



A parliamentary committee has recommended a number of protections for whistleblowers. Shutterstock

Whistleblowers are important for maintaining the integrity of government, business and not-for-profit organisations. This is finally being recognised in a report by [an important federal parliamentary committee](#) that has recommended comprehensive reforms to protect whistleblowers.

Among the recommendations are protection whether whistleblowers report internally, to regulatory agencies, or publicly (if enforcement agencies fail to act). The report also recommends that whistleblowers should be rewarded, or compensated if they suffer reprisals from their actions.

This shows whistleblower protection is not only about justice, but also how organisations and regulators can best learn they've got problems, before they turn into even bigger ones.

The Turnbull government has [already committed](#) to the Parliament to introduce these reforms by end of next year, so these far-reaching proposals are not likely to sit on the shelf.

What the research says

[Our latest research](#), heavily cited by the committee, has already shown how these reforms can help organisations manage whistleblowing better. Often despite best intentions, most organisations are falling down on basic elements of good whistleblowing systems, like providing suitable support, and mechanisms for making it right if employees do suffer damage for reporting.

Since then, we have also surveyed more than 12,000 employees and managers in 38 organisations in the past few months.

This research is ongoing. But so far, our respondents confirm “reporting by employees” to be the single most important mechanism by which wrongdoing comes to light. Yet despite this, only 46% of employees indicated they know what support their organisation would provide, and only 44% were confident something appropriate would be done if they were to blow the whistle.

It doesn't have to be this way. In some organisations, as many as 70% of staff have this confidence. In others, though, it falls as low as 20%. By finding out where they stand on this spectrum, organisations can identify exactly how much work lies ahead in earning the confidence of their own people – and, if or when the Committee's proposals are implemented, in meeting the new standards.

A comprehensive approach

In its report, the corporations committee recommended a broad approach to whistleblower protection, going further than many [submissions](#) had predicted.

The report recommends that, across all sectors, whistleblowers should be protected not only when reporting breaches of the law, but also violations of professional codes and standards. And, bringing Australia into line with international best practice, protections should apply not only if the whistle is blown internally or to regulatory agencies, but also if it is done publicly when enforcement agencies fail to act.

Much of the focus of the report is on properly compensating whistleblowers who suffer when doing the right thing. And here there are three new proposals.

Firstly, a new Whistleblower Protection Authority should be created to provide direct support, ensuring employees are not left to fight it out with their employers in courts and tribunals. This includes better protection for federal public servants as well, replacing the Commonwealth Ombudsman's current limited role.

Second, there should be a shift to rewarding eligible whistleblowers with a percentage of any legal penalty imposed on wrongdoers.

We're on our way to making whistleblower protections more than theoretical

Written by The Conversation

This idea, prominent in the United States and to some degree Canada, was [previously rejected in Australia](#) . But the committee [accepted arguments](#) that rewarding whistleblowers is part of recognising that they “provide information of incredibly high value”.

But this isn't meant to come at the expense of business. The committee claims a reward system “will motivate companies to improve internal whistleblower reporting systems and to deal more proactively with illegal behavior”.

It's a sensible claim, given the amount of [research](#) confirming workers typically only go public after management has missed the chance to handle the matter properly themselves.

By setting new standards for how organisations should facilitate and support whistleblowing, the proposed new Protection Authority will also help companies to help themselves:

Businesses that have no misconduct and already facilitate good reporting and disclosure will have no burden from whistleblower protections and will be more competitive with those businesses that were previously gaining an unfair advantage through misconduct.

Lastly, while current laws, including the [Corporations Act](#) , already provide theoretical rights to compensation in case of “reprisals”, the committee recognised compensation can also be needed for more common but severe impacts like simple stress or a damaged reputation – potentially career changing even if there is no retaliation.

A historic step

All in all, the more comprehensive approach now recommended by the Committee will start to better address the known challenges of making whistleblowing work.

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Some of these recommendations were first [raised as far back as 1994](#) . But since then, and even since weak corporate protections began to be introduced in 2004, we have learned far more about how important whistleblowing is, and what reforms can make a difference.

Even Australia's federal public sector whistleblower legislation, passed in 2013, was shown by last year's [Moss Review](#) to be clunky and out-of-date.

The federal parliament's new report on whistleblower protection is a historic step towards Australia achieving higher confidence in our integrity and institutions. Indeed, if the right steps are taken, perhaps better than any other country to date. It's an objective within reach, and one well worth the support of business, government and researchers alike.

A J Brown receives funding from the Australian Research Council and 23 partner organisations to work on these issues (see www.whistlingwhiletheywork.edu.au). He is also a non-executive director of Transparency International Australia.

Read more <http://theconversation.com/were-on-our-way-to-making-whistleblower-protections-more-than-theoretical-84043>