented largely effective enterprise-wide strategies and frameworks that have the potential to support its staff to comply with the Australian Government sector ethical framework. Effectiveness could be improved by ensuring its strategies and frameworks are measurable in terms of impact and establishing baselines and metrics for integrity-related reporting including across the delivery of its business.

7. DEWR's tone from the top and overarching strategies and frameworks are largely effective in promoting ethical behaviour by DEWR staff and compliance with the Australian Government sector ethical framework. DEWR has messaging in place within its Corporate Plan 2024–25 to set the tone from top regarding expectations for DEWR leaders and staff to act with integrity. DEWR's Integrity Framework 2024 provides guidance to all DEWR staff on integrity principles and sets out the resources available to assist staff to comply with the Australian Government sector ethical framework. DEWR's People Strategy 2024–27 contains elements which reference the Australian Public Service (APS) Values and set expectations for DEWR's leaders. DEWR has not developed a method for assessing the impact of the Integrity Framework and People Strategy in contributing to an ethical culture within DEWR, including when implementing its programs and measures. The DEWR executive provides regular communications to staff on matters relating to acting with integrity.

8. DEWR has largely appropriate mechanisms to implement its overarching ethical strategies and policies. These include: Accountable Authority Instructions (AAIs); the annual management assurance process; conflicts of interest processes; complaints and investigations mechanisms; fraud and corruption controls; credit card use policy; procurement and probity procedures; grants management guidance; gifts benefits and hospitality procedures; staff surveys; mandatory training; and Senior Executive Service (SES) performance management. Guidance and policy documents for these mechanisms sets out roles and responsibilities, oversight and reporting timeframes to DEWR's governance committees. Where relevant, processes for non-compliance were identified in the process documentation. Assurance and oversight primarily occurs through reporting to DEWR's governance forums.

9. Assurance on implementation of ethical strategies and supporting mechanisms is provided to DEWR's Secretary through reporting to the Executive Board, the Audit and Risk Committee, the People, Culture and Engagement Committee and the Risk Committee. Instances of discussions relating to ethics, integrity, values or culture have increased across those forums since 2023. DEWR is developing a method to capture and report on key integrity-related matters in an Integrity Dashboard which it is planning to provide to the Executive Board. The dashboard focuses on information relating to financial management and performance under the requirements set out by the PGPA Act and the PS Act. DEWR has not set any baselines or metrics for relevant data sets in the dashboard, for example, rates of credit card non-compliance or mandatory training, which would enable performance over time to be monitored

Supporting findings

Ethical strategies and policies

10. DEWR's purpose in its Corporate Plan sets its overall strategic direction and the Secretary's messaging in the introduction to the Corporate Plan sets the tone for DEWR's senior leaders (see paragraphs 2.3 to 2.6).

11. DEWR's Integrity Framework was launched in June 2024 and sets out DEWR's approach to building an integrity culture, including assigning roles and responsibilities and identifying guidance and procedures that contribute to driving integrity within the department. In October 2024 DEWR launched the People Strategy 2024–27 which incorporates an ethical leadership element aligned with the APS Values, sets out the expectations for DEWR leaders at all levels, and

defines the priorities for its people and culture. DEWR has not developed an approach to ascertain the effectiveness of the implementation of the People Strategy or Integrity Framework (see paragraphs 2.7 to 2.45).

12. DEWR uses various communications to update staff on important information including: all staff emails; video messages from the Secretary and other Senior Executive Service (SES) officials; and weekly email updates. Within these communications, there are regular occurrences of staff being advised of their obligations around undertaking their roles ethically and with integrity, for example, reminders on fraud awareness training and embodying the APS Values. DEWR also communicated the launch of the Integrity Framework and training to all staff (see paragraphs 2.46 to 2.55).

Implementation mechanisms

13. DEWR has mechanisms in place to encourage ethical behaviour by its staff, facilitate compliance with Australian Government sector ethical framework, and identify and address areas of non-compliance. Processes and roles and responsibilities are set out in the supporting guidance for the mechanisms, including requirements around quality assurance and reporting to DEWR's governance committees. Assurance and oversight are primarily provided through regular reporting to the DEWR executive and other governance forums. DEWR undertakes assurance activities within the processes for credit cards, fraud and corruption, code of conduct and SES personal declarations of interest. Non-compliance is managed for code of conduct, fraud investigations, credit card use and gifts and benefits. For these mechanisms, DEWR has procedures in place to manage non-compliance through avenues such as formal investigation, additional training, official warning or sanctions (see paragraphs 3.2 to 3.117).

Assessment, monitoring and reporting

14. DEWR has processes in place to enable monitoring and reporting on the progress and implementation of mechanisms that support DEWR's implementation of the Australian Government sector ethical framework. DEWR is developing an Integrity Dashboard which intends to collate integrity-related data into the one report. DEWR has yet to develop metrics and baselines for the relevant data sets in the dashboard, or report on organisational integrity in delivering its programs and measures. DEWR's Executive Board, Audit and Risk Committee, People, Culture and Engagement Committee and the Risk Committee regularly discussed matters relating to ethics, integrity, values or culture between 1 July 2022 and 31 December 2024. There has been an increase in the level of discussion of these themes in the forums since mid-2023 (see paragraphs 4.2 to 4.32).

Recommendations

Recommendation no. 1 The Department of Employment and Workplace Relations develops an approach to measure the effectiveness of the implementation of the Integrity Framework or People Strategy including how they support integrity in the administration of DEWR's measures and programs.

Paragraph 2.32

Department of Employment and Workplace Relations response:
Agreed.

Recommendation no. 2 The Department of Employment and Workplace Relations:

Paragraph 4.25

- (a) establishes metrics and baselines for the relevant data sets in the Integrity Dashboard to enable compliance and performance to be tracked and reported over time;
- (b) examines whether the dashboard (or other reporting) could be expanded to include broader assurance that ethical frameworks and mechanisms are being implemented in the administration of DEWR's measures and programs.

Department of Employment and Workplace Relations response:
Agreed.

Summary of entity response

15. The proposed audit report was provided to DEWR. DEWR's summary response is provided below, and its full response is included in Appendix 1.

The Department of Employment and Workplace Relations (the department) welcomes the audit's recommendations and the recognition that the department has largely effective:

- (a) strategies and frameworks, that have the potential to support its staff to comply with the Australian Government sector ethical framework
- (b) promotional mechanisms in place, including tone from the top. This has included the department's executive issuing regular communication on ethical matters
- (c) mechanisms to support the implementation of ethical strategies and policies, including the People Strategy and the Integrity Framework

The department has agreed to both recommendations made by the ANAO; recognising the importance of fostering a strong ethical culture and maintaining robust integrity frameworks across all levels of the organisation. The department remains committed to embedding integrity into all aspects of our culture and recognises the importance of continuous improvement, ensuring frameworks also support integrity in the administration of departmental programs and measures.

The department is committed to ethical leadership at all levels, promoting an environment of accountability, where public officials act with probity and integrity. The department will continue to operate with transparency, designing and administering programs, policies and processes with a continual focus on the people they are meant to serve.

Key messages from this audit for all Australian Government entities

16. Below is a summary of key messages, including instances of good practice, which have been identified in this audit and may be relevant for the operations of other Australian Government entities.

Governance

- Establishing an integrity framework and a central integrity area can assist APS staff to act in accordance with the APS Values and Code of Conduct by providing advice, resources and consistent messaging.
- Mandatory training modules should have target rates of completion to hold staff and leaders to account for compliance with training requirements and ensure that staff are aware of their obligations under the APS Values, Code of Conduct and PGPA Act, as well as legislation administered by the agency.
- A key part of the 'tone from the top' should include leaders providing regular communications to their staff on incorporating integrity and ethical behaviour into their business delivery. Emphasis could be given to lawfulness, record keeping and managing confidentiality in the delivery of agency business to assist in upholding the reputation of the APS as an institution of integrity.

Audit findings

1. Background

Introduction

1.1 Ethical behaviour in the Australian Public Service (APS) fosters a culture of responsibility, trust, transparency and fairness. This is essential for effective governance, delivering high-quality programs and services, and building public confidence.

1.2 The Australian National Audit Office's (ANAO) methodology for auditing ethics centres around the application of the Australian Government sector ethical framework, which includes the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), the APS Values and Code of Conduct set out in the *Public Service Act 1999* (PS Act) and the APS Commissioner's Directions 2022 (Commissioner's Directions).¹

1.3 APS employees are required to comply with the Australian Government sector framework and in particular, embody the principles set out in the APS Values and Code of Conduct and behave with honesty and integrity. As the Joint Committee of Public Accounts and Audit notes in *Report 502: The never-ending quest for the golden thread*:

Frameworks establish the obligations of officials to pursue high standards of professionalism; to be ethical and impartial; to demonstrate complete and confirmed integrity, uprightness, and honesty in their work; and to comply with the intent of the letter of the law.²

Australian Government sector ethical framework

Public Governance, Performance and Accountability Act 2013

1.4 The PGPA Act establishes the overarching framework for resource use and management across the APS and forms part of the Commonwealth finance law.³ The Act also sets out requirements for the proper use or management of public resources through the principles of efficiency, effectiveness, economic and ethics.

1.5 In the glossary for the PGPA Act, the definition of ethical is:

The extent to which the proposed use is consistent with the core beliefs and values of society. Where a person behaves in an ethical manner it could be expected that a person in a similar situation would undertake a similar course of action. For the approval of proposed commitments of relevant money, an ethical use of resources involves managing conflicts of interests, and approving the commitment based on the facts without being influenced by personal bias. Ethical

1 Australian National Audit Office, 'Methodology Guidance — Audits of Ethics', *International Journal of Government Auditing*, Q3 2023, p. 5, available from <https://www.intosaijournal.org/journal-entry/the-australian-national-audit-office-develops-methodology-for-auditing-ethics/> [accessed 10 July 2024].

2 Joint Committee of Public Accounts and Audit, Parliament of Australia, *Report 502: The never-ending quest for the golden thread*, JCPAA, Canberra, 2024, available from https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Public_Accounts_and_Audit/AustralianPublicSector/Report [accessed 24 August 2024].

3 Section 8 of the PGPA Act states that 'finance law' means the PGPA Act, or the PGPA Rule, or any instrument made under the PGPA Act, or an Appropriation Act. The PGPA Act is available from <https://www.legislation.gov.au/C2013A00123/latest/text> [accessed 24 August 2024].

considerations must be balanced with whether the use will also be efficient, effective and economical.⁴

PGPA Rule

1.6 The PGPA Rule sets ethical requirements for APS accountable authorities and officials to ensure that there is a minimum standard to prevent, detect and respond to fraud and corruption, and a duty to disclose interests.

Public Service Act 1999

1.7 The APS is established under the PS Act. The PS Act is largely principles-based and imposes high expectations of APS agency heads and employees. The objects of the PS Act are set out in section 3 of the Act.

- (a) to establish an apolitical public service that is efficient and effective in serving the Government, the Parliament and the Australian public; and
- (b) to provide a legal framework for the effective and fair employment, management and leadership of APS employees; and
- (c) to define the powers, functions and responsibilities of Agency Heads, the Australian Public Service Commissioner and the Merit Protection Commissioner; and
- (d) to establish rights and obligations of APS employees.

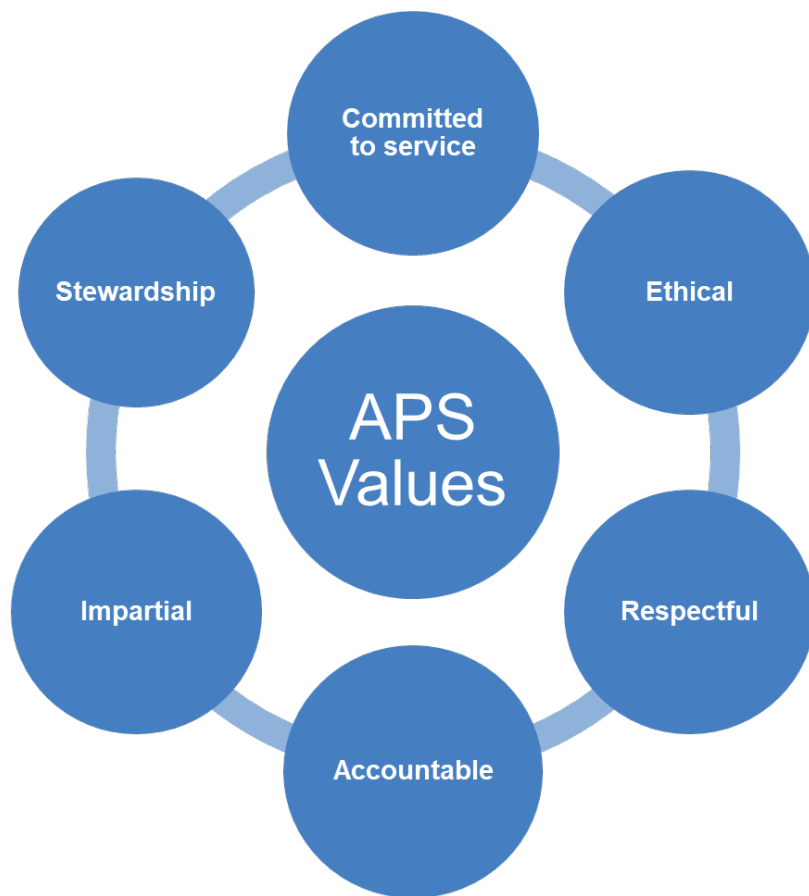
1.8 The APS is subject to ethical obligations set out in the PS Act including the APS Values, APS Employment Principles and the APS Code of Conduct.

Australian Public Service Values

1.9 Section 10 of the PS Act sets out the six APS values (see Figure 1.1). Ethical values are defined in subsection 10(2) of the PS Act — ‘The APS demonstrates leadership, is trustworthy, and acts with integrity, in all that it does.’ Section 12 of the PS Act specifies that agency heads must uphold and promote the APS Values and APS Employment Principles.

4 Department of Finance, *PGPA Glossary*, Finance, Canberra, 2019, available from <https://www.finance.gov.au/about-us/glossary/pgpa/term-ethical> [accessed 10 July 2024].

Figure 1.1: APS Values



Source: Adapted from section 10 of the PS Act.

Australian Public Service Employment Principles

1.10 Section 10A of the PS Act sets out the APS Employment Principles.

The APS is a career-based service that:

- makes fair employment decisions with a fair system of review; and
- recognises that the usual basis for engagement is as an ongoing APS employee; and
- makes decisions relating to engagement and promotion that are based on merit; and
- requires effective performance from each employee; and
- provides flexible, safe and rewarding workplaces where communication, consultation, cooperation and input from employees on matters that affect their workplaces are valued; and
- provides workplaces that are free from discrimination, patronage and favouritism; and
- recognises the diversity of the Australian community and fosters diversity in the workplace.

Australian Public Service Code of Conduct

1.11 Section 13 of the PS Act sets out the APS Code of Conduct which provides the standard of behaviour expected of all APS employees. Table 1.1 sets out a summary of the rules (and a full version is available at Appendix 3).

Table 1.1: APS Code of Conduct

Rule number	Description
1	Behave honestly and with integrity
2	Act with care and diligence
3	Treat everyone with respect and courtesy, and without harassment
4	Comply with all applicable Australian laws
5	Comply with any lawful and reasonable direction given by someone in the employee's agency
6	Maintain appropriate confidentiality about dealings with any minister or minister's staff
7	Take reasonable steps to avoid conflict of interest and disclose details of any personal interest
8	Use Commonwealth resources in a proper manner and for a proper purpose
9	Do not provide false or misleading information in response to a request of information for official purposes
10	Do not improperly use the inside information or the employee's duties, status, power or authority
11	At all times behave in a way that upholds the APS values and APS employment principles; and the integrity and good reputation of the employee's agency and the APS
12	On duty overseas behave in a way that upholds the good reputation of Australia
13	Comply with any other conduct requirement that is prescribed by the regulations

Source: Adapted from section 13 of the PS Act.

Australian Public Service Commissioner's Directions

1.12 The office of the APS Commissioner is established under subsection 40(1) of the PS Act. The Commissioner's overarching functions as set out in section 41 of the PS Act are:

- to strengthen the professionalism of the APS and facilitate continuous improvement in workforce management in the APS;
- to uphold high standards of integrity and conduct in the APS; and
- to monitor, review and report on APS capabilities within and between Agencies to promote high standards of accountability, effectiveness and performance.

1.13 The Commissioner is also responsible for promoting the APS Values and Code of Conduct. The Commissioner may issue written directions in relation to any of the APS Values for the purpose of ensuring that the APS incorporates and upholds the values and determining (where necessary)

their scope or application.⁵ The most recent APS Commissioner’s Directions commenced on 1 February 2022.⁶ Part 2 of the directions relates to the APS Values (summarised in Table 1.2 with the full version available at Appendix 4).

Table 1.2: Commissioner’s Directions relating to the APS Values

Section	Description
Section 12	APS to incorporate and uphold APS Values — the APS must incorporate and uphold the APS Values
Section 13	Committed to service — the APS is professional, objective, innovative and efficient, and works collaboratively to achieve the best results for the Australian community and the Government
Section 14	Ethical — the APS demonstrates leadership, is trustworthy, and acts with integrity, in all that it does
Section 15	Respectful — the APS respects all people, including their rights and their heritage
Section 16	Accountable — the APS is open and accountable to the Australian community under the law and within the framework of Ministerial responsibility

Source: Adapted from the Commissioner’s Directions 2022. Australian Public Service Commission, *Australian Public Service Commissioner’s Directions 2022*, APSC, available from <https://www.legislation.gov.au/F2022L00088/latest/text> [accessed December 2024].

Department of Employment and Workplace Relations

1.14 The Department of Employment and Workplace Relations (DEWR) was established on 1 July 2022 as a new department of state as a result of machinery of government changes.⁷ DEWR’s 2024–25 Corporate Plan states that its purpose is to ‘support people in Australia to have safe, secure and well-paid work with the skills for a sustainable future’. DEWR’s Corporate Plan outcomes are:

- Outcome 1 — foster a productive and competitive labour market through policies and programs that assist job seekers into work, including secure work, and meet employer and industry needs;
- Outcome 2 — promote growth in economic productivity and social wellbeing through access to quality skills and training; and
- Outcome 3 — facilitate jobs growth, including secure work, through policies and programs that promote fair, productive and safe workplaces.⁸

1.15 DEWR is responsible for administering programs relating to training and employment as well as workplace relations, work health and safety, rehabilitation and compensation. In 2024–25,

5 Public Service Act, subsection 11(1). The Act is available from <https://www.legislation.gov.au/C2004A00538/latest/text> [accessed 29 July 2025].

6 Australian Public Service Commission, *Australian Public Service Commissioner’s Directions 2022*, APSC, available from <https://www.legislation.gov.au/F2022L00088/latest/text> [accessed December 2024].

7 Department of the Prime Minister and Cabinet, *Administrative Arrangements Order*, PM&C, Canberra, 2022, p. 16, available from <https://www.pmc.gov.au/sites/default/files/resource/download/aao-01-june-2022.pdf> [accessed 21 October 2024].

8 Department of Employment and Workplace Relations, *Corporate Plan 2024–25*, DEWR, Canberra, 2024, p. 8, available from <https://www.dewr.gov.au/about-us/corporate-plan-2024-25> [accessed 21 October 2024].

DEWR's total agency resourcing was \$6.1 billion.⁹ As at April 2025, DEWR employed 4,445 APS staff and had offices located in all states and territories in Australia.

Rationale for undertaking the audit

1.16 All members of the APS are subject to ethical obligations established by legislation, specifically the PGPA Act, the PGPA Rule, the PS Act, and the Commissioner's Directions 2022. This audit will provide assurance to the Parliament on the effectiveness of DEWR's approach to implementation of the Australian Government sector ethical framework.

Audit approach

Audit objective, criteria and scope

1.17 The audit objective was to examine the effectiveness of the implementation of frameworks to support ethical behaviours within DEWR.

1.18 To form a conclusion against the objective, the ANAO applied the following high-level criteria:

- Do the 'tone from the top' and overarching strategies or policies within DEWR promote ethical behaviour and facilitate compliance with the Australian Government sector ethical framework?
- Are there appropriate supporting mechanisms in place to implement the ethical strategies and policies?
- Is there monitoring and reporting to provide assurance to the accountable authority that the strategies and policies are being implemented effectively?

Audit methodology

1.19 To address the audit objective, the audit examined:

- documentation on overarching frameworks or policies relating to ethical behaviours and practices, as well as any supporting procedures, plans and processes;
- governance arrangements including oversight of ethical frameworks by DEWR's Executive Board and other relevant governance forums;
- reporting arrangements relating to compliance and assurance to the accountability authority;
- activities in place which may reflect an ethical culture (for example, completion of mandatory training, SES annual declarations, SES performance agreement framework, staff census results, agency survey results, Code of Conduct investigations and Public Interest Disclosures); and
- meetings with key staff.

⁹ Australian Government, *Budget 2024–25 Agency Resourcing Budget Paper No.4*, Commonwealth of Australia, Canberra, 2024, p. 66, available from https://budget.gov.au/content/bp4/download/bp4_2024-25-consolidated.pdf [accessed 21 October 2024].

1.20 The audit was conducted in accordance with ANAO Auditing Standards at a cost to the ANAO of approximately \$478,000.

1.21 The team members for this audit were Deniss Cirulis, Jessica Bracken, Lachlan Rowe, Anne Rainger and Michelle Page.

2. Ethical strategies and policies

Areas examined

This chapter examines whether the Department of Employment and Workplace Relations' (DEWR's) tone from the top and overarching strategies or policies promote ethical behaviour and facilitate compliance with the Australian Government sector ethical framework.

Conclusion

DEWR's tone from the top and overarching strategies and frameworks are largely effective in promoting ethical behaviour by DEWR staff and compliance with the Australian Government sector ethical framework. DEWR has messaging in place within its Corporate Plan 2024–25 to set the tone from top regarding expectations for DEWR leaders and staff to act with integrity. DEWR's Integrity Framework 2024 provides guidance to all DEWR staff on integrity principles and sets out the resources available to assist staff to comply with the Australian Government sector ethical framework. DEWR's People Strategy 2024–27 contains elements which reference the Australian Public Service (APS) Values and set expectations for DEWR's leaders. DEWR has not developed a method for assessing the impact of the Integrity Framework and People Strategy in contributing to an ethical culture within DEWR, including when implementing its programs and measures. The DEWR executive provides regular communications to staff on matters relating to acting with integrity.

Areas for improvement

The ANAO made one recommendation for DEWR to develop an approach to measure the effectiveness of the implementation of the People Strategy and Integrity Framework. The ANAO also suggested that DEWR provides sufficient context in the Integrity Framework when referencing other key enterprise-wide strategies.

2.1 Setting the tone to foster a culture of integrity and ethical behaviour is a responsibility of Australian Public Service (APS) entities and their leaders. The *State of the Service Report 2023–24* emphasises the importance of respectful and ethical workplaces, where employees and leaders are expected to adhere to the APS Values and Code of Conduct. This includes treating everyone with respect, courtesy, honesty and integrity.¹⁰

2.2 The Joint Committee of Public Accounts and Audit (JCPAA) *Report 502: The Never-ending Quest for the Golden Thread*, states that to foster an Australian Public Service that acts with probity and integrity, the focus should be on frameworks, culture and accountability. The report also states

10 The State of the Service report is a report produced each year by the Australian Public Services Commission and APS entities and provides an overview of how the APS supports the Australian Government, the Parliament and the Australian public.

Australian Public Service Commission, *State of the Service Report 2023–24*, APSC, Canberra, 2024, available from <https://www.apsc.gov.au/initiatives-and-programs/workforce-information/research-analysis-and-publications/state-service/state-service-report-2023-24>, p. 82 [accessed 19 February 2025].

that the key to the APS acting with probity and integrity is not the rules but ethical leadership which must be demonstrated at all levels, especially by accountable authorities and senior officers.¹¹

Is there an overarching statement of ethical values in place?

DEWR's purpose in its Corporate Plan sets its overall strategic direction and the Secretary's messaging in the introduction to the Corporate Plan sets the tone for DEWR's senior leaders.

2.3 DEWR's 2024–25 Corporate Plan — which is an Australian Government entity's primary planning document — sets out its purpose:

We support people in Australia to have safe, secure and well-paid work with the skills for a sustainable future.

2.4 The DEWR Secretary's introduction to the Corporate Plan 2024–25 states that:

in implementing measures and programs, the department focuses on public service stewardship and upholding the values. All senior leaders in the department are guided by the Secretaries Charter of Leadership behaviours to be **Dynamic**, be **Respectful**, have **Integrity**, **Value** others, and **Empower** people. [emphasis in original]

2.5 In addition, the integrity section of the Corporate Plan 2024–25 states that:

The department remains committed to implementing the public sector integrity reform agenda. Our Integrity Unit continues to support a robust, holistic and proactive approach to integrity across the department and helps ensure we comply with our obligations and public expectations.

A pro-integrity culture is pivotal to public service. We have educated our staff, contractors and service providers in relation to their roles, responsibilities and protections concerning integrity and performance.¹²

2.6 Although the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Public Service Act 1999* (PS Act) do not specify that APS entities should have an overarching statement of ethical values, DEWR's content in its corporate plan on leadership behaviours and acting with integrity provides messaging to staff on expectations in relation to acting ethically. Similar messaging is contained in other DEWR corporate documents such as the Integrity Framework and People Strategy, discussed further from paragraph 2.7 to 2.31.

Are there appropriate strategies or policies in place to facilitate compliance with the Australian Government sector's ethical framework?

DEWR's Integrity Framework was launched in June 2024 and sets out DEWR's approach to building an integrity culture, including assigning roles and responsibilities and identifying guidance and procedures that contribute to driving integrity within the department. In October 2024 DEWR launched the People Strategy 2024–27 which incorporates an ethical

11 Joint Committee of Public Accounts and Audit, *Report 502: The never-ending quest for the golden thread*, JCPAA, Canberra, 2024, available from https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Public_Accounts_and_Audit/AustralianPublicSector/Report [accessed 10 August 2024].

12 Department of Employment and Workplace Relations, *Corporate Plan 2024–25*, DEWR, Canberra, 2024, p. 17, available from <https://www.dewr.gov.au/about-us/corporate-plan-2024-25> [accessed 18 February 2025].

leadership element aligned with the APS Values, sets out the expectations for DEWR leaders at all levels, and defines the priorities for its people and culture. DEWR has not developed an approach to ascertain the effectiveness of the implementation of the People Strategy or Integrity Framework.

Integrity Framework

2.7 DEWR has developed an Integrity Framework to guide its approach to integrity. The framework was developed by DEWR's integrity adviser — Jill McGahon — who was contracted from March 2024 to March 2025 to 'support the department to reinforce a culture that personifies and values integrity, and is focused on advice, support, education and continual improvement'.¹³

2.8 The development of the Integrity Framework involved internal consultation throughout March 2024 with multiple teams in DEWR including Performance and Wellbeing, Internal Audit, Enterprise Risk, Financial Governance, Workforce Intelligence, Fraud Intelligence and Investigation, Workforce Design, HR Policy teams and the Chief Risk Officer.

Gap analysis

2.9 Working with the integrity advisor, DEWR developed an integrity gap analysis that was presented to the Executive Board on 14 May 2024 and the Audit and Risk Committee on 26 September 2024. The gap analysis was developed in parallel with the Integrity Framework to 'understand the current state integrity environment within the department' and was based on guidance from the Commonwealth Integrity Maturity Framework.¹⁴

2.10 The gap analysis found that 'overall, the department is performing well in a number of areas within the Commonwealth Integrity Maturity Framework, with no significant gaps identified'. Eight principles were identified to guide DEWR's continued uplift of its integrity capabilities (see Appendix 5).

2.11 Across these eight principles, DEWR identified 27 actions as areas for improvement with corresponding implementation dates. DEWR provided an update to its Executive Board on 21 January 2025 that 50 per cent of the recommendations had been completed, with the remaining recommendations in progress.¹⁵

Integrity Framework 2024

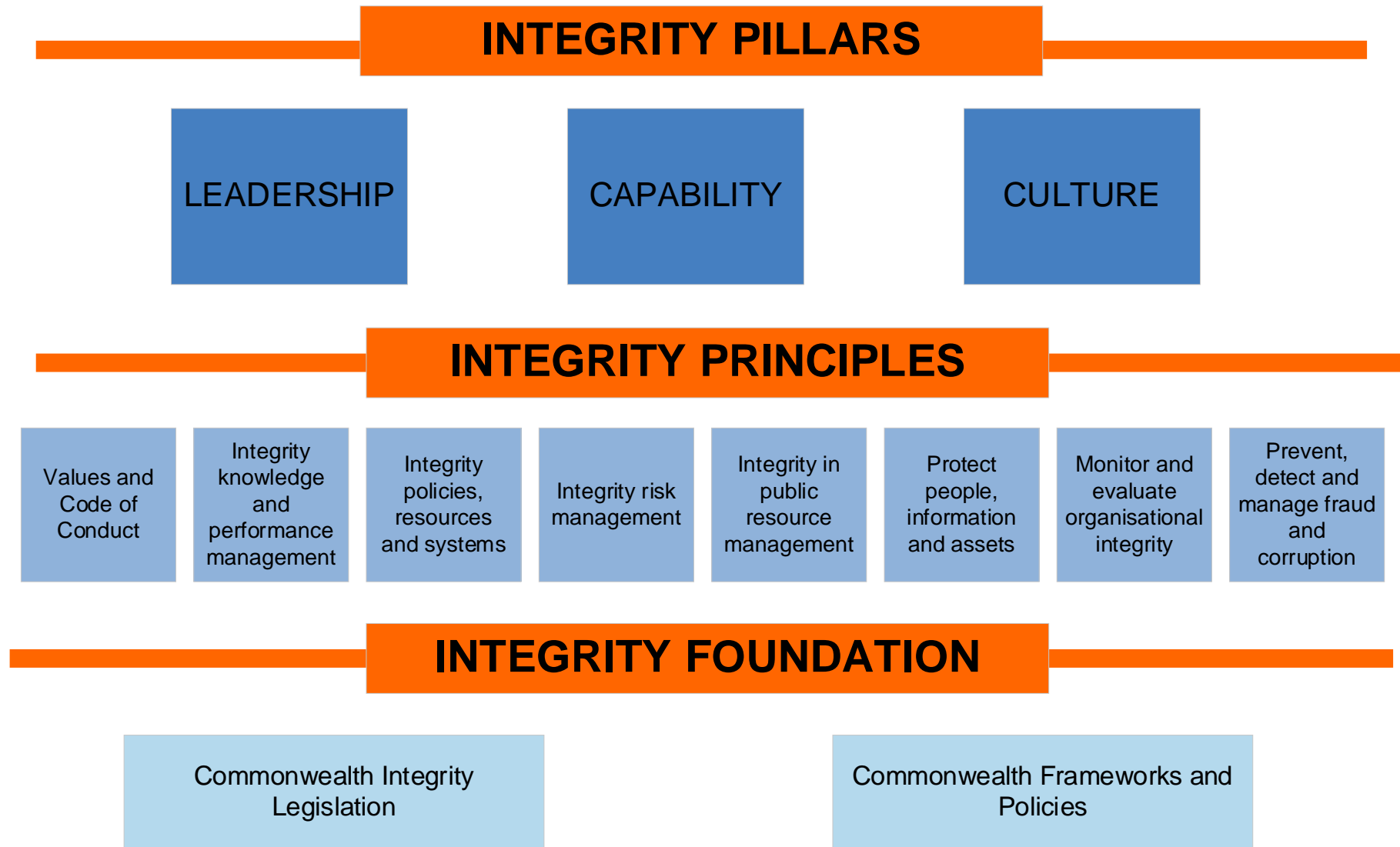
2.12 The purpose of the Integrity Framework is to support DEWR to deliver work 'honestly, impartially, in the public interest' and to guide staff to act with integrity. The Integrity Framework has three components — integrity pillars, integrity principles and integrity foundation (see Figure 2.1).

13 AusTender contract reference CN4022321-A1, see also <https://www.tenders.gov.au/Cn/Show/66a35e5b-b9b5-4cf1-9f4d-1edbbef67c0b>

14 To assist APS agencies to design, implement and review the effectiveness of their integrity frameworks, the National Anti-Corruption Commission (NACC) released the Commonwealth Integrity Maturity Framework in 2023. The framework sets out eight integrity principles and provides four integrity maturity indicators — level one corresponding to the lowest level of maturity and level four to the highest level of maturity. National Anti-Corruption Commission, *8 Integrity Principles and Maturity Indicators, Commonwealth Integrity Maturity Framework*, NACC, Canberra, 2023, p. 16, available from <https://www.nacc.gov.au/sites/default/files/documents/2023-08/CIMF-8-integrity-principles-and-maturity-indicators.pdf> [accessed 8 January 2025].

15 DEWR further advised the ANAO on 19 June 2025 that the remaining recommendations have continued to progress and are being tracked and reported on.

Figure 2.1: DEWR's Integrity Framework hierarchy



Source: DEWR Integrity Framework.

2.13 The Integrity Framework encompasses three pillars as the strategic elements that guide DEWR's approach to integrity.

- Leadership — all staff have a role in ensuring integrity and using the Integrity Framework. This pillar also states that the behaviours of department leaders should always exemplify integrity.
- Capability — all staff should be aware of what integrity is and are therefore able to act with integrity. The capability of staff to have the skills to act with integrity is vital to the department's pro-integrity culture.
- Culture — identifies that a strong integrity culture is critical to embed integrity within DEWR and maintain trust of the Australian public.

2.14 The framework details eight integrity principles that guide the approach to integrity and the associated mechanisms. The framework lists the integrity agencies, legislation and Commonwealth frameworks and policies that relate to integrity. The framework also references DEWR's policies, training and procedures that support the eight principles (discussed further in Chapter 3). The Integrity Framework does not have a methodology to measure the effectiveness in achieving its intended purpose.

2.15 On 14 May 2024, DEWR's Executive Board endorsed the Integrity Framework. The Integrity Framework was then formally launched on 28 June 2024 via an all-staff information session which was delivered in-person and streamed online. The session was hosted by the integrity advisor and DEWR's Enterprise Risk, Assurance and Investigations Branch, and included a panel consisting of:

- the Chief Data Officer;
- executive from the Employment and Workforce Group; and
- executive from the Workplace Relations Group.

2.16 DEWR noted at the all-staff session that although the principles in the Integrity Framework are specific to DEWR, they were informed by the Commonwealth Integrity Maturity Framework. Staff were also encouraged to utilise the framework along with the Australian Public Service Commission's (APSC) ReFLECT model.¹⁶

2.17 Leadership, capability and culture are pillars in both the Integrity Framework and the People Strategy noting that the latter contains a fourth pillar — wellbeing. Both documents contain similar outcomes to:

- encourage leadership behaviours of all staff in order to maintain and reflect integrity across DEWR;
- build the capability of staff with the right skills and knowledge to effectively engage with and make ethical decisions; and
- foster an integrity culture where integrity is a focus as well as trust and inclusion.

16 The ReFLECT model is a decision-making tool released by the APSC to assist APS employees to work through ethical issues and dilemmas. ReFLECT stands for: Recognise a potential issue or problem, Find relevant information, Linger at the 'Fork in the Road', Evaluate the options, Come to a decision, and Take time to reflect.

Australian Public Service Commission, *The ReFLECT model: a decision-making model for APS Values and Code of Conduct*, APSC, Canberra, 2023, available from <https://www.apsc.gov.au/working-aps/integrity/integrity-resources/REFLECT> [accessed 30 January 2025].

2.18 The People Strategy is referenced once in the Integrity Framework under the values and code of conduct integrity principle.

Opportunity for improvement

2.19 DEWR could consider providing sufficient context in the Integrity Framework when referencing other key enterprise-wide initiatives such as the People Strategy, and how they contribute to a culture of integrity in DEWR when delivering its programs and measures.

Integrity Team

2.20 DEWR's Integrity Team was established in July 2023 within the Enterprise Risk Assurance and Investigations Branch in the Legal and Assurance Division. The Integrity Team defines its role as being 'responsible for promoting, implementing, evaluating and reporting of integrity oversight and governance, accountability and transparency through integrity measures in the department'.

2.21 DEWR released an Integrity Team service charter in 2024 that states that the Integrity Team can assist DEWR staff with:

- the Integrity Framework;
- the APS Integrity Taskforce report '*Louder than Words: An APS Integrity Action Plan*';
- the Integrity Dashboard; and
- any other integrity related advice.

The charter also sets out other responsibilities of the Integrity Team, including:

- oversight of DEWR's approach to integrity initiatives and leading work that comes from the Australian Government's integrity agenda;
- DEWR's Public Interest Disclosure function;
- fraud and corruption control frameworks, training and advice;
- conflict-of-interest advice and policy management;
- requests for information received from the National Anti-Corruption Commission;
- management of the Integrity Dashboard; and
- launching key integrity artefacts such as the Integrity Framework, and providing advice and support to staff to utilise the framework.

2.22 Staff can contact the Integrity Team via email (listed on the intranet page) or via referral from the Public Interest Disclosure team or the DEWR Fraud and Corruption Centre. The Integrity Team has six officers and is the point of contact for DEWR staff for integrity or ethics-related matters.

People Strategy

2.23 DEWR commenced development of a People Strategy in 2023 to define the priorities for its people and culture. A two-page implementation plan was developed in 2023 and endorsed by DEWR's Executive Board on 19 October 2023. The document includes seven focus areas across the themes of wellbeing, culture, capability and leadership. It also sets out at a high level the actions to be undertaken by DEWR and the roles and responsibilities across governance forums and leaders.

2.24 The four themes of the People Strategy Implementation Plan are:

- wellbeing — working well, working safe and working with purpose;
- culture — building identity, curiosity and courage and cultivating inclusion;
- capability — includes focus areas on workforce planning, and a skilled and confident workforce; and
- leadership — values-driven leadership and purpose-driven leadership.

2.25 Actions in the People Strategy Implementation Plan were split over two tranches and were assessed by DEWR against a four-level maturity scale with different actions tied to each level.

1. Address — We will review and address initiatives that are not in place or require improvement.
2. Build — We will design and deliver new initiatives.
3. Implement — We will implement initiatives outlined in our frameworks and action plans.
4. Extend — We will innovate initiatives to deliver best-in-class solutions and model best practice.

2.26 All actions assessed by DEWR in the Implementation Plan scored a maturity level of two or higher.

2.27 The People Strategy 2024–27 was developed and presented to the Executive Board on 12 December 2023 ahead of an all-staff consultation. DEWR advised the board that ‘the Strategy provides a strategic umbrella to frame our workforce initiatives and ensure they contribute to the achievement of our culture, purpose and Corporate Plan objectives’.

2.28 DEWR advised the ANAO on 17 March 2025 that consultations for the People Strategy occurred between December 2023 and February 2024. These included an intranet page that provided a draft of the People Strategy, a feedback form, and ‘drop-in’ sessions for staff to provide feedback based on targeted questions.

2.29 The aim of the People Strategy is to inform DEWR’s approach to retain, grow and attract its workforce, across four outcome areas:

- wellbeing — establishes that health and wellbeing are key considerations in DEWR’s planning, culture and systems;
- culture — sets out the outcomes for the department as an inclusive workplace where integrity, shared purpose and values and behaviours are supported and encouraged;
- capability — establishes the department’s focus on workforce planning and attracting and supporting a skilled and capable workforce; and
- leadership — a focus on the department fostering a strong leadership culture that is aligned to the APS Values and supported by outcomes-based performance and clarity in roles and responsibilities in relation to achieving the department’s outcomes.

2.30 The final People Strategy 2024–27 was released on 24 October 2024 and DEWR’s Executive Board has oversight of the implementation of the Strategy. The People Strategy does not include a methodology to assess the effectiveness or impact of its implementation.

2.31 As part of the implementation of the People Strategy, a leadership roadmap was developed by DEWR. The leadership roadmap sets out the approach to develop DEWR’s leaders at all levels and is ‘designed to strengthen leadership capability and behaviours across [DEWR’s] workforce’. It

also states that DEWR's leaders will act with the highest standards of integrity and embody the APS Values. The four elements of the roadmap are: mindset, behaviours, capability and ways of working. The accompanying implementation plan articulates the planned actions which include training, the development of resources and tools, and human resources activities.

Recommendation no. 1

2.32 The Department of Employment and Workplace Relations develops an approach to measure the effectiveness of the implementation of the Integrity Framework or People Strategy including how they support integrity in the administration of DEWR's measures and programs.

Department of Employment and Workplace Relations' response: *Agreed.*

2.33 *The department agrees to develop a structured approach to assess the effectiveness of the Integrity Framework and People Strategy, including articulating how these frameworks support integrity in the administration of departmental programs and measures. This will include identifying relevant indicators and feedback mechanisms to evaluate cultural impact and behavioural outcomes.*

Risk management

2.34 DEWR's Enterprise Risk Management Policy and Framework November 2024 (the risk framework) sets out DEWR's approach to identifying and managing risk. It is based on the Commonwealth Risk Management Policy which provides nine elements that Australian Government entities must comply with when developing and maintaining systems of risk oversight and management.

2.35 DEWR's risk framework includes information on: risk definition; governance; risk management approach; and references to supporting information such as the risk management system. The risk framework is supported by more detailed guidance documentation.

Strategic Risks 2024–25

2.36 DEWR defines strategic risks as risks that could significantly impact the achievement of its purposes, damage its reputation or affect its operations. DEWR reviews its strategic risks annually and includes them in the Corporate Plan.

2.37 In 2024–25, DEWR identified the following strategic risks — delivery; people; stakeholders; policy; finance and regulatory; information and communication technology; information and data — and introduced a culture risk. This aligns with the culture theme set out in the Integrity Framework and People Strategy.¹⁷

2.38 The culture risk is:

Our culture risk may not foster an environment where staff feel safe, learn from mistakes, speak up or feel respected for their value.

17 Department of Employment and Workplace Relations, *Corporate Plan 2024–25*, DEWR, Canberra, 2024, pp. 25–27, available from <https://www.dewr.gov.au/about-us/corporate-plan-2024-25> [accessed 18 February 2025].

Working in isolation, without common priorities has the potential to create a risk of the department not being able to innovate or work as a connected TeamDEWR.

2.39 The culture risk relates to: historical machinery of government changes; siloed business area practices; values and leadership; lack of innovation; diversity and inclusion; and ethics and integrity.¹⁸

2.40 DEWR has identified a mitigation strategy to address the culture risk:

The department promotes a culture that fosters diversity and inclusivity. We insist on integrity in all we do, with a particular focus on fairness in our recruitment and procurement practices. Our Governance arrangements, Strategies and Frameworks assist us to prioritise what we do and provide options for our people to balance work and life commitments. We encourage our people to be curious and find innovative solutions to achieve shared outcomes.

Divisional risk plans

2.41 DEWR develops risk management plans to monitor and implement strategies for operational risks that impact the ability of an area to achieve its purpose. The development of risk management plans at the divisional level is mandatory and they are required to be reviewed every six months.

2.42 The ANAO reviewed 14 divisional risk plans from 2025¹⁹ (out of a total of 24 divisions) for content relating to the culture strategic risk as well as elements relating to ethics, integrity or values. Each of the 14 plans contained references to these elements as part of their risks. The plans also included two risks on integrity, and fraud and corruption.

- Achieving the divisional purpose is not supported by a culture of integrity, inclusion, curiosity, collaboration, agility and high-performance.
- Instances of fraud and/or corruption undermine the division's integrity, and ability to deliver services and achieve outcomes.

2.43 Of the 14 plans reviewed, 12 contained risk treatments relating to ethics, integrity, values or culture. For example, staff are provided with appropriate ethics/integrity training, and Senior Executive Service (SES) leaders model and encourage a positive workplace culture.

Louder than Words: An APS Integrity Action Plan

2.44 The Australian Public Service Integrity Taskforce's report *Louder Than Words: An APS Integrity Action Plan* was published on 17 November 2023.²⁰ The report consisted of 15 recommendations and 46 recommended actions aimed at identifying gaps and opportunities in the APS integrity environment across culture, systems and accountability.

18 As outlined in Appendix 8, in the 2023 APS employee census 67 per cent of staff indicated they felt safe to raise concerns. In 2024, 82 per cent of staff indicated they felt safe to identify risks.

19 Five plans were marked as 'draft'.

20 Australian Public Service Integrity Taskforce, *Louder than words: An APS integrity action plan*, APSC, Canberra, 2023, available from <https://www.pmc.gov.au/resources/louder-words-aps-integrity-action-plan> [accessed 9 December 2024].

2.45 DEWR selected all 15 recommendations and 44 of the 46 associated recommended actions to implement.²¹ DEWR maintains a spreadsheet to track its progress against implementation of the recommendations. DEWR reported to its Executive Board on 21 January 2025 that it had completed 38 actions with six actions in progress. Examples of DEWR’s implementation of recommendations that have an ethics, integrity, values or culture lens are set out in Appendix 7.

Is there regular internal communication on the application of the strategies or policies?

DEWR uses various communications to update staff on important information including: all staff emails; video messages from the Secretary and other Senior Executive Service (SES) officials; and weekly email updates. Within these communications, there are regular occurrences of staff being advised of their obligations around undertaking their roles ethically and with integrity, for example, reminders on fraud awareness training and embodying the APS Values. DEWR also communicated the launch of the Integrity Framework and training to all staff.

2.46 DEWR issues regular communications to all staff on matters relating to ethics, integrity, values or culture (set out in Table 2.1).

Table 2.1: DEWR communications to staff regarding ethics, integrity, values or culture

Communication channel	Cadence (weekly, fortnightly or as required)	Instances reviewed by the ANAO from 1 July 2022 to 31 December 2024	Percentage of communications that relate to ethics, integrity, values or culture (%)
Secretary’s video messages	As required	100	21
Chief Operating Officer messages	As required	13	69
All-staff emails	As required	62	15
Executive Board summaries	Fortnightly	53	21
In Case you Missed It (ICYMI) — summary email of corporate messages	Weekly	117	62

Source: ANAO analysis of DEWR communications.

2.47 Since 2024, there has been an increase in instances across DEWR communications relating to ethics, integrity, values or culture. This includes communication to staff to notify them of the launch of the Integrity Framework, the People Strategy, and the commencement of the integrity advisor.

21 DEWR advised the ANAO on 15 December 2024 that two of the recommendations were for the Department of Prime Minister and Cabinet and Australian Public Service Commission as the lead agencies, so would be implemented through other entities.

Secretary video messages

2.48 The Secretary of DEWR releases video messages to all staff on a regular basis (primarily weekly). The videos discuss various topics relevant to the department or key events occurring across the public sector. These videos are available on DEWR's intranet. Between 1 July 2022 and 31 December 2024, the Secretary issued 100 video messages and of those 21 per cent discussed matters relating to ethics, integrity, values or culture. Examples include:

- on 7 July 2023 and 17 November 2023, the Secretary discussed the need for integrity systems and change needed in the context of the Royal Commission into the Robodebt Scheme;
- on 30 August 2024 discussions related to the DEWR's response to its culture and the APS Employee Census results;
- on 13 September 2024 the Secretary notified staff of the APS Ethics Advisory Service²² and the work DEWR had undertaken on integrity such as the Integrity Framework; and
- on 27 September 2024 and 11 October 2024, the Secretary discussed accountability in relation to credit card and travel acquittals.

2.49 Since July 2024, the Secretary's video messages have increasingly discussed subjects relating to ethics, integrity, values or culture. The ANAO's analysis of the Secretary's video messages released in 2022, 2023 and 2024 demonstrated that ethics, integrity, values or culture topics were discussed in one of 18 video messages for 2022 (six per cent), nine of 47 messages in 2023 (19 per cent) and 11 of 35 messages in 2024 (31 per cent).

Chief Operating Officer emails

2.50 The Chief Operating Officer (Deputy Secretary) emails are sent to all staff as required. The communications from July 2022 to December 2024 discussed various topics, including:

- DEWR Catchup — corporate operational reminders such as overseas travel and gifts and benefits, as well as reminders of other key events such as the Secretary's awards;
- MonthlyMemo — updates to staff on key policy information such as the enterprise transformation project and APS Employee Census results;
- announcement of the launch of the People Strategy 2024–27 in April 2024; and
- DEWR Chief Operating Officer message — a video message discussing the upcoming Budget and reminding staff about obligations in relation to classified information.

2.51 Of the 13 communications reviewed by the ANAO, nine (69 per cent) discussed matters relating to ethics, integrity, values or culture.

All-staff emails

2.52 All staff emails are sent as required and topics include reminders or updates for staff on external news that is relevant to the department, and reminders for staff on completing surveys. All-staff emails were issued 62 times between 1 July 2022 to 31 December 2024. The communications are issued by various SES officers including the Secretary, the Chief Operating

22 The Australian Public Service Commission operates the Ethics Advisory Service which is open to all APS employees who want to discuss matters relating to ethical issues in the workplace.

Officer, Chief People Officer, and other DEWR senior executives. The communications cover various reminders including upcoming events, key policies and documents, and reminding staff of the department's expectations and obligations as part of the APS. Of the 62 emails reviewed between 1 July 2022 and 31 December 2024, nine emails (15 per cent) related to discussions relating to ethics, integrity, values or culture. Examples include:

- on 30 January 2023 an email announced that experts had been engaged by DEWR to support a project around culture, including workshops and all staff surveys; and
- on 2 July 2024 an email reminded staff about their obligations as APS employees and the APS Values.

'In case you missed it' email communications

2.53 The 'In case you missed it' communications are weekly email messages sent to all DEWR staff. These communications run through the events and important information that occurred in DEWR or the public sector during the preceding week. Between 1 July 2022 and 31 December 2024, 117 emails were sent to DEWR staff and of those, 72 (62 per cent) discussed matters relating to ethics, integrity, values or culture.

Executive Board summaries

2.54 DEWR releases summaries of the matters discussed at the Executive Board meetings that occur fortnightly (see paragraphs 4.8 to 4.10). The Executive Board summaries can be accessed by all staff on the DEWR intranet.

2.55 The summaries are one or two pages that cover the key items discussed by the Executive Board. From 1 July 2022 to 31 December 2024, 53 summaries were available on DEWR's intranet. Of those, 11 (20 per cent) contained references to ethics, integrity, values or culture. Examples include:

- on 22 August 2023 — a summary of the SES forum including discussions on the strategies of DEWR across leadership, culture and wellbeing;
- on 12 December 2023 — a summary of the development of the draft People Strategy 2024–27; and
- on 14 May 2024 — confirming that the Executive Board approved the Integrity Framework, including the upcoming all-staff integrity training to be run by the integrity advisor on 28 June 2024.

3. Implementation mechanisms

Areas examined

This chapter examines whether the Department of Employment and Workplace Relations (DEWR) has appropriate supporting mechanisms in place to implement the ethical strategies and policies.^a

Conclusion

DEWR has largely appropriate mechanisms to implement its overarching ethical strategies and policies. These include: Accountable Authority Instructions (AAIs); the annual management assurance process; conflict-of-interest processes; complaints and investigations mechanisms; fraud and corruption controls; credit card use policy; procurement and probity procedures; grants management guidance; gifts benefits and hospitality procedures; staff surveys; mandatory training; and Senior Executive Service (SES) performance management. Guidance and policy documents for these mechanisms sets out roles and responsibilities, oversight and reporting timeframes to DEWR's governance committees. Where relevant, processes for non-compliance were identified in the process documentation. Assurance and oversight primarily occurs through reporting to DEWR's governance forums.

Area for improvement

The ANAO suggested that DEWR develops target completion rates for its mandatory training modules.

Note a: For the purposes of this audit 'mechanisms' refers to any tools, plans, procedures, processes, systems or registers that support the overarching ethical strategies or policies.

3.1 The types of supporting mechanisms that facilitate implementation of ethical strategies and policies include: credit card use policy; gifts and benefits register; staff performance frameworks; procurement and grants guidance; mandatory training; conflict-of-interest policy; fraud and corruption frameworks; and processes to manage complaints. These mechanisms exist to promote ethical decision-making and behaviours, and ensure that staff comply with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Management should be kept updated on progress and results so that decisions can be made around addressing areas of concern.

Are there appropriate mechanisms in place to support ethical behaviour, provide assurance to management and address non-compliance?

DEWR has mechanisms in place to encourage ethical behaviour by its staff, facilitate compliance with Australian Government sector ethical framework, and identify and address areas of non-compliance. Processes and roles and responsibilities are set out in the supporting guidance for the mechanisms, including requirements around quality assurance and reporting to DEWR's governance committees.

Assurance and oversight are primarily provided through regular reporting to the DEWR executive and other governance forums. DEWR undertakes assurance activities within the processes for credit cards, fraud and corruption, code of conduct and SES personal declarations of interest.

Non-compliance is managed for code of conduct, fraud investigations, credit card use and gifts and benefits. For these mechanisms, DEWR has procedures in place to manage non-compliance through avenues such as formal investigation, additional training, official warning or sanctions.

3.2 DEWR's Integrity Framework 2024 is supported by various mechanisms that enable oversight, encourage integrity behaviours, and manage risks of unethical behaviours from staff. The Integrity Framework principles (discussed previously at paragraph 2.14) include references to the policies, procedures and controls that underpin each principle, such as:

- values and code of conduct — including code of conduct controls and the Australian Public Service (APS) Employee Census;
- integrity knowledge and performance management — mandatory training and SES performance framework;
- integrity policies, resources and systems — public interest disclosures, conflict-of-interest controls, gifts and benefits, official hospitality and business catering, and public interest disclosures;
- integrity in public resource management — the AAls, credit card policy, procurement policies, and grants;
- monitor and evaluate organisational integrity — integrity reports and reports to the Executive Board, Audit and Risk Committee and Risk Committee; and
- prevent, detect and manage fraud and corruption — DEWR's fraud and corruption controls and guidance.

Accountable Authority Instructions

3.3 Section 20A of the PGPA Act states that accountable authorities of Australian Government entities may provide written instructions to staff relating to matters regarding the finance law. The Department of Finance's *Accountable Authority Instructions — Resource Management Guide (RMG) 206* provides guidance to assist in developing AAls including a template.²³

3.4 From 1 July 2022 to 8 November 2024, DEWR's Accountable Authority (the Secretary) issued seven instructions. The overall content and structure of the AAls have not significantly changed, however some sections were updated, for example:

- fraud — DEWR introduced the Fraud and Corruption Control Policy and Strategy consistent with the Commonwealth Fraud and Corruption Control Framework 2024²⁴; and
- spending approval — in July 2024 changes were made to the spending approvals section of the AAls to require mandatory Deputy Secretary involvement where the funding source for a procurement is an administered appropriation.

23 Department of Finance, *Accountable Authority Instructions (AAls) — Resource Management Guide (RMG) 206*, Finance, Canberra, 2023, available from <https://www.finance.gov.au/government/managing-commonwealth-resources/managing-risk-internal-accountability/risk-internal-controls/accountable-authority-instructions-aais-rmg-206> [accessed 17 December 2024].

24 Attorney-General's Department, *Commonwealth Fraud and Corruption Control Framework 2024*, AGD, Canberra, 2024, available from <https://www.counterfraud.gov.au/library/framework-2024> [accessed 17 December 2024].

3.5 DEWR's AAls cover all sections of the RMG 206 template but also include additional sections on:

- corporate and financial policy compliance — covers the requirements for officials holding financial delegations;
- ICT procurement — provides instructions on approval for ICT procurements and the process for semi-complex and simple IT procurements;
- procurement planning — details the internal policy requirements for procurement, including disclosing any potential conflict of interest;
- business catering — requirements for purchasing business catering and the need for it to be reasonable and defensible; and
- legal services — outlines the circumstances when officials need to seek legal advice and sets guidelines around the provision of legal services.

Declaring and managing a conflict of interest

General conflict of interest

3.6 Requirements to disclose conflict of interest and declare personal interests by APS employees are set out in legislation. Subsection 13(7) of the *Public Service Act 1999* (PS Act) states that APS employees must avoid any real or apparent conflict of interest in relation to their employment in the APS and disclose details of any material personal interest. Section 29 of the PGPA Act places a duty on APS officials to disclose material personal interest that relates to their entity's business. The direction to DEWR employees to follow the conflict-of-interest policy is included in the AAls at Section 1.8.

3.7 In June 2023, DEWR finalised an internal audit into its procurement and conflict-of-interest processes, where DEWR assessed the design of its control framework for managing conflict of interest, integrity, and probity requirements in procurement. DEWR found that it had limited guidance on conflict-of-interest requirements and there was an opportunity 'to improve the cultural approach to internal controls and compliance, specifically the declaration of conflicts of interest'.

3.8 In November 2023, the conflict-of-interest policy and framework function was transferred to DEWR's Integrity Team. DEWR conducted an internal review of the conflict-of-interest forms, the conflict-of-interest policy and the general conflict-of-interest information available to staff. The review identified 13 recommendations. These are set out in Appendix 6, including their status as at June 2025.

3.9 DEWR's current conflict-of-interest policy has been in effect since 26 September 2023. The policy includes definitions of real and apparent conflicts and explains situations where a conflict of interest can occur and how to declare and manage the conflict.

3.10 For general conflict of interests, non-SES employees are required to report any real or apparent conflicts to their manager by completing an electronic declaration form in the Financial Management Compliance System (FMCS). DEWR employees are required to complete the form:

- upon commencement of employment with DEWR;
- when transferring to another branch in the event of a re-structure or a machinery of government change;

- when personal circumstances change that could impact decision-making; and
- prior to leaving DEWR for a private sector role that aligns with an employee's official duties at DEWR.

3.11 Once the conflict-of-interest declaration is submitted by a staff member, their manager receives a notification via email that the declaration is in FMCS for review and approval. The manager may, if required, request further information from the staff member or escalate the declaration to another official in DEWR. The DEWR conflict-of-interest policy specifies that in the event of non-compliance on a real or apparent conflict-of-interest disclosure, the non-disclosure may amount to a breach of the APS Code of Conduct and be subject to a formal investigation. DEWR advised the ANAO on 11 March 2025 that there was currently one matter where an actual conflict of interest was not declared by staff and had progressed to a code of conduct investigation.

3.12 DEWR's Integrity Team provides advice and responds to conflict-of-interest queries from DEWR staff and tracks these queries in a spreadsheet. The individual conflict-of-interest forms submitted in FMCS are not overseen or tracked by the Integrity Team and the process is devolved to individuals and their managers.

3.13 In relation to managing conflict of interest during activities such as procurement or recruitment, DEWR advised the ANAO on 9 October 2024 that the responsibility and accountability for disclosing and managing a conflict is decentralised and rests with the delegate responsible for the activity being undertaken. For example, DEWR's guidance on risk in procurement and contract management identifies actual, perceived or potential conflicts of interest as a common procurement delivery risk that needs to be managed when undertaking procurements.

Personal declaration of interest for SES officers

3.14 Section 29 of the PGPA states that 'An official is required to report material personal interests in relation to the affairs of the entity they work for'. DEWR's SES Unit manages the annual declaration of personal interest process which applies to all SES officers. The SES Unit uses an online form to collect the information and maintains a spreadsheet to record results and track the progress of completion. The declaration form requires information such as: personal details; declaration of interests for outside work; previous declarations; conflict of interest; declarations relating to family members; and acknowledgment of responsibilities.

3.15 For the 2024–25 process the deadline for completion was 22 August 2024. DEWR advised the ANAO that as at 10 October 2024:

- 113 SES officers had completed the declaration form, with 29 officers completing the declaration after the deadline; and
- ten officers were yet to complete the declaration form of which: five officers were on extended leave prior to the deadline; one officer commenced employment after the deadline; and for four officers, no reason was recorded in the spreadsheet to explain why their declaration was not completed.

3.16 Staff who have not completed the form by the required date are sent an email reminder. DEWR advised the ANAO on 6 March 2025 that the SES Unit continues to follow-up with individual SES officers to remind them of their obligation to complete the form until it is submitted. On 19 June 2025 DEWR advised the ANAO that if a form is not submitted following the reminders, then the matter would be escalated to the SES officer's manager.

3.17 If an SES officer declares a conflict, the SES Unit works with the Integrity Team to assess the declaration. For SES Band 1 and SES Band 2 officers, a summary of the conflict(s) is then provided to the Chief Operating Officer for review. If a conflict is identified, the Chief Operating Officer will communicate with the relevant SES officer to establish mitigation steps. For SES Band 3 officers, the procedure for the declaration states that a summary is submitted to the Secretary for evaluation and if a conflict is identified, the Secretary will determine mitigation steps, and the Chief Operating Officer will oversee implementation.

Management Assurance Certificate

3.18 The Department of Finance's Financial Statements Better practice guide states that:

management signoffs provide assurance to the CFO [Chief Financial Officer] of the quality of entity's financial statements and management's compliance with a range of internal control and legislative compliance issues that underpin the statements. Such sign-offs are generally accepted as an integral component of management's responsibility and accountability and, through the CFO's assurance processes, support the audit committee's assurance to the accountable authority.²⁵

3.19 DEWR's Management Assurance Certificate process is an annual mandatory assurance activity that facilitates the signing of financial statements by DEWR's Secretary. It requires each SES officer to complete a declaration to assist in ensuring the completeness and accuracy of financial information, effectiveness of existing controls, and identification of any legal and financial non-compliance. The process therefore contributes to assurance over ethical frameworks and how they are operating in business areas.

3.20 The process is conducted through a survey which asks SES officers about financial management, legislative compliance and fraud matters. Each year, the survey timing and questions are submitted to DEWR's Chief Financial Officer for approval prior to the process being opened for completion by the SES.

3.21 The process commences with the SES Band 1 officers completing the survey. The survey results are then submitted to the relevant SES Band 2 officer for completion and then to the relevant SES Band 3 officer. DEWR has a procedure that sets out the survey timeline (April to July), end-to-end survey preparation, execution and reporting.

3.22 Since 1 July 2022, DEWR has completed two Management Assurance Certificate processes — the first in 2022–23 with 116 SES officers participating, and another in 2023–24 with 121 SES officers participating.

Case study 1. Management Assurance Certificate process 2023–24

The 2023–24 Management Assurance Certificate survey included 13 questions. Question 13 related to legislative non-compliance:

To the best of your knowledge, have all incidents of serious or systemic legal non-compliance in your Division been reported to the General Counsel or the Chief Counsel? If no, please provide additional information.

25 Department of Finance, *Financial Statements Better Practice Guide*, Finance, Canberra, 2025, available from <https://www.finance.gov.au/government/financial-reporting-and-accounting-policy/financial-statements-better-practice-guide> [accessed 13 January 2025].

This question was supported by guidance on the definition of serious and systemic legal non-compliance and a reference to the AAls.

DEWR's Chief Financial Officer reported to the Secretary and the Audit and Risk Committee in September 2024 that there were no significant finance law matters identified from the results of the 2023–24 survey.

On 26 February 2025, the Secretary advised the Senate Education and Employment Committee, and subsequently published on DEWR's website, details of decisions made under the *Social Security Administration Act 1999* which may not have been valid. Around the same time DEWR advised the ANAO of the matter as part of the 2024–25 financial statements audit. The Secretary made a subsequent public statement on 21 March 2025, also published on DEWR's website, which stated 'reviews are underway to ensure that decisions taken are made in a lawful and robust manner' and that the Secretary has 'taken decisions to pause some parts of the system [Targeted Compliance Framework]'.

As reported in Auditor-General Report No. 39 of 2024–25 *Interim Report on Key Financial Controls of Major Entities*, published in May 2025:

Across the legal and business areas of DEWR, SES officials were aware of the potential legislative validity issues at the time of the Accountable Authority and Chief Financial Officer signing the financial statements and written representations. However, there was no documented consideration of this matter through the Management Assurance Certificate survey, nor communication to the ANAO in response to enquiries made.

The failure to capture a known legislative compliance matter through the Management Assurance Certificate process reflects a control deficiency. In the *Interim Report on Key Financial Controls of Major Entities* the ANAO reported a moderate finding on governance of legal and other matters. The ANAO recommended that DEWR reinforce the importance of centralised reporting and SES officers' responsibilities in terms of reporting complete and accurate financial information, effectiveness of existing controls and identification of any legal and financial non-compliance.

One of the recommendations from the Australian Public Service Integrity Taskforce's report *Louder Than Words: An APS Integrity Action Plan* (discussed previously at paragraph 2.44) was that entities should reinforce a culture of legality across the APS, with a suggested action that leaders should reinforce to their staff the centrality of lawfulness in all that the public service does. As outlined in Appendix 7, DEWR's General Counsel wrote to the DEWR SES Band 2 officers in June 2024 to remind them of their obligation to report serious and systemic legal non-compliance and to confirm via reply that all instances had been reported. Each officer reported that to the best of their knowledge, they had no instances to report.

Investigations, complaints and referrals

3.23 DEWR has various mechanisms to manage complaints made by external parties or providers, the general public or internally by staff members. This includes a general complaints email as well as specific contact details for specific employment or skills programs. Complaints and investigation mechanisms that are dedicated to managing allegations of unethical behaviour are discussed from paragraph 3.24 to 3.54.

Code of conduct investigations

3.24 Code of conduct matters are governed primarily by the PS Act and supported by the Australian Public Service Commissioner's Directions 2022 (Commissioner's Directions). The Australian Public Service Commission's (APSC) *Handling Misconduct: A human resource managers guide* states that effective management of code of conduct matters enables an entity to 'maintain public confidence in the integrity of the APS'.

3.25 DEWR's People Branch has responsibility for managing and investigating potential breaches of the APS code of conduct. DEWR advised the ANAO on 16 January 2025 that it has in-house investigators within the People Branch.

3.26 The document that governs DEWR's code of conduct process is the Procedures for Determining Breaches of the APS Code of Conduct and Deciding Sanctions October 2022.²⁶ The procedure states that one of the following roles can determine whether a formal investigation should take place:

- Deputy Secretary/Chief Operating Officer — Corporate and Enabling Services Group.
- First Assistant Secretary — People and Communication Division.
- Assistant Secretary — People Branch.
- Director — Performance and Wellbeing.

3.27 DEWR advised the ANAO on 16 January 2025 that the Director of Performance and Wellbeing is the primary decision maker unless there is a potential conflict of interest for that officer.

3.28 Once an investigation has been completed, a report is provided to one of the above roles in order to determine the appropriate sanction. DEWR uses an online case management system to manage and record code of conduct cases. Between 1 July 2022 and 31 December 2024, DEWR had a total of 21 code of conduct investigations and of those: 12 matters were determined to be a breach of the code of conduct; eight were active code matters²⁷; and one matter had been finalised with a decision not to commence an investigation.

3.29 Reporting on code of conduct cases is provided to DEWR's Executive Board and Audit and Risk Committee.

Public Interest Disclosures

3.30 The *Public Interest Disclosure Act 2013* (PID Act) provides the framework for reporting suspected wrongdoing and promotes the integrity and accountability of the APS. The Public Interest Disclosure (PID) Scheme supports the PID Act and provides an avenue for complaints and investigations. The Commonwealth Ombudsman has responsibility for overseeing and reporting on the operation of the PID Scheme.

26 DEWR advised the ANAO on 16 January 2025 that the Procedures for Determining Breaches of the APS Code of Conduct and Deciding Sanctions was being reviewed with a view to launch an updated policy.

27 An active code matter includes matters that are currently under intake assessment, where a breach or sanction letter has been sent to an employee and is awaiting a response, or a sanction is currently under determination by the delegate.

3.31 DEWR's Procedures for Dealing with Public Interest Disclosures October 2023 provides the process for making, assessing and investigating a PID. The procedure states that DEWR's PID processes have a link to integrity:

The department recognises that it is important to have an effective system for reporting and investigating disclosable conduct to promote the integrity and accountability of the department and the Commonwealth public sector.

3.32 DEWR manages PIDs through the Enterprise Risk, Assurance and Investigations Branch. As at December 2024, DEWR had five officers who can assess or investigate PIDs (authorised officers).

3.33 PIDs can be made to a supervisor or to an authorised officer.²⁸ DEWR's policy encourages public officials to make their disclosure to an authorised officer before a supervisor. Once a disclosure is made, the authorised officer is required to assess the PID to determine if it is to be allocated for further investigation, within 14 days after the disclosure is given. Where a decision is made not to progress, this is explained to the discloser and reported to the Ombudsman.

3.34 Where a decision has been made to progress the PID, an investigation may commence once a risk assessment has been completed. Investigations are required to be completed in 90 days from the date of disclosure, however extensions of time can be sought from the Ombudsman. The outcome is also reported to the Ombudsman at the completion of the investigation.

3.35 In 2024–25 and as at 14 December 2024, DEWR had two matters that were assessed as not progressing as PIDs, one potential PID being assessed by an authorised officer, one PID under investigation, and one finalised PID. DEWR advised the ANAO on 27 March 2025 that recommendations from completed PID investigations are provided to relevant line areas to action.

3.36 The Audit and Risk Committee and the DEWR Risk Committee have oversight of PID investigations through six-monthly reporting. This report includes updates on the status of active PIDs.

Commonwealth Ombudsman complaints

3.37 DEWR's Program Advice and Corporate Law (PACL) Branch in Legal and Assurance Division has responsibility for managing and responding to complaints referred by the Commonwealth Ombudsman. Ombudsman complaints are usually sent directly to the PACL Branch. DEWR's AAls state that if Ombudsman complaints are sent directly to staff within the department, they are required to notify an authorised legal officer in PACL Branch immediately.

3.38 The policy documents and guidance that support DEWR's handling of Ombudsman complaints are:

- DEWR's Practical Guide: The Ombudsman's Investigative Powers — an internal policy document that assists staff in understanding the Ombudsman's remit, powers and the obligations on the department when liaising with the Ombudsman in relation to complaints;
- DEWR's protocol for handling Ombudsman inquiries — a one-page guide for staff on the Ombudsman complaint process including responsibilities of teams and staff members; and

28 Section 36 of the PID Act defines an Authorised Officer as someone who is the principal officer of the agency, or a public official who belongs to the agency and is appointed in writing by the principal officer of the agency.

- an Ombudsman page on the DEWR intranet that summarises the remit of the Ombudsman and the relevant contact details for the PACL branch.

3.39 There are two forms of complaints that the Ombudsman refers to entities — a section 7A preliminary inquiry or a section 8 investigation.²⁹ When a complaint is received from the Ombudsman, the PACL Branch contacts the relevant business area to seek information to prepare a response. The PACL Branch manages oversight and communication of final responses to the Ombudsman. Departmental legal officers have been authorised by the Secretary under the AAls to provide information, documents or records to the Ombudsman.

3.40 The Ombudsman has an expectation that entities will engage ‘in good faith and actively assist’ it to meet its statutory functions, including to ‘be honest, transparent and thorough’. This expectation is reflected in DEWR’s guidance which states that DEWR seeks to ‘respond to investigations being undertaken by the Ombudsman using a voluntary and cooperative approach’.

3.41 DEWR’s executive —including the Secretary, Deputy Secretaries and the General Counsel — are briefed each month on the status of Ombudsman complaints. The updates include information on the section 7A and section 8 investigations, as well information on:

- caseload summary including new Ombudsman matters, finalised matters and total number of matters;
- current Ombudsman matters categorised by departmental group; and
- a summary of finalised Ombudsman matters including open and close date, background, timeline and status.

3.42 The DEWR Audit and Risk Committee is also provided with a report on Ombudsman complaints.

3.43 DEWR’s policy stipulates that although the PACL Branch provides the DEWR executive with a report on the status of all Ombudsman inquiries, it is the responsibility of line areas to brief the minister and the DEWR executive on individual complaints.

3.44 From 1 July 2022 to 13 December 2024, DEWR received a total of 10 section 8 investigations and 22 section 7A preliminary inquiries. There were no consistent themes across the 32 complaints received by DEWR during that period and for these complaints the Ombudsman did not issue any recommendations or adverse findings against DEWR. DEWR responded to the Ombudsman outside of the original deadline in 22 instances (69 per cent). On 19 June 2025 DEWR advised the ANAO that the department sought and obtained extensions for each of the 22 instances.

National Anti-Corruption Commission referrals

3.45 DEWR’s Fraud and Corruption Control Policy 2024–26 includes a definition of corruption that aligns with the Commonwealth Fraud and Corruption Control Framework 2024 — ‘any conduct that does or could compromise the integrity, accountability, or probity of public administration’.

29 The Commonwealth Ombudsman’s fact sheet states that a section 7A is a preliminary inquiry which allows the Ombudsman to determine if a matter is in jurisdiction or should be investigated. Commonwealth Ombudsman Fact Sheet: Ombudsman Investigations, available from https://www.ombudsman.gov.au/data/assets/pdf_file/0030/35598/Ombudsman-Investigations.pdf [accessed 14 January 2025].

3.46 DEWR's fraud and corruption policies provide information on how the identification of corruption should be handled and referred to the National Anti-Corruption Commission (NACC).³⁰ DEWR's Integrity Team has responsibility to manage NACC referrals in collaboration with the Fraud Intelligence and Investigations Team. The Integrity Team manages the governance frameworks, training and communication products related to identifying and referring suspected corruption to the NACC. The Fraud Intelligence and Investigations Team maintains oversight of matters referred to the NACC and maintains a spreadsheet which includes: allocation of a case number; the area in DEWR the referral relates to; case description; investigation status; referral date; progress updates; summary of communication with the NACC; and approvals.

3.47 Between October 2023 and November 2024, DEWR referred 27 matters to the NACC. The referrals cover allegations of corrupt behaviours including provision of false information to obtain payment or mislead, unauthorised access to systems, or influencing a public official.

Fraud and corruption

3.48 The Commonwealth Integrity Maturity Framework identifies one of the eight integrity principles for entities as the need to 'prevent, detect and manage fraud and corruption'.³¹ DEWR's Fraud and Corruption Control Framework has three overarching pillars — leadership, capability and culture. This aligns with the pillars in DEWR's Integrity Framework (discussed previously in Chapter 2).

3.49 DEWR's fraud and corruption control policy guidance consists of:

- Fraud and Corruption Control Policy 2024–26;
- Fraud and Corruption Control Response Plan 2024–26;
- Enterprise Fraud and Corruption Control Risk Assessment 2024–26;
- Fraud and Corruption Control Strategy 2024–26;
- Fraud and Corruption Control Framework 2024–26; and
- Standard Operation Procedure National Anti-Corruption Commission Referral Process.

3.50 DEWR's fraud control is managed by the Enterprise Risk, Assurance and Investigations Branch, which has responsibility for the policies and undertaking testing and review of DEWR's fraud and corruption controls.

3.51 The Fraud and Corruption Control Strategy 2024–26 describes the controls that DEWR implements to manage fraud and corruption. The majority of these controls are focused on the integrity of staff behaviours including fraud and corruption, security awareness and integrity training for DEWR staff.

3.52 Integrity, ethical and cultural behaviours and expectations are reflected in DEWR's fraud and corruption resources.

30 The NACC was created on 1 July 2023.

31 National Anti-Corruption Commission, *8 Integrity Principles and Maturity Indicators, Commonwealth Integrity Maturity Framework*, NACC, Canberra, 2023, p. 16, available from <https://www.nacc.gov.au/sites/default/files/documents/2023-08/CIMF-8-integrity-principles-and-maturity-indicators.pdf> [accessed 8 January 2025].

- The Fraud and Corruption Control Strategy 2024–26 states that ‘The Department is committed to ensuring it upholds the highest standards of integrity’. It also states that it is a responsibility of managers to ‘foster a culture of integrity in their business areas together with the implementation and operation of governance arrangements’.
- The Fraud and Corruption Policy 2024–26 includes a definition of unethical behaviour as behaviour that ‘breaches the APS Values and Code of Conduct in Practice that includes expectations of honesty, diligence, avoidance of conflict of interest, and proper use of information’. It also states that staff with management responsibilities must ‘promote a culture of integrity for workers and service providers’.
- The Fraud and Corruption Control Framework 2024–26 includes definitions relevant to integrity and culture. The Framework defines culture as ‘promoting a culture of integrity through fraud and corruption induction, education and awareness,’ and includes in its definition of leadership that ‘maintaining integrity requires the demonstration of leadership behaviours from all staff to prevent, detect and respond to fraud and corruption’.
- The Enterprise Fraud and Corruption Control Risk Assessment 2024–26 states that DEWR staff are required to undertake fraud and corruption, security and awareness training to ensure they are aware of what fraud and corruption is, and the expectations on staff to act with integrity.

3.53 DEWR’s Fraud Intelligence and Investigations Team is made up of six investigators, including two principal investigators and an Executive Level 2 Director. DEWR advised the ANAO on 14 January 2025 that each team member holds appropriate investigation qualifications, and all investigations are managed in-house with no matters outsourced to external providers.

3.54 DEWR’s Fraud Intelligence and Investigations Team manages tip-offs of potential fraud that have been sent to DEWR by email, phone or through DEWR’s anonymous reporting system.³² Once assessed, if any tip-off matters are identified for further investigation they are added to a central case management system which allows for cases to be allocated and managed by the team. DEWR advised the ANAO that it is difficult to have an overview of all matters within the system due to its limited reporting capability, so a spreadsheet is also maintained by the team. DEWR reported to its Audit and Risk Committee on 5 March 2025 that there were 20 investigations currently underway, with a further 22 awaiting allocation to an investigator.

Financial governance requirements

Credit card use

3.55 DEWR’s Credit Card Team is responsible for monitoring credit card use and escalating instances of non-compliance. It is also the point of contact for staff applying for a credit card, self-reporting credit card misuse and other credit card enquiries. Credit card use and compliance is guided by the following documents:

32 DEWR has a system, Whispli, that allows staff to anonymously report matters (for example fraud or corruption) within the department.

- DEWR's Credit Card Policy (July 2024) — this is the primary policy document used to guide staff on credit card use including applying for a credit card, responsibilities for use of a departmental credit card and misuse of a credit card;
- DEWR's Compliance Reporting Factsheet March 2023 — sets out the escalation process for both SES and non-SES staff where breaches of the credit card policy are identified;
- DEWR's AAI (July 2024) — governs use of departmental credit cards and sets out that all officials of the department must comply with the requirements of the department's internal control frameworks; and
- DEWR's Departmental Credit Card Application and Personal Responsibilities Form (February 2025) — application form for staff applying for a departmental credit card and sets out the responsibilities for staff using a credit card.

3.56 For staff to be able to apply for a departmental credit card, they must have completed the APS Foundations Fraud and Corruption training module available through the APS Academy.³³ The departmental credit card application also requires staff to sign an agreement that they will accept the responsibilities of a departmental credit card including:

- adhering to departmental policies;
- not splitting an invoice that is greater than \$9,999 GST inclusive to pay by credit card;
- not using a departmental credit card for personal use; and
- reconciling transactions by the end of each month.

3.57 DEWR's policies set out the expectations for staff using departmental credit cards and the process for escalation of credit card non-compliance. Non-compliance can be identified either through self-reporting by staff, identification by a manager or through the Credit Card Team. DEWR advised the ANAO on 7 November 2024 that the majority of credit card non-compliance is self-reported, and the Credit Card Team also conducts monthly reconciling of credit card transactions to identify some instances of non-compliance.

3.58 Between 1 July 2022 and 31 December 2024, 52 instances of credit card non-compliance were identified by DEWR out of a total of 1,935 card holders.

3.59 The two most common reasons for non-compliance were inadvertent personal expenditure by a staff member and splitting of transactions to avoid the \$9,999 GST inclusive credit card limit to pay legitimate work-related invoices. As of 17 March 2025, no outstanding repayments were owed by DEWR staff.

3.60 Non-compliance with the credit card policy is reported to the Executive Board and the Audit and Risk Committee on a quarterly basis.

33 Australian Public Service Academy, *APS Foundations: Fraud and Corruption*, available from <https://www.apsacademy.gov.au/courses/aps-foundations-fraud-and-corruption> [accessed 23 January 2025].

Procurement and probity

3.61 The Commonwealth Procurement Rules 2024 (CPRs) highlight the importance of acting ethically throughout the procurement process.³⁴ DEWR's AAls dated 2 July 2024 provide the requirements for procurement processes where all DEWR staff must:

- comply with the CPRs;
- estimate the maximum value of the procurement before deciding on the appropriate procurement method;
- use any mandated whole-of-government arrangement and consider whether there is an existing non-mandatory arrangement that can be used such as a panel arrangement;
- use the Commonwealth Contracting Suite for procurements between \$10,000 to \$200,000; and
- source all ICT purchases that do not relate to existing arrangements through Digital Sourcing Contracts.

3.62 The AAls also explain the process DEWR staff must follow when: planning a procurement; seeking spending approval; entering or varying a procurement arrangement; managing a procurement arrangement; entering into a consultancy arrangement; conducting an Information and Communications Technology procurement; and handling a procurement complaint.

3.63 DEWR maintains an intranet page with information relating to procurement and contract management. It provides guidelines and templates to help DEWR staff to understand what they need to do and follow the required steps when undertaking a procurement or managing a contract. For example, DEWR's short guide to procurement provides step-by-step information staff must follow depending on the maximum total cost of the procurement and DEWR's contract management guide provides information on how to manage a contract across various stages of the process.

3.64 The AAls require DEWR staff to prepare a procurement plan for any procurements over \$10,000, and procurement guidance requires DEWR staff to categorise procurements based on risk and sensitivity, and use a probity check list for low risk procurements and a probity plan for high risk procurements. The probity plan template is designed to help DEWR staff to work through probity issues and comply with the requirements of the PGPA Act. The template includes an option of using a probity advisor and explains the probity briefing and communication protocol processes. The template also sets out five probity principles which define DEWR's conduct of procurements:

- integrity of the process;
- tenderers are treated fairly and are assessed objectively and consistently in accordance with the guidelines;
- confidential information is secure;
- conflict of interests are addressed; and
- the process is defensible.

34 Department of Finance, *Commonwealth Procurement Rules*, Finance, Canberra, 2024, available from <https://www.finance.gov.au/government/procurement/commonwealth-procurement-rules> [accessed 6 February 2025].

3.65 DEWR advised the ANAO on 27 March 2025 that prior to a contract being reported on the AusTender website, it is reviewed by a senior procurement officer to ensure accuracy and completeness, including whether procurement policy processes have been followed such as spending approvals and financial delegations.

Grants management

3.66 The Commonwealth Grants Rules and Principles 2024 (CGRPs) set out the requirements and responsibilities for accountable authorities and APS officials in relation to managing grants.³⁵ The DEWR AAls outline the requirements for the management of grants in the department (see Table 3.1).

Table 3.1: DEWR’s requirements for grants management

Process	Requirements
Grants administration	Compliance with relevant legislative instruments, frameworks and policies including merit-based selection processes
Developing grant opportunity guidelines	Development and approval of new grant opportunity guidelines for new grant activities in collaboration with the Finance Branch
Approving grant arrangements	Ensuring that the parties have relevant authority to enter into the grant, and the minister is aware of their reporting obligations and responsibilities under the PGPA Act and CGRGs
Entering or varying grant arrangements	Publishing information on grants within the relevant timeframes and ensuring that consideration of the <i>Privacy Act 1988</i> protections of information has occurred
Officials involved in reporting on grants	Ensure both the department and minister comply with their respective reporting obligations and confidentiality provisions

Source: ANAO analysis of DEWR’s AAls.

3.67 DEWR provides tools, templates and guidance on its intranet to assist staff with the grants management process and to understand their responsibilities.

3.68 DEWR’s Grants Management Guide was updated on 19 December 2024 and provides guidance on the policies, procedures, and timeframes involved in designing, selecting, establishing, managing, and evaluating grants. DEWR’s Guide on Risks in Grants Administration provides staff with information on how to manage risks related to grants and ministerial approvals. The guide specifies that staff must manage risk as part of promoting efficient, effective, economical and ethical use of resources. The guide references the CGRPs, outlines categories for grant-based risks, and guides staff through requirements of grant opportunity guidelines preparation and publication, self-assessment risk analysis, and constitutional and legislative assessment.

3.69 DEWR advised the ANAO on 27 March 2025 that staff are required to complete a ‘health check form’ at the start of a grants process which includes staff agreeing to use the grants management guide for the lifecycle of the grant. DEWR also advised that its central grants team conducts regular meetings with program areas to ensure compliance with the guidance.

35 Department of Finance, *Australian Government Grants Framework*, Finance, 2024, available from <https://www.finance.gov.au/government/commonwealth-grants/australian-government-grants-framework> [accessed 24 February 2024].

Gifts and benefits

3.70 DEWR's Gifts and Benefits Policy establishes that:

Key aspects of the Australia Public Service (APS) Values, Code of Conduct and Employment Principles are integrity and impartiality. Offering and receiving gifts and/or benefits inappropriately can compromise the high ethical standards of APS staff.

3.71 The Gifts and Benefits Policy applies to all DEWR staff including ongoing and non-ongoing staff, contractors and their immediate family where there is a link between the gift and/or benefit provided or received and the duties of the staff. The policy requires staff who receive a gift to record it on the gifts and benefits register on FMCS within five days of receipt. In order to keep the gift, approval is required from the staff member's manager or relevant SES officer, and is then recorded on DEWR's gifts and benefits register.

3.72 The Gifts and Benefits Guide sets out DEWR's overarching principles for gifts and benefits.

- Staff should not accept gifts that create an actual or perceived conflict of interest.
- It may be appropriate to accept a gift in exceptional circumstances where:
 - refusal may cause cultural offence,
 - attendance at an event is an important means of developing or maintaining professional relationships with stakeholders, or
 - the item of token value is offered by way of public thanks.

3.73 Communications are issued to staff to remind them of their responsibilities to comply with the gifts and benefits policy, for example:

- a reminder to staff via 'DEWR News' to record their gifts and benefits was issued in December 2023;
- promoting the updated gifts and benefits policy to all staff in May 2024 which raised the mandatory reporting limit from \$50 (GST exclusive) to \$100 (GST exclusive);
- a short guide published on DEWR's intranet for staff on the process for accepting gifts and benefits was created in December 2024;
- a reminder issued on 20 December 2024 to staff regarding a fraud prevention checklist which included a reminder for staff to consult the gifts and benefits policy before accepting any gifts; and
- a reminder published on DEWR's intranet on 16 January 2025 reminding staff of their obligations to report gifts and benefits.

3.74 DEWR's Financial Governance Team is responsible for managing the gifts and benefits register, the policy and the guidelines. DEWR advised the ANAO on 19 December 2024 that the Financial Governance Team monitors the approval of gifts and benefits, particularly in instances where it has not been approved within the five working days required by the policy.

3.75 DEWR's gifts and benefits register (as at 16 January 2025) had three instances of gifts being offered or accepted by staff, but not approved by the relevant manager. DEWR advised the ANAO on 14 March 2025 that of the three gifts not approved, two were regarding travel sponsorship and not related to the gifts and benefits policy, and the remaining gift was considered acceptable to

receive, however given it was below the \$100 threshold, it was not required to be added to the register.

Hospitality and business catering

3.76 DEWR’s hospitality and business catering procedures guide ‘the use of public resources to provide hospitality to persons other than entity officials’ and aims to ensure that the costs are reasonable and appropriate to the situation. DEWR defines these events as:

- official hospitality — the provision of food and/or beverages to people external to DEWR and who do not work for the government; and
- business catering — the provision of simple refreshments (such as tea and coffee) to DEWR staff.

3.77 DEWR’s Financial Governance Team manages DEWR’s hospitality and business catering procedures. There are three documents that guide DEWR staff on hospitality and business catering:

- Standard Operating Procedure — FMCS entertainment report (October 2024);
- Entertainment form — official hospitality and business catering (February 2025); and
- AAls — sections 2.16 official hospitality and 2.17 business catering.

3.78 The policy states that for official hospitality and business catering, spending approval must be sought prior to the commitment of public money. Business catering and official hospitality events are required to be approved by a Director, SES officer or the Secretary depending on the level of spending (see Table 3.2).

Table 3.2: Business catering and official hospitality approval levels

Amount estimated to be spent	Delegate
Up to \$5,000	Executive Level 2
From \$5,001 to \$20,000	SES Band 1
From \$20,001 to \$50,000	SES Band 2
From \$50,001 to \$100,000	SES Band 3/Secretary

Source: DEWR Entertainment Form on FMCS.

3.79 Staff are required to complete the entertainment form for official hospitality in FMCS and this form must be submitted prior to the event or within five days of the event occurring.³⁶ If approval has been sought prior to the form being completed, a copy of the approval must be attached to the form. The form outlines the key details and costs related to the hospitality event. Once submitted, the form is sent to the spending approver. Staff who complete these forms are responsible for reconciling and confirming the costs after the conclusion of the event. Where the costs are higher than originally approved, the form is sent to the relevant approver for a second approval.

3.80 DEWR advised the ANAO on 20 February 2025 that it relies on the staff organising the event to reconcile the form and update the costs, however, the Financial Governance Team follows up with staff to ensure the forms are reconciled within a reasonable timeframe. DEWR further advised

³⁶ DEWR advised the ANAO on 20 February 2025 that events classified as business catering do not require an entertainment form be completed.

the ANAO on 19 March 2025 that although there is no central recording of matters which required follow-up to reconcile the form, the Financial Governance team does identify which forms are pending in FMCS on a regular basis and reaches out to relevant staff to prompt completion of the form.

3.81 Communications are issued to staff on the DEWR intranet to remind them of their responsibility to comply with the hospitality and business catering policies. For example, information was published on 20 December 2024 which provided DEWR staff with tips to prevent fraud and included a reminder regarding gifts and hospitality.

Employee surveys

APS Employee Census results and action plans

3.82 The APS Employee Census (the Census) is a survey of APS employees on various topics including leadership, employee engagement, wellbeing and integrity or ethical matters. The Census is led by the APSC, and results are aggregated at both the APS-wide level and the entity level. Entities are provided results which can be broken down by group, division, branches, sections or teams. Completion of the Census is not mandatory for all APS staff, however, entities are required to complete and publish Census Action Plans that address areas for improvement identified through the Census results.³⁷

3.83 DEWR took part in the Census in 2023 and 2024. The response rate for 2023 was 80 per cent and the 2024 response rate was 86 per cent.

3.84 The Census allows for the inclusion of entity-specific questions to enable more targeted information to be captured from entity employees. A comparison of the DEWR-specific questions and results for 2023 and 2024 Census is at Appendix 8.

3.85 The Census also contains questions that have an ethical or integrity lens which are generic to all entities; specifically questions on the themes of unacceptable behaviour, discrimination, bullying and harassment, and corruption. Results between the 2023 and 2024 Census for DEWR showed minimal difference in response rates across the two years (see Table 3.3) and that overall, the majority of staff had not experienced or witnessed those behaviours.

37 The Australian Public Service Commission's *2023 APS Employee Census Action Planning Guide – Agency Edition* states that:

Agencies that participate in the APS Employee Census are required to publicly release their Census agency level report and accompanying action plan.

See <https://www.apsc.gov.au/initiatives-and-programs/workforce-information/aps-employee-census-2023> and <https://www.apsc.gov.au/initiatives-and-programs/workforce-information/aps-employee-census-2024> [accessed 10 February 2025].

Table 3.3: DEWR 2023 and 2024 APS Census unacceptable behaviour questions

Census question	% 'Yes' response (and variance from APS overall)	% 'No' response (and variance from APS overall)
2024 APS Census results		
During the last 12 months and in the course of your employment, have you experienced discrimination on the basis of your background or a personal characteristic?	8 (-2)	92 (+2)
During the last 12 months, have you been subjected to harassment or bullying in your current workplace?	9 (-2)	87 (+2)
Excluding behaviour reported to you as part of your duties, in the last 12 months have you witnessed another APS employee in your agency engaging in behaviour that you consider may be serious enough to be viewed as corruption?	2 (-1)	93 (+3)
2023 APS Census results		
During the last 12 months and in the course of your employment, have you experienced discrimination on the basis of your background or a personal characteristic?	8 (-2)	92 (+2)
During the last 12 months, have you been subjected to harassment or bullying in your current workplace?	9 (-1)	86 (+2)
Excluding behaviour reported to you as part of your duties, in the last 12 months have you witnessed another APS employee in your agency engaging in behaviour that you consider may be serious enough to be viewed as corruption?	1 (-2)	93 (+2)

Note: The figure excludes answers such as 'not sure' and 'prefer not to answer.'

Source: 2023 and 2024 DEWR APS Census Highlights Reports.

3.86 As discussed at paragraph 3.82, the APSC requires entities to produce and publish Census action plans because 'action planning mobilises Employee Census results into activities that target specific aspects of the workplace'.

3.87 DEWR's 2023 Census Action Plan was released on 29 November 2023 and grouped actions into four areas: wellbeing; culture; capability; and leadership. Across these areas a number of actions had an ethics, integrity, values or culture lens including:

- monitoring staff wellbeing including reward and recognition for working well and maintaining a strong wellbeing culture;
- implementation of the People Strategy to guide staff on DEWR's strategic culture and capability;
- an Enterprise Risk Strategy to enable positive risk culture and informed decision making with risk management;
- delivering a framework to 'inform consistent, principles-based internal policies that promote judgment and decision making'; and
- aligning DEWR's SES frameworks with the APS Senior Executive Service Performance Framework (discussed at paragraphs 3.107 to 3.108).

3.88 DEWR advised the ANAO on 17 January 2025 that some key initiatives delivered from the 2023 Census action plan included delivery of the People Strategy (discussed earlier from paragraph 2.23 to 2.31) and establishing the People, Culture and Engagement Committee (discussed from paragraph 4.11 to 4.13).

3.89 DEWR's 2024 Census Action Plan was published on the DEWR website on 26 November 2024. This followed consultations that took place within the department which included an SES Band 1 and 2 consultation survey, a questionnaire and an all-staff event that occurred on 23 October 2024. The 2024 plan has three overarching objectives, with actions grouped into organisational, leaders and responsibilities across all staff in DEWR. The action areas that have an ethics, integrity, values or culture lens are summarised below.

- Set and communicate priorities to deliver on purpose — capability development discussions and taking ownership for performance, development and delivery of work.
- Transform ways of working to empower people — transformation of culture through encouraging critical thinking, innovation and ethical use of technology.
- Promote and protect staff wellbeing — review of cultural safety and capability through more clearly defining expectations for leaders' mindset, behaviours and capability.

3.90 Action items from the 2024 Census Action Plan are being progressed and outcomes that have been delivered and other actions underway were published on DEWR's intranet on 29 April 2025.

Commonwealth Integrity Survey

3.91 The Commonwealth Integrity Survey was conducted by the NACC to 'help understand the nature and extent of risk, and perceptions of integrity and corruption in the Australian public sector'.³⁸ The NACC conducted the Commonwealth Integrity Survey from August to September 2024. Twenty-one per cent of all APS staff completed the survey with 27 per cent of all DEWR staff participating.

3.92 The survey included specific questions relating to integrity culture shown in Table 3.4.

Table 3.4: Commonwealth Integrity Survey — DEWR results on integrity culture

Culture of integrity questions	% positive result for DEWR	% positive result for APS
My organisation makes a conscious effort to consider the risk of fraud in our activities	85	82
The culture in my organisation supports people to act with integrity	84	84
My organisation has high ethical standards	78	80
Senior management in the organisation lead by example in ethical behaviour	73	71

Source: DEWR Commonwealth Integrity Survey Highlights Report.

38 National Anti-Corruption Commission, *2024 Commonwealth Integrity Survey Highlights Report*, NACC, Canberra, 2024, available from <https://www.nacc.gov.au/commonwealth-integrity-survey-overall-results-2024> [accessed 17 February 2025].

3.93 Five situational scenarios were presented as part of the Commonwealth Integrity Survey, for example 'An employee regularly accesses records they had no reason to access'.

3.94 The survey required participants to identify whether the behaviours were: corrupt practice; not good practice (but not corrupt); against procedure but not bad practice; acceptable practice; good practice; or 'I do not know'. Of the DEWR staff who participated in the survey, 88 per cent correctly identified corrupt or unethical behaviour in at least three of the five scenarios the survey presented. 97 per cent of DEWR participants reported that they were aware of, or were able to easily find, information on how to report the behaviour.

3.95 The results of the Commonwealth Integrity Survey were published on DEWR's intranet on 10 February 2025, including a questionnaire using scenarios from the integrity survey to allow staff to continue to test their knowledge in identifying corrupt behaviours.

Training related to ethics or integrity

3.96 DEWR staff are required to complete mandatory training on various matters on fraud, security, privacy and health and wellbeing. DEWR advised the ANAO on 17 March 2025 that it uses a workflow through the department's learning management system 'Learnhub' to manage staff completion of training. This workflow automatically sends out reminders to DEWR staff and a monthly report is generated to identify staff who are non-compliant with their training requirements. This training includes modules/courses relating to acting ethically or with integrity.

Making Good Decisions: A Guide to Administrative Decision Making annual mandatory training

3.97 The Making Good Decisions training module is mandatory self-paced online training that DEWR staff are required to complete each year. The aim of the course is to provide guidance to staff when making administrative decisions and to follow good practice. Key components of the training include understanding the authority to make a decision; following proper processes; identifying information considerations; making the correct decision; and communicating the final decision.

3.98 DEWR advised the ANAO on 29 January 2024 that since 1 July 2023 to 31 December 2024, a total of 4,745 DEWR staff had completed the training module. DEWR has not set any targets for rates of completion for this training.

Fraud and Corruption Awareness training

3.99 DEWR's Fraud and Corruption Awareness training module was released in December 2024 following the commencement of the Commonwealth Fraud and Corruption Control Framework on 1 July 2024. The previous training module — Fraud Awareness — was introduced on 1 July 2023 and in place until December 2024.

3.100 The training is delivered via an online module which covers: overview of fraud and corruption; impacts and consequences; identifying and reporting fraud and corruption; managing fraud and corruption (including the Commonwealth and DEWR frameworks, risk identification, prevention, detection and response); unauthorised access; and conflict of interest.

3.101 DEWR also delivers training sessions to staff on integrity, fraud, and corruption awareness. The sessions are for one hour and delivered in person and concurrently streamed online. The course content covers: integrity; fraud and corruption; maintaining public trust; and responsibilities and

obligations. In addition to the one-hour sessions, tailored sessions are delivered to divisions, branches, or state/territory offices. DEWR advised the ANAO on 4 March 2025 that since July 2023, 27 live or tailored training sessions had been delivered.

3.102 Across the online courses and live sessions held within DEWR on fraud and corruption from 1 July 2023 to 31 December 2024, DEWR advised the ANAO on 29 January 2025 that a total of 7,031³⁹ DEWR staff had completed at least one of the sessions. If staff have not completed the training each year, they are sent a follow-up email. Similar to the Making Good Decisions training discussed at paragraph 3.97 to 3.98, DEWR has not set any targets for rates of completion for the fraud training.

APS Foundations: Integrity in the APS

3.103 The DEWR Essential Training Policy 2024 specifies the training that DEWR staff are required to complete. It includes the APS Induction Program provided by the APSC for employees who are new to the APS. The Induction Program includes the Integrity in the APS module which is designed to assist new APS employees to understand that acting with integrity is important when undertaking their role and provides guidance to navigate integrity matters. DEWR advised the ANAO on 26 February 2025 that from 1 July 2023 and 31 December 2024 a total of 2,925 staff had completed this training, noting that there are no targets for rate of completion.

Opportunity for improvement

3.104 DEWR could consider developing target completion rates for the mandatory training modules discussed above, to ensure that staff are educated on and aware of their obligations to ensure ethical behaviour and decision-making (refer to Recommendation No. 2 at paragraph 4.25).

SES Integrity Masterclass

3.105 The SES Integrity Masterclass, developed and run by the APSC, aims to provide SES Bands 1–3 with tools to assist in ‘embedding pro-integrity culture across the APS’. The course is referenced in *Louder than Words: An APS Integrity Action Plan* and aims to: increase SES officers’ capability to make ethical decisions; promote and build an integrity culture; encourage environments where integrity is mainstream; and stay updated on integrity matters including tools and resources.

3.106 DEWR advised the ANAO on 16 January 2025, that in 2023–24 out of a total of 118 SES officers, 111 had either completed the SES Integrity Masterclass or had registered to attend. Those that did not attend were absent from the workplace during that period (on an overseas posting or had subsequently left DEWR).

SES performance management

3.107 The APSC SES Performance Leadership Framework April 2024, is designed to guide entities to understand their performance maturity and how to address future practices. The APSC states that ‘A key feature of the Framework is that the assessment of behaviour (how outcomes are delivered) is considered core to an individual’s performance.’ The framework also incorporates the

39 This number includes where staff members may have completed the online module and also attended a face-to-face session.

Secretaries Charter of Leadership Behaviours (DRIVE) which sets out the expected behaviours of Secretaries, their SES and APS leaders at all levels within the APS Values and Code of Conduct.⁴⁰

3.108 DEWR's updated approach to SES performance expectations (the SES Performance Cycle) was developed in line with the APSC's SES Performance Leadership Framework and released in time for DEWR's 2024–25 performance cycle which commenced on 1 August 2024.

3.109 The performance cycle requires: a performance expectations agreement to be established; formal and informal performance discussions to be held during the cycle; end-of-cycle ratings from the SES officer's manager; and annual moderation (collective review) of all SES results by DEWR's Executive.

3.110 DEWR's SES Manager Guidance on the SES performance cycle states that:

The assessment of behaviour comprises 50 per cent of the overall rating; therefore, if behaviour is Not on Track, then overall performance is Not on Track. A strong result for outcomes cannot be used to lift the overall performance rating.

3.111 SES performance agreements are required to be prepared using a template. The 2023–24 template contains five sections: business and management outcomes; leadership and cultural behaviours; corporate contributions; development needs and learning opportunities. There are also sections for the mid cycle and end of cycle performance discussions and ratings. The template has the Secretaries Charter of Leadership Behaviours attached.

3.112 The template was updated for 2024–25 and now has eight sections: performance expectations — business and management (outcomes); performance expectations — behaviours; role and personal goals; development; enterprise contribution; diversity and inclusion; Closing the Gap; and manager comments and ratings.⁴¹ The template also attaches the Secretaries Charter of Leadership Behaviours.

3.113 Within the behaviours component in the 2024–25 template, the guidance states 'The APS Values, and the Secretaries' Charter of Leadership Behaviours (DRIVE) provide a clear statement about what is expected of everyone, regardless of role or level'.

3.114 In addition, the SES Manager Guidance states that if an SES officer's performance is unsatisfactory during the cycle, then steps must be taken to remedy this including commencing formal procedures where required.

3.115 DEWR provided the ANAO with 17 performance agreements for its SES Band 2 officers from the 2023–24 performance cycle.⁴² Of these agreements, six had been completed in the performance management system through to the end-of-cycle review. The other 11 were in various stages of draft and either had performance expectations but no mid-cycle or end-of-cycle review recorded in the system. DEWR advised on the ANAO on 22 April 2025 that not all agreements were

40 The DRIVE principles are: be dynamic, be respectful, have integrity, value others; and empower people. Australian Public Service Commission, *Secretaries Charter of Leadership Behaviour*, APSC, Canberra, 2022, available from <https://www.apsc.gov.au/initiatives-and-programs/learning-and-development/secretaries-charter-leadership-behaviours> [accessed 15 January 2025].

41 The SES performance expectations template states that:
All Australian governments are committed to working with Aboriginal and Torres Strait Islander people ... to implement the National Agreement of Closing the Gap.

42 In August 2024, there were 24 SES Band 2 officers in DEWR.

managed through the system, however, all SES Band 2 officers had received final ratings and gone through the annual moderation process with the DEWR executive.

3.116 Each of the 17 performance agreements contained performance outcomes/measures or development opportunities that aligned with the at least one of the DRIVE principles, for example:

- 'drive a pro integrity and positive risk culture';
- 'lead the Division with respect, integrity and enthusiasm';
- 'consistently act in accordance with the APS Values and adhere to the code of conduct'; and
- 'lead from a strong values base, with integrity'.

3.117 In 2023–24, one of the SES Band 2 officers was assessed as not meeting performance expectations for business and management outcomes and behaviour. Two SES Band 2 officers were assessed as not meeting performance expectations for behaviour. DEWR advised the ANAO on 19 June 2025 that performance feedback was provided to the three SES Band 2 officers to support improvement of performance, and that this would be monitored by the relevant managers throughout the remainder of the performance cycle.

4. Assessment, monitoring and reporting

Areas examined

This chapter examines whether the Department of Employment and Workplace Relations (DEWR) undertakes monitoring and reporting to provide assurance to the accountable authority (the Secretary) that its ethical strategies or policies are being implemented effectively.

Conclusion

Assurance on implementation of ethical strategies and supporting mechanisms is provided to DEWR's Secretary through reporting to the Executive Board, the Audit and Risk Committee, the People, Culture and Engagement Committee and the Risk Committee. Instances of discussions relating to ethics, integrity, values or culture have increased across those forums since 2023. DEWR is developing a method to capture and report on key integrity-related matters in an Integrity Dashboard which it is planning to provide to the Executive Board. The dashboard focuses on information relating to financial management and performance under the requirements set out by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and *Public Service Act 1997* (PS Act). DEWR has not set any baselines or metrics for relevant data sets in the dashboard, for example, rates of credit card non-compliance or mandatory training, which would enable performance over time to be monitored.

Area for improvement

The ANAO made one recommendation for DEWR to establish baselines and metrics against the relevant data sets in the draft Integrity Dashboard.

ANAO also made one suggestion to consider expanding current external reporting on integrity matters.

4.1 Implementation of ethical strategies, policies and supporting mechanisms should include avenues for monitoring and reporting of issues, progress and proposed changes. Ongoing monitoring helps to identify trends and outliers, and where efforts need to be focussed on improvements. It also provides assurance to the accountable authority that the mechanisms are operating as intended and supporting staff to make sound decisions in line with legislative and policy requirements.

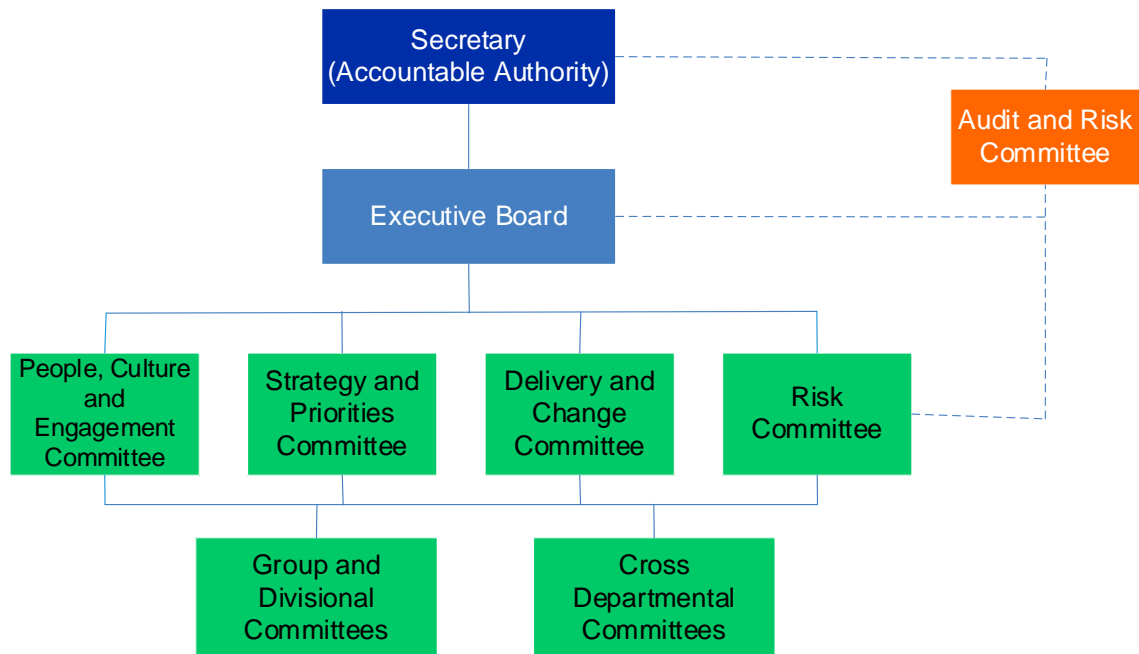
Is there ongoing monitoring and reporting of DEWR's implementation of the Australian Government sector ethical framework?

DEWR has processes in place to enable monitoring and reporting on the progress and implementation of mechanisms that support DEWR's implementation of the Australian Government sector ethical framework. DEWR is developing an Integrity Dashboard which intends to collate integrity-related data into the one report. DEWR has yet to develop metrics and baselines for the relevant data sets in the dashboard, or report on organisational integrity in delivering its programs and measures. DEWR's Executive Board, Audit and Risk Committee, People, Culture and Engagement Committee and the Risk Committee regularly discussed matters relating to ethics, integrity, values or culture between 1 July 2022 and

31 December 2024. There has been an increase in the level of discussion of these themes in the forums since mid-2023.

4.2 DEWR's governance framework consists of a tiered committee model to enable oversight and decision-making by the DEWR executive (see Figure 4.1).

Figure 4.1: DEWR governance and assurance structure



KEY

- For information only
- Reporting to

Source: DEWR Governance Framework, August 2024, page 8.

4.3 The Executive Board, Audit and Risk Committee (ARC), People, Culture and Engagement Committee (PCEC) and the Risk Committee were selected for review by the ANAO as their remits cover ethics, integrity, values or culture.

Integrity or ethics related discussions in governance forums

4.4 Based on discussions by the Executive Board, ARC, PCEC and the Risk Committee between 1 July 2022 and 31 December 2024, ethics, integrity, values and culture were discussed in the following contexts:

- ethics and integrity — acting impartially, ethically and in the interests of the department, avoiding the misuse of information acquired through a position of trust, seen as being part of the culture of the department and a cornerstone of governance arrangements.
- values — tied to culture and the department's purpose; key values that guide behaviours.
- culture — emphasises trust and accountability within the department, aligns with the strategic cultural objectives for wellbeing and risk management.

4.5 The ANAO reviewed the meeting minutes for each forum from 1 July 2022 to 31 December 2024, to determine how often the discussions covered the matters listed above. The results are set out in Table 4.1.

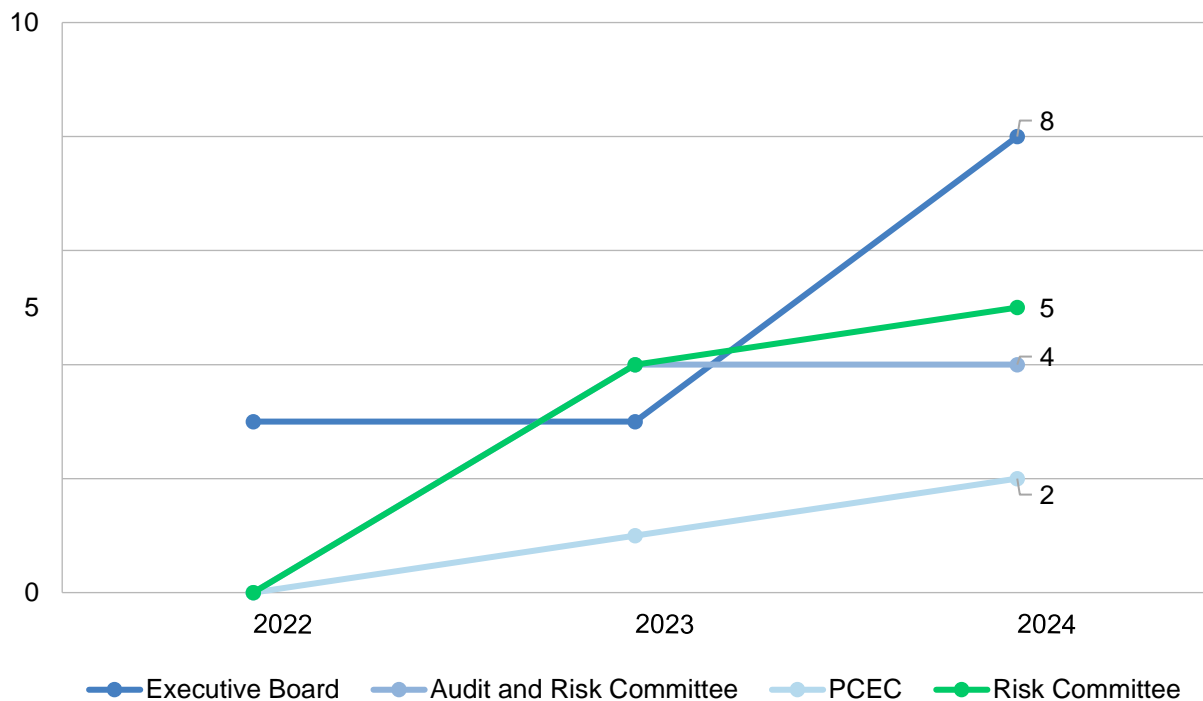
Table 4.1: Discussion on ethics, integrity, values or culture in DEWR governance forums between 1 July 2022 and 31 December 2024

Forum (and number of meetings held since July 2022)	Proportion of meetings where ethics, integrity, values or culture were discussed (%)
Executive Board (53)	26
Audit and Risk Committee (13)	62
People, Culture and Engagement Committee (6)	50
Risk Committee (11)	82

Source: ANAO analysis of meeting minutes between 1 July 2022 and 31 December 2024.

4.6 Matters relating to ethics, integrity, values or culture were discussed at the majority of meetings for the ARC and the Risk Committee between July 2022 and December 2024. There was also an increase in or consistent discussion on ethics, integrity, values or culture across all four governance forums, as demonstrated by Figure 4.2.

Figure 4.2: Number of occurrences where ethics, integrity, values or culture were discussed in committee meetings between 2023 and 2024



Note: The People, Culture and Engagement Committee was established within DEWR on 15 June 2023, and the Risk Committee was established on 1 July 2023.

Source: ANAO analysis of DEWR governance forums.

4.7 Further detail on each of the forums is provided from paragraph 4.8 below.

DEWR governance forums

Executive Board

4.8 DEWR's Executive Board is the primary decision-making body of DEWR and makes decisions for the delivery of the government's objectives and for longer-term strategy. The membership of the Executive Board is comprised of a Chair (the Secretary), Deputy Chair, three decision-making members and four non-decision-making members. The Board's responsibilities as set out in its terms of reference are:

- driving the department's culture, setting the departmental strategic direction and priorities, allocating departmental resources, and undertaking remuneration reviews;
- providing oversight of organisational performance, risk planning, financial management, culture and capability;
- developing the annual forward work plan; and
- delegating decision-making to other senior committees to address certain matters, as deemed appropriate.

4.9 Meeting papers are managed by the Board secretariat through the Parliamentary Document Management System (PDMS).⁴³ Papers are required to be approved by a Senior Executive Service (SES) officer and endorsed by the relevant Deputy Secretary. The Executive Board maintains an action register that keeps track of outstanding recommendations or required actions.

4.10 The Executive Board generally meets on a fortnightly basis and between 1 July 2022 and 31 December 2024 it met 55 times. Ethics, integrity, values or culture were discussed during 14 (25 per cent) out of 55 meetings. Examples of discussions include:

- on 24 August 2022 — discussion of DEWR's culture and messaging, including an agreement that 'messaging needs to be targeted, empathetic and set the tone for the culture we want to build';
- on 7 March 2023 — discussion of the 2022–23 Corporate Plan including references to ethics and integrity training development;
- on 4 April 2024 — discussion of the integrity advisor's role, the department's response to the APS Integrity Taskforce report and the 'importance of fostering an environment where people are comfortable raising integrity concerns', and noted the development of the Integrity Dashboard; and
- on 14 May 2024 — discussion of the Integrity Framework which was presented to the Board on this date, and the board discussed the need for appropriate performance management to embed integrity culture, and regular integrity discussions with staff.

43 The Parliamentary Document Management System enables correspondence between agencies and Parliament including ministerial level correspondence and Senate Estimates briefings. DEWR also utilises this system to manage its internal reporting documents. DEWR advised on 20 February 2025 that access to documents is managed via specific permission levels and controlled by the author/s.

People, Culture and Engagement Committee

4.11 The PCEC is comprised of a Chair, Deputy Chair, eight members and two advisors. The PCEC was established in June 2023 as a sub-committee of the Executive Board, and provides strategic advice on projects or initiatives relating to:

- culture and engagement;
- diversity and inclusion;
- leadership and capability;
- critical skills recruitment and retention;
- entry level programs; and
- workforce planning.

4.12 Papers provided to the PCEC use a template and are approved by an SES Band 1 officer. PCEC has an action register which is updated after each meeting and managed by the secretariat.

4.13 Between 1 July 2022 and 31 December 2024, the PCEC met six times and matters relating to ethics, integrity, values or culture were discussed at three meetings (50 per cent). This aligns with the PCEC's role to provide oversight into the plans and projects of DEWR relating to culture and engagement. Examples of discussions at PCEC meetings include:

- on 23 November 2023 — discussion of the culture statement provided to the Committee for feedback;
- on 13 March 2024 — the review of the People Strategy 2024–27 and how 'the strategy will be the overarching strategic document for our people and culture'; and
- on 21 August 2024 — feedback provided on the Enterprise Transformation Project and its alignment with DEWR's APS Employee Census results, including feedback on the APS Values it aligned with, specifically the inclusion of stewardship.

Risk Committee

4.14 The Risk Committee oversees DEWR's risks relating to information, communication and technology management, integrity, fraud and privacy. This Risk Committee is comprised of an external Chair who is appointed by the Secretary, a Deputy Chair, five members and key representatives from each group within DEWR. The Risk Committee supports the Secretary to meet their obligations under section 16 of the PGPA Act.⁴⁴ The Risk Committee is responsible for DEWR's risk and mitigation strategies, oversight of the department's risk controls, providing advice to DEWR's other governance forums on the appropriateness of the department's risk, security and internal controls, and promoting a positive risk culture across the department.

4.15 Meeting papers are managed using PDMS and are required to be approved by an SES Band 1 officer or higher before being provided to the secretariat. The committee reports to the Executive

44 Section 16 of the *PGPA Act 2013* requires

The accountable authority of a Commonwealth entity must establish and maintain: (a) an appropriate system of risk oversight and management for the entity; and (b) an appropriate system of internal control for the entity; including by implementing measures directed at ensuring officials of the entity comply with the finance law.

Board and the ARC quarterly, and manages and tracks recommendations through an actions item register.

4.16 Between 1 July 2022 and 31 December 2024, the Risk Committee met 11 times and discussed ethics, integrity, values or culture at nine of those meetings (82 per cent). Examples of discussions include:

- on 1 June 2023 — the forward work plan and revised charter for the Risk Committee was discussed, with feedback that ‘more work needs to be done on the way the Committee supports the integrity and probity of the department’;
- on 23 May 2024 — risk update was provided to the committee and its feedback noted ‘that ethics and integrity needed to be included in the Culture Strategic Risk – if we don’t have the culture settings right, we don’t foster an environment of ethics and integrity’;
- on 17 July 2024 — the launch of the Integrity Framework was noted and the updated DEWR SES Performance Leadership framework; and
- on 15 November 2024 — the committee noted the Integrity Team was focusing on moving from the establishment phase to a maturity phase, discussed attendance of staff at an integrity conference, as well as discussion on managing conflict of interest.

Audit and Risk Committee

4.17 The Department of Finance *Resource Management Guide 202 Audit Committees* states that ‘Audit committees play an important role in supporting the governance of Commonwealth entities, providing independent advice to accountable authorities, assisting them to meet their duties and obligations under the PGPA Act and supporting the development of key practice and capacity within Commonwealth entities’. Audit committees are established by an accountable authority of an entity under section 45 of the PGPA Act.

4.18 The DEWR ARC provides external independent advice to the Secretary on the appropriateness of DEWR’s financial and performance reporting, risk oversight and internal controls. The ARC consists of four external members appointed by the Secretary, and DEWR representatives who attend as advisers to the ARC. ARC papers are managed using PDMS and follow a template provided on DEWR’s intranet. The papers at ARC are cleared by an SES Band 1 officer at a minimum. The ARC maintains an actions item register that is reviewed and updated at each meeting.

4.19 The ARC discusses various topics such as:

- financial reporting including annual audited financial statements, the processes for preparing financial information and considering any issues which may prevent the signing of the department’s financial statements;
- performance reporting including reviewing performance information, system and framework for reporting on the department’s key performance indicators;
- systems of risk oversight including DEWR’s enterprise risk management framework; and
- systems of internal control including governance arrangements, key legislative and policy compliance, internal audit resourcing, and relevant parliamentary committee reports and external reviews.

4.20 From 1 July 2022 to 31 December 2024 the ARC met 13 times and matters relating to ethics, integrity, values or culture were discussed at eight of those meetings (62 per cent). Three examples of the discussions are provided below.

- 28 June 2023 — discussions on DEWR's conflict-of-interest process, including integrity and probity in the procurement process after completion of an internal audit. The ARC also noted 'ethical behaviour, integrity and the way the department engages with risk across groups, branches and teams,' including noting the establishment of the Integrity Team and development of the Integrity Framework.
- 19 June 2024 — discussion on the action item relating to a review of DEWR's integrity self-assessment against the Commonwealth Integrity Maturity Framework (gap analysis is discussed previously at paragraphs 2.9 to 2.11). This included noting DEWR's engagement of an integrity advisor and development of the Integrity Framework.
- 20 November 2024 — Integrity and ethics were discussed in the context of Code of Conduct, Public Interest Disclosures, Ombudsman complaints and other compliance-related papers such as credit card use.

Integrity Dashboard

4.21 In 2024 DEWR commenced development of an Integrity Dashboard to provide its executive with data on the effectiveness of DEWR's corporate mechanisms that support ethical and integrity behaviours, and 'to understand the current integrity measurement capability and make informed decisions on where to focus future effort to lift integrity measurement, monitoring and reporting'.

4.22 The data sets that DEWR is planning to include in the dashboard are:

- code of conduct reports and investigations;
- mandatory training completion rates;
- SES conflict-of-interest declarations;
- pre-employment suitability screening;
- security clearance;
- fraud and corruption reports and investigations;
- number of gifts and benefits;
- gifts and benefits by value;
- security clearances;
- WHS incidents;
- privacy breaches;
- financial non-compliance (section 23 of the PGPA Act, procurement and credit cards); and
- secondary paid work/volunteering.

4.23 The draft Integrity Dashboard was provided to the Executive Board on 21 January 2025 for discussion. In the paper provided to the Executive Board, it stated that the intent of the dashboard is to focus on:

tangible and known integrity issues, with less emphasis on indicators of potential integrity risks. The continual monitoring of tangible integrity metrics will provide the Board with an increased level of visibility and assurance over the department's integrity maturity.

4.24 DEWR reported to the Executive Board that the intention of including these data sets is to establish an 'integrity baseline' with a view to undertaking trend analysis over time. This trend analysis is intended to allow the Board and the Secretary to identify areas of concern and areas for improvement. As at March 2025 the Integrity Dashboard did not have any metrics tied to the data sets and baselining had yet to occur.

Recommendation no. 2

4.25 The Department of Employment and Workplace Relations:

- (a) establishes metrics and baselines for the relevant data sets in the Integrity Dashboard to enable compliance and performance to be tracked and reported over time;
- (b) examines whether the dashboard (or other reporting) could be expanded to include assurance that ethical frameworks and mechanisms are being implemented in the administration of DEWR's measures and programs.

Department of Employment and Workplace Relations: Agreed.

4.26 *The department agrees where it is practical and meaningful, to establish clear metrics and baselines for the data sets included in the Integrity Dashboard. This will enable the department to monitor trends, track performance over time, identify emerging risks, remedy integrity issues promptly, and provide enhanced assurance to the Executive Board and the Secretary.*

4.27 *The department is committed to further embedding integrity into all aspects of workplace culture and practice including program implementation. The department will explore opportunities to expand the dashboard and other reporting mechanisms to provide broader assurance on the implementation of ethical frameworks across its operations.*

4.28 The data sets are collated from various areas across DEWR and provided to the Enterprise Risk, Assurance and Investigations Branch to be included in the dashboard. The standard operating procedure to support the dashboard was under development as at February 2025.

4.29 DEWR advised the ANAO on 21 November 2024 that once it is implemented, the dashboard would be accessible to the Secretary and Executive Board to provide additional oversight of DEWR's integrity capabilities.

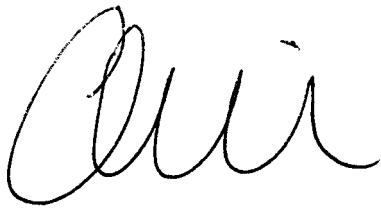
4.30 The Joint Committee of Public Accounts and Audit (JCPAA) *Report 502: The Never-ending Quest for the Golden Thread* recommended that 'Accountable Authorities must report on their [Integrity] Framework, including culture, in their annual report and state they have evidence officers in their agency are acting with probity'.⁴⁵ The Australian Government agreed with this recommendation in December 2024.

45 Joint Committee of Public Accounts and Audit, Parliament of Australia, *Report 502: The never-ending quest for the golden thread*, JCPAA, Canberra, 2024, p. 96, available from https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Public_Accounts_and_Audit/AustralianPublicSector/Report [accessed 24 August 2024].

4.31 DEWR has started reflecting this recommendation in its 2023–24 Annual Report where a new section was included on integrity, fraud and corruption. Further external reporting — such as external reporting of sections from the Integrity Dashboard — would support a more impactful approach to matters of integrity.

Opportunity for improvement

4.32 DEWR could consider other external integrity-related reporting to further align with the JCPAA’s recommendation from Report 502.



Dr Caralee McLiesh PSM
Auditor-General

Canberra ACT
28 July 2025

Appendices

Appendix 1 Entity response



Australian Government
Department of Employment
and Workplace Relations

Our Ref: EC25-001730

Secretary
Natalie James

Dr Caralee McLiesh PSM
Auditor General for Australia
Australian National Audit Office
OfficeoftheAuditorGeneralPerformanceAudit@anao.gov.au

Dear Dr McLiesh

Caralee

Implementation of ethical frameworks by the Department of Employment and Workplace Relations

The department recognises the critical importance of fostering a strong ethical culture and maintaining robust, connected integrity frameworks across all levels of the organisation. We are encouraged our investment and focus on operating to the highest ethical standards has been recognised by the ANAO's 'largely effective' assessment of the tone from the top and its strategies and framework.

I am reassured that the department plans to continue to strengthen its culture of integrity through meaningful reporting and metrics is recognised by the ANAO's recommendations. The department remains committed to continuous improvement in this critical area, which includes a focus on embedding a conscious and mature integrity mindset in all we do. The audit has also supported us to reinforce our assurance and integrity frameworks, and the need for them to be connected.

Measuring the impact of our strategies and frameworks represents an opportunity for the department to continue to mature its efforts and I appreciate the ANAO's guidance in this area, including around ensuring our processes continue to support our people to act with integrity in all they do.

The department agrees to the two recommendations made by the ANAO and our summary comments for inclusion in the report are attached.

We sincerely thank the ANAO for its positive and collegiate engagement throughout the audit process and for its valuable insights. The department remains committed to upholding the highest standards of integrity, transparency, and accountability in serving the Australian public.

Should you have any questions regarding the department's response, please contact Jenny Hewitt, Chief Internal Auditor and Assistant Secretary, Enterprise Risk, Assurance and Investigations on (02) 6204 2620 or jennifer.hewitt@dewr.gov.au.

Yours sincerely

Natalie James
3 July 2025

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Appendix 2 Improvements observed by the ANAO

1. The existence of independent external audit, and the accompanying potential for scrutiny improves performance. Improvements in administrative and management practices usually occur in anticipation of ANAO audit activity; during an audit engagement; as interim findings are made; and/or after the audit has been completed and formal findings are communicated.
2. The Joint Committee of Public Accounts and Audit (JCPAA) has encouraged the ANAO to consider ways in which the ANAO could capture and describe some of these impacts. The ANAO's corporate plan states that the ANAO's annual performance statements will provide a narrative that will consider, amongst other matters, analysis of key improvements made by entities during a performance audit process based on information included in tabled performance audit reports.
3. Performance audits involve close engagement between the ANAO and the audited entity as well as other stakeholders involved in the program or activity being audited. Throughout the audit engagement, the ANAO outlines to the entity the preliminary audit findings, conclusions and potential audit recommendations. This ensures that final recommendations are appropriately targeted and encourages entities to take early remedial action on any identified matters during the course of an audit. Remedial actions entities may take during the audit include:
 - strengthening governance arrangements;
 - introducing or revising policies, strategies, guidelines or administrative processes; and
 - initiating reviews or investigations.
4. In this context the below actions were observed by the ANAO during the course of the audit. It is not clear whether these actions and/or the timing of these actions were planned in response to proposed or actual audit activity. The ANAO has not sought to obtain assurance over the source of these actions or whether they have been appropriately implemented.
 - The development of the Integrity Dashboard and review by DEWR's Executive Board, including drafting a standard operating procedure to support the operation of the dashboard (see paragraphs 4.21 to 4.32).

Appendix 3 Australian Public Service Values and Code of Conduct

APS Values (section 10)

Committed to service

(1) The APS is professional, objective, innovative and efficient, and works collaboratively to achieve the best results for the Australian community and the Government.

Ethical

(2) The APS demonstrates leadership, is trustworthy, and acts with integrity, in all that it does.

Respectful

(3) The APS respects all people, including their rights and their heritage.

Accountable

(4) The APS is open and accountable to the Australian community under the law and within the framework of Ministerial responsibility.

Impartial

(5) The APS is apolitical and provides the Government with advice that is frank, honest, timely and based on the best available evidence.

APS Code of Conduct (section 13)

(1) An APS employee must behave honestly and with integrity in connection with APS employment.

(2) An APS employee must act with care and diligence in connection with APS employment.

(3) An APS employee, when acting in connection with APS employment, must treat everyone with respect and courtesy, and without harassment.

(4) An APS employee, when acting in connection with APS employment, must comply with all applicable Australian laws. For this purpose, Australian law means:

(a) any Act (including this Act), or any instrument made under an Act; or

(b) any law of a State or Territory, including any instrument made under such a law.

(5) An APS employee must comply with any lawful and reasonable direction given by someone in the employee's Agency who has authority to give the direction.

(6) An APS employee must maintain appropriate confidentiality about dealings that the employee has with any Minister or Minister's member of staff.

(7) An APS employee must:

(a) take reasonable steps to avoid any conflict of interest (real or apparent) in connection with the employee's APS employment; and

(b) disclose details of any material personal interest of the employee in connection with the employee's APS employment.

(8) An APS employee must use Commonwealth resources in a proper manner and for a proper purpose.

(9) An APS employee must not provide false or misleading information in response to a request for information that is made for official purposes in connection with the employee's APS employment.

- (10) An APS employee must not improperly use inside information or the employee's duties, status, power or authority:
- (a) to gain, or seek to gain, a benefit or an advantage for the employee or any other person; or
 - (b) to cause, or seek to cause, detriment to the employee's Agency, the Commonwealth or any other person.
- (11) An APS employee must at all times behave in a way that upholds:
- (a) the APS Values and APS Employment Principles; and
 - (b) the integrity and good reputation of the employee's Agency and the APS.
- (12) An APS employee on duty overseas must at all times behave in a way that upholds the good reputation of Australia.
- (13) An APS employee must comply with any other conduct requirement that is prescribed by the regulations.

Source: *Public Service Act 1999*, section 10.

Appendix 4 Australian Public Service Commissioner's Directions 2022

Part 2 — APS Values

Overview of this part (s11)

Application of the APS Values

The APS Values, and these Directions, set out standards and outcomes that are required of APS employees and Agency Heads.

The APS Values can overlap, and actions can involve the application of more than one APS Value.

Each of the APS Values is of equal importance.

APS to incorporate and uphold APS Values (s12)

(1) The APS must incorporate and uphold the APS Values.

Ethical (s14)

The APS demonstrates leadership, is trustworthy, and acts with integrity, in all that it does

Having regard to an individual's duties and responsibilities, upholding the APS Value in subsection 10(2) of the Act requires the following:

- (a) acting in a way that models and promotes the highest standard of ethical behaviour;
- (b) following through on commitments made;
- (c) having the courage to address difficult issues;
- (d) complying with all relevant laws, appropriate professional standards and the APS Code of Conduct;
- (e) acting in a way that is right and proper, as well as technically and legally correct or preferable;
- (f) reporting and addressing misconduct and other unacceptable behaviour by public servants in a fair, timely and effective way;
- (g) providing leadership in policy development, implementation, program management and regulation;
- (h) supporting systems that give APS employees appropriate opportunities to develop and demonstrate leadership qualities.

Accountable (s16)

The APS is open and accountable to the Australian community under the law and within the framework of Ministerial responsibility.

Having regard to an individual's duties and responsibilities, upholding the APS Value in subsection 10(4) of the Act requires the following:

- (a) being answerable to Ministers for the exercise of delegated authority, and, through them, to Parliament;
- (b) being open to scrutiny and being transparent in decision making;
- (c) being able to demonstrate that actions and decisions have been made with appropriate consideration;
- (d) being able to explain actions and decisions to the people affected by them;

- (e) being accountable for actions and decisions through statutory and administrative reporting systems;
- (f) being able to demonstrate clearly that resources have been used efficiently, effectively, economically and ethically;
- (g) being answerable for individual performance.

Impartial (s17)

The APS is apolitical and provides the Government with advice that is frank, honest, timely and based on the best available evidence.

Having regard to an individual's duties and responsibilities, upholding the APS Values in subsection 10(5) of the Act requires the following:

- (a) serving the Government of the day with high quality professional support, irrespective of which political party is in power and of personal political beliefs;
- (b) ensuring that the individual's actions do not provide grounds for a reasonable person to conclude that the individual could not serve the Government of the day impartially;
- (c) ensuring that management and staffing decisions are made on a basis that is independent of the political party system, free from political bias and not influenced by the individual's political beliefs;
- (d) understanding the needs of the Government and providing it with the best objective, non-partisan advice based on the best evidence available;
- (e) providing advice that is relevant and comprehensive, is not affected by fear of consequences, and does not withhold important facts or bad news;
- (f) providing advice that takes account of the context in which policy needs to be implemented, the broader policy directions set by Government and, where appropriate, implications for the longer term;
- (g) implementing Government policies in a way that is free from bias, and in accordance with the law.

Source: Commissioner's Directions 2022.

Appendix 5 Summary of findings from DEWR's gap analysis

Gap analysis principle	Positive observations	Opportunities for improvement identified by DEWR
Values and Code of Conduct	DEWR relies on the APS Values which are promoted on its intranet. DEWR also has processes and procedures for managing Code of Conduct breaches and investigations and utilises a case management system for record keeping.	The department's values and code of conduct can be strengthened by launching the DEWR culture statement and communication plan, uplifting recruitment documentation and the performance management process and considering the contractual mechanisms for third party integrity.
Integrity knowledge and performance systems	All staff are required to undertake mandatory integrity training. DEWR hired an integrity advisor to provide integrity training to all staff. Completion of the training is monitored and recorded.	Tailored integrity education should be developed for those in higher risk roles, functions, and programs.
Integrity policies, resources, and systems	The department has key integrity policies in place, an Integrity Team and uses management systems such as Financial Management Compliance System to have oversight of its controls for example conflict of interest and gifts and benefits.	The department should consider uplifting the policies and procedures related to conflict of interest, Public Interest Disclosures and National Anti-Corruption Commission referrals.
Integrity risk management	The department has a strong overall risk rating of 'advanced' in the 2023 Comcover Risk Management Benchmarking program, and DEWR's 2023–24 Enterprise Risk Management Strategy has been implemented and communicated to all staff.	Following the completion of the fraud and corruption risk assessment, consider how integrity risk is reflected at an enterprise level.
Prevent, detect and manage fraud and corruption	DEWR has a dedicated fraud team for risk management activities, investigations and fraud awareness training. Information on fraud and corruption awareness is easily accessible on DEWR's intranet, and there are clear internal and external pathways for reporting.	The department should continue to prioritise the transformation and uplift of the fraud risk management function.
Integrity in public resource management	The department has a number of policies, procedures and templates available to staff to assist them in undertaking procurement and contract management, available on the intranet and promoted to all staff.	Align public resource management policies and procedures with conflict-of-interest practices and undertake further examination of due diligence activities.

Gap analysis principle	Positive observations	Opportunities for improvement identified by DEWR
Protect people, information and assets	The department has a strong Protective Security Policy Framework maturity rating and is developing their information and assets culture to reflect better practice.	Commence a program of work to review policies and procedures which have passed the scheduled review dates.
Monitor and evaluate organisational integrity	DEWR collects integrity data from existing programs and reporting systems. The Integrity Team is creating an Integrity Dashboard, and integrity issues are considered as part of the internal audit program.	The department should continue to progress the Integrity Dashboard project. Noting that some of these metrics are reported on through other reports, and consideration will need to be given as to the most effective way to gather, analyse and report these metrics.

Source: ANAO analysis of the DEWR integrity gap analysis.

Appendix 6 Recommendations from DEWR's conflict-of-interest review

Recommendation	Status as reported by DEWR at June 2025
Create an offline form for consultants and contractors with the checklist template to record, declare and manage conflict of interest	Complete
Prevent the general conflict-of-interest form from showing as complete in the system when a delegate marked it as 'not approved' or 'for escalation'	Paused — pending release of COI better practice model
Provide clarity for roles and responsibilities for conflict-of-interest management	Paused — pending release of COI better practice model
Review and update current COI resources to provide clearer guidance on COI management and incorporate the Integrity Taskforce recommendations and publish these on the Integrity SharePoint page. Engage with other stakeholders within the COI management framework to ensure the information that they circulate is current and aligns with new process.	Complete — except Integrity Taskforce recommendations that are paused pending the release of COI better practice model
Publish supporting and training materials related to conflict-of-interest management	Complete
Implement reporting, assurance and monitoring processes for conflict of interest	Paused — pending release of COI better practice model
Review and update the conflict-of-interest policy	Paused — pending release of COI better practice model
Update general conflict-of-interest forms in the online system to allow consultants and contracts to update the form post-onboarding	Complete — contractors and consultants can access the department's IT system to make declarations directly into FMCS
Review consultants and contractors conflict-of-interest form in the online form system and match it with the offline form	Paused — pending release of COI better practice model
Re-instate DEWR's lobbyist register	Paused — pending release of better practice model
Create a function as part of the conflict-of-interest policy that allows managers to access historic conflict-of-interest declarations	Paused — pending IT funding availability
Review and clarify the conflict-of-interest process for consultants and contractors	Paused — pending release of COI better practice model
Develop a strategy to increase the usage of the online system for employees and provide training and guidance for conflict-of-interest processes	Paused — pending release of COI better practice model

Source: DEWR management of conflict-of-interest report and DEWR conflict-of-interest recommendations implementation status.

Appendix 7 Implementation of recommendations from *Louder than Words*

Report action number	Implementation by DEWR
1.1: Agencies to thoroughly investigate SES candidates through recruitment checks and questions that demonstrate self-reflection, commitment to inclusive culture-building, and sustainable delivery.	DEWR has updated recruitment guidance based on advice from the Australian Public Service Commission (APSC) and is refreshing internal supporting materials to meet obligations set out by the APSC when conducting SES recruitment.
2.1: Agencies to implement, as a priority, the new SES Performance Leadership Framework which gives equal weighting to values-based leadership behaviours and the delivery of results.	DEWR has developed new performance expectations and associated supporting materials for their SES performance framework to embed the balance of values-based leadership and delivery of outcomes.
3.2: Secretaries to review agency-level reward and recognition processes to ensure they include leading and acting with integrity.	DEWR has updated the categories for its Secretary's Awards to include 'Delivering with Integrity' alongside the existing 'Leadership and 'Living our values' categories to recognise pro-integrity behaviours.
4.2: The APS Academy to explore uplifting its current offerings (starting with SES officers) on ethical decision making and practical approaches to building psychological safety in the workplace. The APS Academy to continue partnering with expert providers, using the latest research, neuroscience-based learning approaches and behavioural ethics.	DEWR has monitored the progress of the APSC in developing courses for APS Academy. Relevant courses to be promoted through DEWR's 'Learnhub', and DEWR will connect course to the SES development as part DEWR's leadership strategy.
4.5: Departments and agencies to promote simple tools for ethical decision making for staff at all levels, such as the APSC 'ReFLECT' model and the 'reflective practice' model in the three-minute 'Ethical Decision Making' video from The Ethics Centre.	DEWR has promoted the APSC 'ReFLECT' model within the DEWR Integrity Framework which was launched on 28 June 2024. DEWR has continued to promote the Integrity Framework through regular training and internal communications.
5.1: Agencies to send new SES officers a letter of welcome which outlines their responsibilities as stewards of the APS, the significance of modelling the APS Values, and their obligations as members of the SES.	The letter is being provided to all future new SES, as well as other applicable SES staff.
8.4: Leaders to reinforce to their staff the centrality of lawfulness to all the public service does.	DEWR's General Counsel has promoted the centrality of lawfulness through biannual written advice to SES reminding them of their obligation to report serious and systemic legislative non-compliance, and assurance that all such instances are reported via the Management Assurance Certificate completed by the SES.

Source: DEWR's implementation of *Louder Than Words* report recommendations.

Appendix 8 2023 and 2024 APS Employee Census — DEWR-specific questions

2023 DEWR specific questions	% positive response	2024 DEWR specific questions	% positive response
I believe we are the 'department of great jobs'	51	I believe I contribute to support people to have safe, secure and well-paid work with the skills for a sustainable future	84
I feel safe to voice concerns	67	I feel safe to identify risks	82
I take onboard feedback that is different from my own perspective	95	Work is allocated at the lowest appropriate level in my workgroup	42
My workgroup invites diverse perspectives on all issues	76	My workgroup invites diverse perspectives	76
Supervisors and managers at all levels acknowledge and consider feedback that is different from their own perspectives	64	I am supported to respectfully challenge ideas	73
Decisions at all levels are communicated transparently, where appropriate to do so	57	Decisions in my workgroup are made at the lowest appropriate level	36
I am expected to connect and collaborate with other areas in delivering my work	86	I am expected to connect and collaborate with other areas in delivering my work	85
I am often contacted and expected to work outside of my standard hours	59	I discuss expectations about contact outside of work with my supervisor	49
The department is committed to eliminating discrimination in all forms	77	My agency is committed to eliminating discrimination in all forms	77
In the last 12 months, I have innovated my work by experimenting with new ideas and/or taking managed risks	66	I am encouraged to experiment with doing things differently in how I work	65
When things go wrong or not to plan, I am given the support to resolve it	76	When things go wrong or not to plan, I am supported to resolve the issue	77
I have the ability to negotiate timeframes for my work (where appropriate)	74	I routinely discuss my workload with my supervisor	74
My direct supervisor has the skills and capability to effectively manage staff working across different locations, including from home or the office	84	My workgroup has the skills and capability to work with colleagues across different locations, including from home or the office	89

2023 DEWR specific questions	% positive response	2024 DEWR specific questions	% positive response
I have the skills and capability to work with colleagues across different locations, including from home or the office	95	My immediate supervisor clearly articulates the direction and priorities for our area	80
		My workgroup adapts well to ambiguity and change	70

Source: 2023 and 2024 DEWR Census Highlights Report.