

# Ethics Index

*2023*

# Contents

The Governance Institute of Australia's 2023 Ethics Index is based on a survey of 1000 Australian people conducted by independent market research company Ipsos in June - July 2023. Now in its eighth year, the Index examines perceptions of ethical issues and conduct in Australian society. The survey provides a snapshot of what Australians believe to be the most and least ethical occupations, organisations and sectors, as well as some of the most topical ethical challenges of today and the future.

Ethics is at the base of all decision-making and good governance is decision making within a sound ethical framework. To know what ethical behaviour the population expects and whether it believes that it is getting that level of behaviour means that the first necessary step must be to measure both, and then report them.

The Governance Institute would like to sincerely thank our Ethics Index panel who have shared their time and expertise in providing context and consideration around the key ethical issues of 2023. They are:

Noel Debien, *Editor at Large, Senior Specialist, ABC Compass (Religion and Ethics)*

Dennis Gentilin, *Head of Enterprise Risk, UniSuper*

Su-Lin Ong, *Chief Economist, RBC Capital Markets*

Charles Prouse, *Chair, Aurora Education Foundation*

Prof. Deen Sanders OAM, *Lead Partner, Deloitte Integrity*

Prof. Niloufer Selvadurai, *Director of Research and Innovation, Macquarie Law School*

Deidre Willmott, *Non-Executive Director*

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# Welcome



Welcome to the Governance Institute of Australia's Ethics Index for 2023. As the only study of its kind in Australia, the Ethics Index provides an important measure of how society views the key ethical issues and dilemmas of our time. The Index also highlights the perceived ethics of institutions, organisations and professions that are fundamental to the functioning of a democratic society.

For the past few years, the survey has been conducted within the prism of a global pandemic – an event which has had a seismic effect on all our lives. This year, with the immediate challenges of COVID-19 now largely in the rearview mirror, the nation's attention is turning

towards uncertainties around the rapid growth in the use of Artificial Intelligence, the economy and the referendum on the Voice to Parliament.

After a dip in the Ethics Index Score last year to 42, this year's results reveal the nation's ethics and trust levels have risen to 45, as in 2021. This has been predominantly led by a boost to the score in the ethical perceptions of the public service.

However, the overall level of importance we place on ethics in our society has reached an all-time high of 84. This increase has been driven in large part by the 18–35-year-old millennial cohort, for whom the importance of

ethics has risen from 71 last year to 86 in 2023. The gap between our ethical expectations and the actual perception of ethics – known as the Ethics Expectation Deficit – continues to widen to -39 (up from -37 last year and -28 in 2021). This indicates that the main pillars of our society are getting further away from performing to the ethical standards we want them to.

It is clear from this year's results that the impacts from the rising cost of living are proving to be a major ethical challenge for society, with 54% of respondents ranking it as the top issue. Cybersecurity breaches, privacy protection and the increasing use of AI are also at the forefront of people's minds indicating the desire for stronger protections and regulations in this space. An overwhelming proportion of those surveyed said they felt it was an 'urgent ethical obligation' for companies to notify customers of all data breaches, and to ensure generative AI technologies are not used to mislead or deceive. Fears around future job losses due to AI are also proving to be a growing ethical concern.

As the nation prepares for a constitutional referendum, 35% of respondents found having a First Nations Voice to Parliament in the Constitution as 'somewhat ethical', with the campaigning to date largely viewed as neither ethical or unethical. Half of the respondents are looking to

government and campaign websites for information about the referendum, while broadcast media and family and friends are also seen as trustworthy and credible sources of information. Indigenous affairs however, has risen as an area that is seen as ethically difficult to navigate.

Politicians across all levels of government have seen a significant boost in their ethical scores. While still in the bottom 10 of occupations, state and federal politicians have managed to lift themselves off the bottom of the list. Real estate agents are now the least ethical occupation, with their perceived behaviour approaching 'somewhat unethical'.

While there are signs the nation's ethics are improving, challenges remain across many sectors. We hope this Index contributes to the ongoing debate about what Australians prioritise when it comes to ethical behaviour and expectations, as leaders and organisations undertake important decisions for our nation's future.

## Megan Motto FGIA

Chief Executive of Governance Institute of Australia Ltd and of the Australian Division of The Chartered Governance Institute

A handwritten signature in black ink, appearing to read 'Megan Motto'.



## FAQ's

### What is the Ethics Index?

The Ethics Index is an annual nationwide survey now in its eighth year that examines perceptions of ethical issues and conduct in Australian society. The survey provides a snapshot of what Australians believe to be the most and least ethical occupations, organisations and sectors, plus the top ethical challenges of the future. It measures the population's overall view on how important ethics is to a well-functioning society, the view on the ethical importance of each of the broad sectors of society and the actual perception of ethical behaviour in those same sectors.

### Who conducts the survey and when was it conducted?

The independent research is conducted by Ipsos on behalf of the Governance Institute of Australia and surveys 1000 people weighted according to age, gender and location so that it closely represents demographic makeup of the Australian adult population. This year's survey was conducted in June/July 2023.

### Why measure Ethics?

Ethics is at the base of all decision-making and good governance is decision-making within a sound ethical framework. To know what ethical behaviour the population expects and whether that same audience believes that they are getting that level of behaviour means that the first necessary step must be to measure both and then report them.

### How is the Ethics Index score calculated?

All base questions are asked on a scale of Very Unethical, Somewhat Unethical, Neither Unethical or Ethical, Somewhat Ethical, Very Ethical and No Opinion. The scale is important when it comes to applying the algorithm and then produces the net score. Topical questions do vary the scale and sometimes ask for choices or rankings but these answers do not form part of the Index calculations.

### What is the Ethics Index score?

The Ethics Index Score is an analysis of data from the entire Ethics Index survey to quantify people's perception of the level of ethical behaviour in our society.

- Overall Importance of Ethics score: The proportion of respondents who viewed ethics as important or very important in society less those who viewed ethics as unimportant or very unimportant.
- Ethics Expectation Deficit: The gap between our expectations of how ethical something should be and how ethical we think something actually is. A smaller gap is an indicator that society is performing as we want/ expect it to.
- Net score: Percentage of responses rating somewhat ethical or very ethical minus percentage of responses rating somewhat unethical or very unethical.



# Ethics in focus



# Highlights



**Importance of ethics**  
reaches all-time high



**73%**

say there's an urgent ethical obligation for customers to be notified of all data breaches.



**Health** is the only sector rated as very ethical  
**Education** and **charities** — somewhat ethical

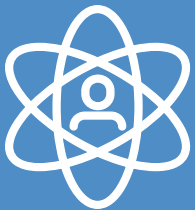
**Cost of living** is the top ethical challenge for 2024



**Most ethical occupation**  
— Fire Services



**Twitter (X), Facebook and TikTok**  
still somewhat unethical



**GPs who don't bulk bill**  
are seen as somewhat unethical



**Ethical perceptions of State, Federal and Local politicians**  
have risen sharply

**Accountability more important than transparency**  
on ethical conduct in society



**A First Nations Voice to Parliament** - somewhat ethical but 1 in 5 see it as 'very unethical'



**Real estate agents**  
are the most unethical occupation



**AI and embryo**  
experimentation highest ethical concern for the future



# Contextual analysis



This year, the Governance Institute of Australia invited a group of industry leaders, academics and experts to provide some context around topical questions concerning the Referendum on the Voice to Parliament, AI and data and the cost of living, as well as some of the other results from the Ethics Index. They are Charles Prouse, Deen Sanders, Niloufer Selvadurai, Su-Lin Ong, Noel Debien and Deidre Wilmott.

## On media and The Voice

**Charles Prouse:** I just feel that the media is not doing its job, particularly on The Voice. It's extremely disappointing and the impact of that is huge, in terms of the public discourse and people having a crack at each other and not getting the right information and people not being challenged on their facts or rather their lack of the facts.

**Deen Sanders:** The constitution is proximate to everybody because

everybody is required to vote. But the voice is proximate only to those people who ever met an Aboriginal person. I'm constantly reminded that most people haven't in this country, and the only representation they have of that is through media. So that's an important conversation because everybody's being forced to vote on something and most of them have never even met an Aboriginal person other than through the negativity of the framework in the media.

**Charles:** I'm actually heartened by the friends, families, staff and I am heartened by the websites/

government campaign. You know those cups of tea, those barbecue chats — whatever you want to call them — I think they're very powerful. But I think there should be some better work done on the government campaign front — the way we do it needs to be better.

**Deen:** I think what's interesting about this, is that in many of the critical ethical questions we see the people's reliance on things like friends and family over and above First Nations groups, Indigenous people, other forms of communication. This is something we see often — that the people trust their friends and families, that they feel they know what they are talking about.

## On notification of data breaches and AI

**Niloufer Selvadurai:** It's really good to see cyber security and AI up there (top ethical challenges) because I think this is reflecting an increased education of the public in these two areas. People in the sector have been talking about these risks for about a decade and suddenly because ChatGPT is so well-publicised, it's increased consciousness.



There's an enforcement issue and a lot of the AI angst around law actually should be about enforcement because we do have negligence law, product liability laws, all sorts of laws that could apply. It's not like we're this unregulated space in AI, it's just that they haven't been enforced in the AI space. For example, the ACCC hasn't taken any action on AI generated work to date. People can see what's going on and they feel this is unregulated.

The big issue is education. Parents are concerned, teachers are concerned. There's a lot of debate about ChatGPT and plagiarism, unethical practices and they don't realise that there are laws which could apply.

## On cost of living

**Su-Lin Ong:** I am not at all surprised that rising cost of living and the impact of inflation is top of the list of ethical challenges for 2024 and by quite a significant margin to the second and third issues. CPI tested near 8% late last year, a 33 year high with key essential components (milk, bread, electricity, gas) running at a double-digit pace and real household disposable income is going backwards.

There is pressure on both State and Federal governments to provide further cost of living relief particularly for lower income and those who depend on benefits/government payments. These cohorts are

disproportionately impacted by high inflation given that they spend a larger percentage of their income on essential/non-discretionary items.



**Noel Debien:** I think the ethical issue about the adjustment of inflation is about economic theory and the governing principles you work by. But when it comes down to the system of economics, Keynesian or otherwise, how are you going to look at it? Shall we raise unemployment, or shall we raise interest rates? These are all decisions that have an effect, but they're based on an understanding of how you fix society, how you make a good society, and how you believe in it.

**Su-Lin:** I welcome the net score on the RBA Governor which I had feared could be much lower given the intense media scrutiny and criticism which has crossed a line on the personal front. The score hints at a greater understanding from respondents that the drivers of high inflation are complex as is the policy response, and it is overly simplistic to simply blame the Governor.

## On the increasing ethical perceptions of politicians

**Deidre Wilmott:** This was the most striking result of the survey. Elections since the pandemic have seen decisive wins for the ALP (except in Tasmania). However, this survey result might be a wakeup call for the major parties with their share of primary votes in ongoing decline and record numbers of independents elected.



**Su-Lin:** It is likely that some cost-of-living relief in the last 12 months, especially for household utilities, has played a role in the lift in scores for government and politicians (albeit from a low base). However, we would caution that government promises to deliver lower utility bills is fraught with risks given that there are factors well outside the government's control that influence energy prices.

## On climate change and the environment

**Deidre:** Overall, the survey seems to reveal an expectation that government can and will lead in important areas, including climate change. This might be reducing the focus on business to lead the response on this issue. There might also be an element of timing with other issues such as immigration, Indigenous affairs and data protection having been in the headlines in recent months.

Interestingly, an activity that has been linked to the climate change debate, bushfire management via fuel reduction burns was rated as raising the least ethical concern for future developments.

After three years of La Nina, if Australia's next summer sees record heat and bushfires, dealing with climate change is likely to become a more urgent issue for all sectors.

**Noel:** Laudato Si is the papal document on the environment and 1.3 billion people across the world are being taught this, including primary schools, secondary schools, universities which have religious affiliation.

This is a formal document about the ethical obligation to take on climate change. It's an international engagement which is quite formal from the Catholic Church in particular, which is saying you do have an ethical obligation. And it's quite clear.



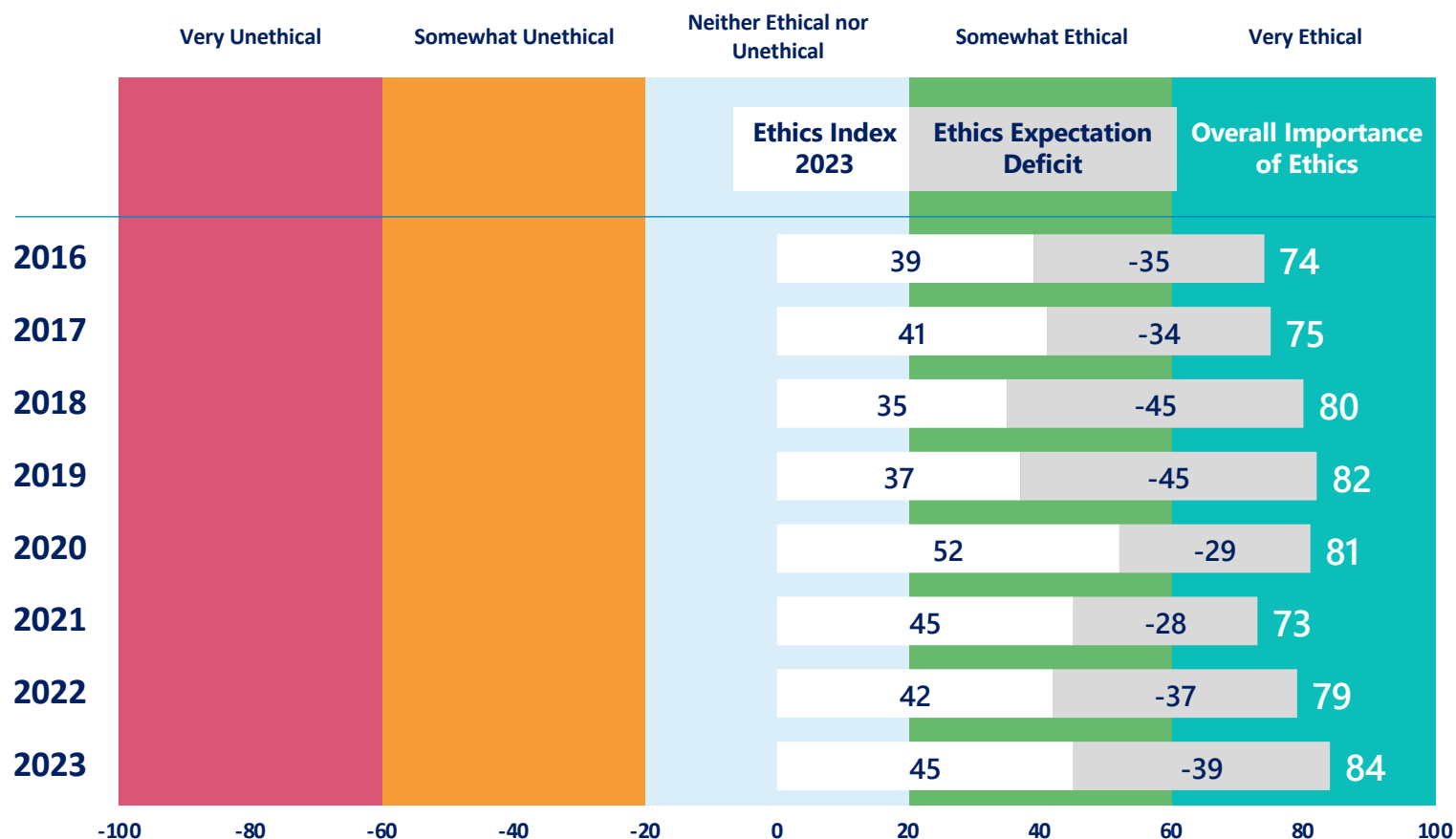


# 2023 Ethics trends



# Ethics Index – eight-year trends (Overall Ethics Index 2023: 45)

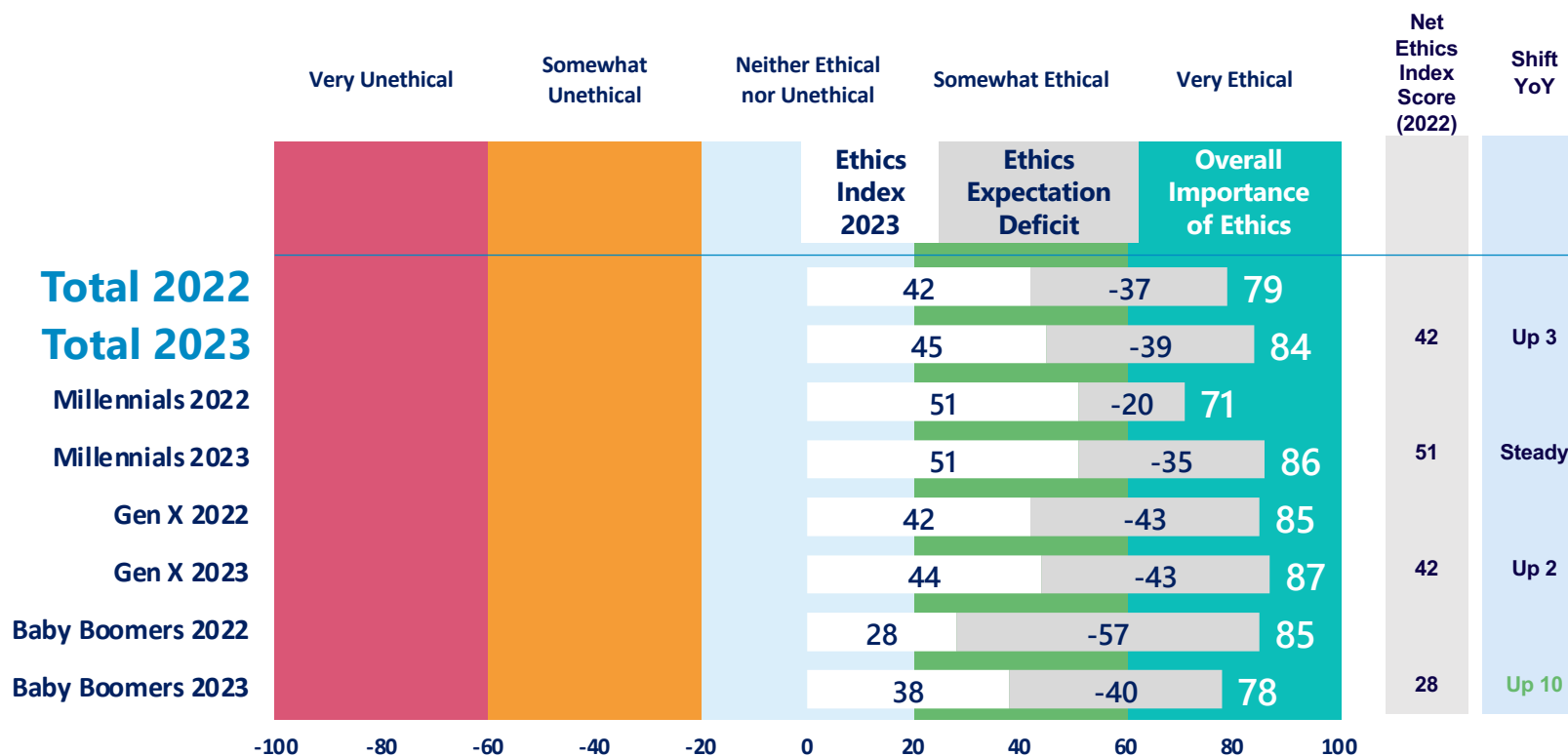
The importance of ethics is at an all-time high, but the Ethics Index - a cross-sector measure - has remained relatively stable, up 3 from last year. This leads to an increasing gap (Ethics Expectation Deficit) between the importance society is placing on ethical behaviour and broad ethical performance.





# Ethics Index 2023 (Overall Ethics Index 2023: 45)

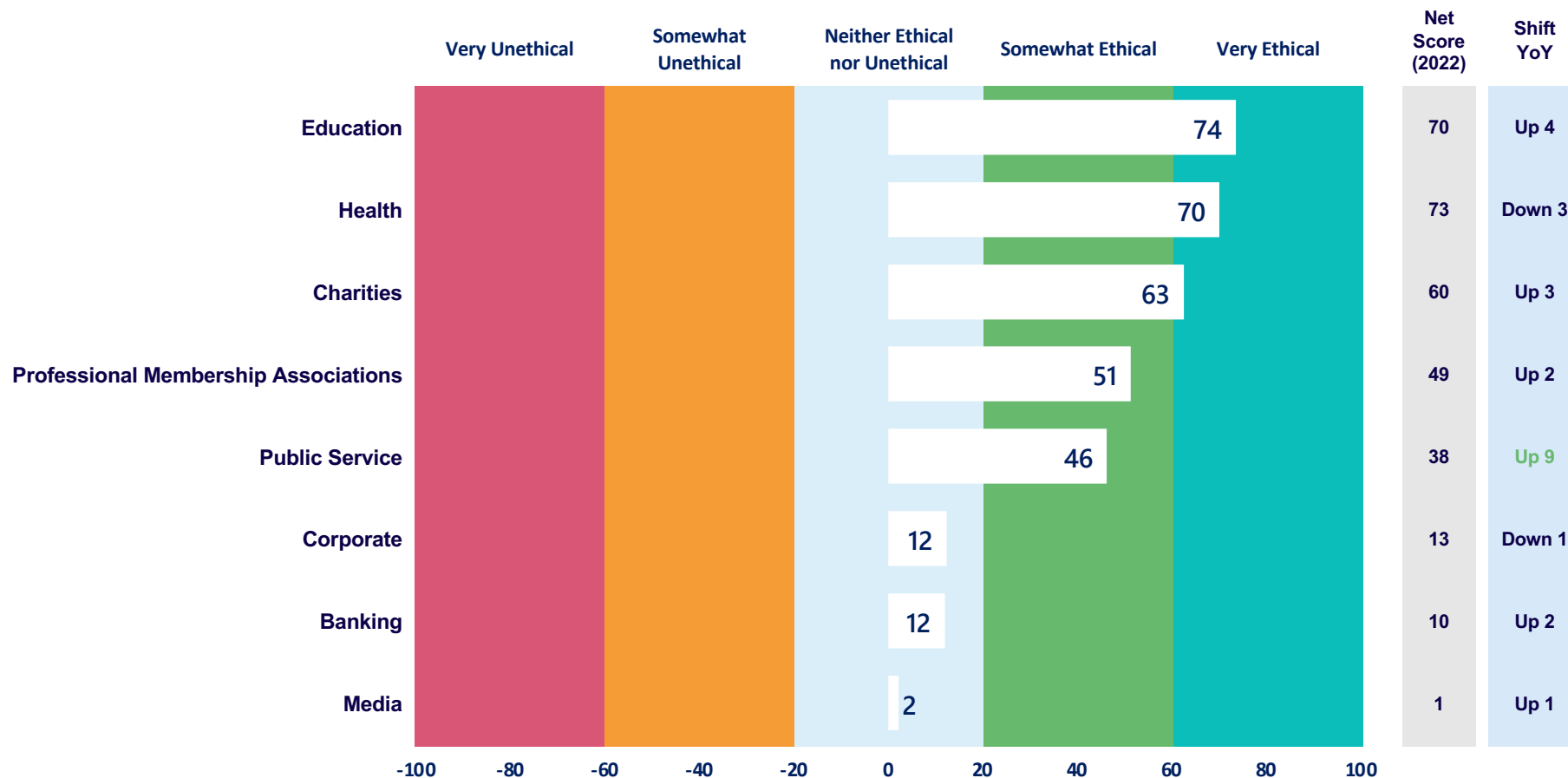
Millennials continue to have the highest Ethics Index score at 51 but show a strong increase in the importance they place on ethical behaviour (up 15 points from 2022), leading to a surge in the expectation deficit. Baby Boomers still show the lowest Ethics Index score at 38, but this has increased (up 10 points). Coupled with a decrease in the importance they place on ethical behaviour, the expectation deficit contracts from -57 to -40.



# Ethics Index 2023 (Overall Ethics Index 2023: 45)

A majority of sectors remain stable with Education and Health perceived as the most ethical sectors, followed by Charities. Overall, after decreasing last year (from 45 in 2021 to 42 in 2022), the Ethics Index has returned to 45 in 2023. The public service has seen a similar movement, from 46 in 2021, declining to 38 in 2022, and returning to 46 in 2023 (a significant increase vs 2022).

## Sectors (net score)







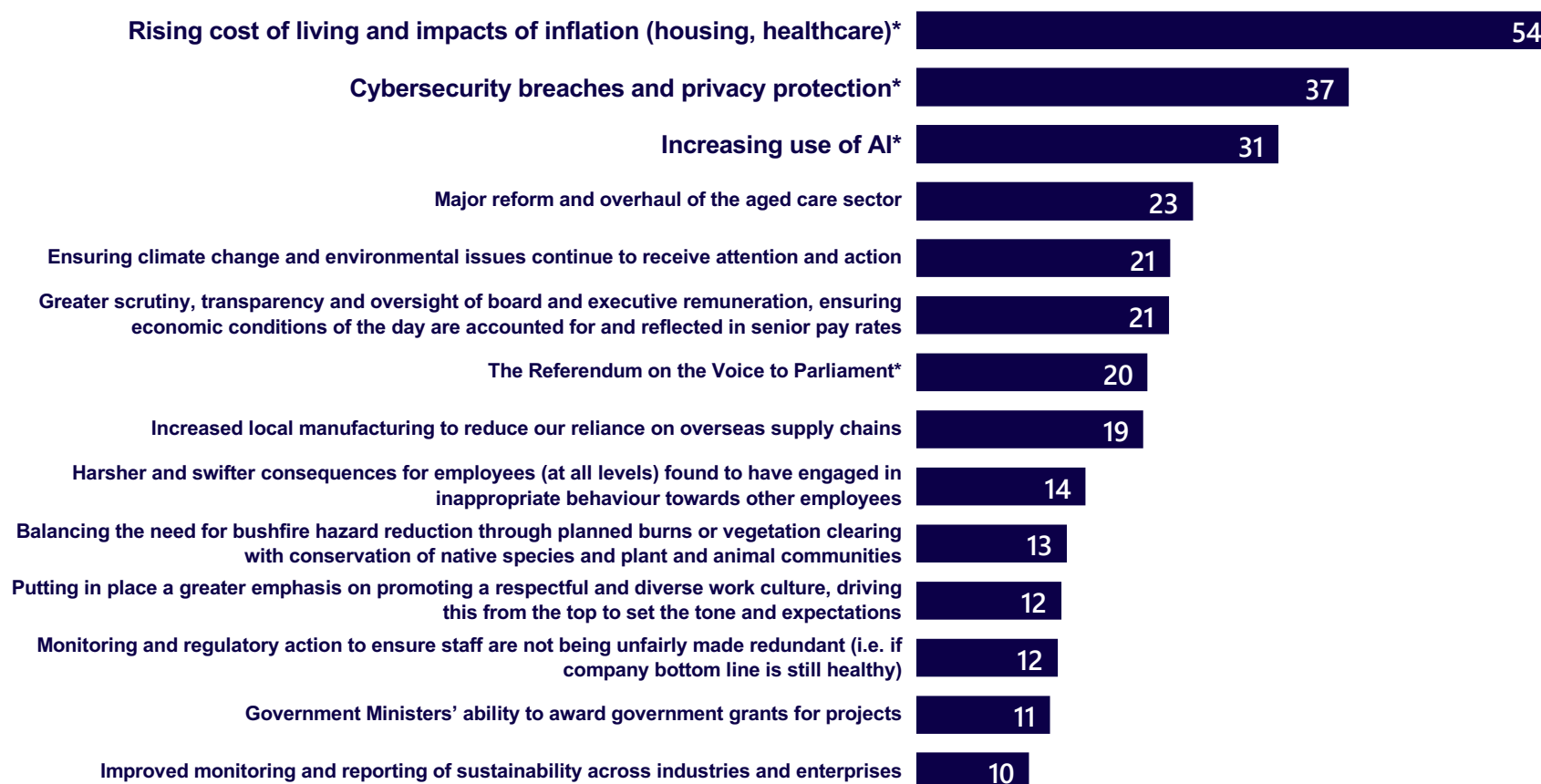
# Topical questions

(No index weighting)

# Topical questions

Rising cost of living and the impacts of inflation top the list of ethical challenges for 2024 at 54%. They are followed by cybersecurity breaches and privacy protection at 37% and the increasing use of AI at 31%.

## Top ethical challenges for 2024 (%)

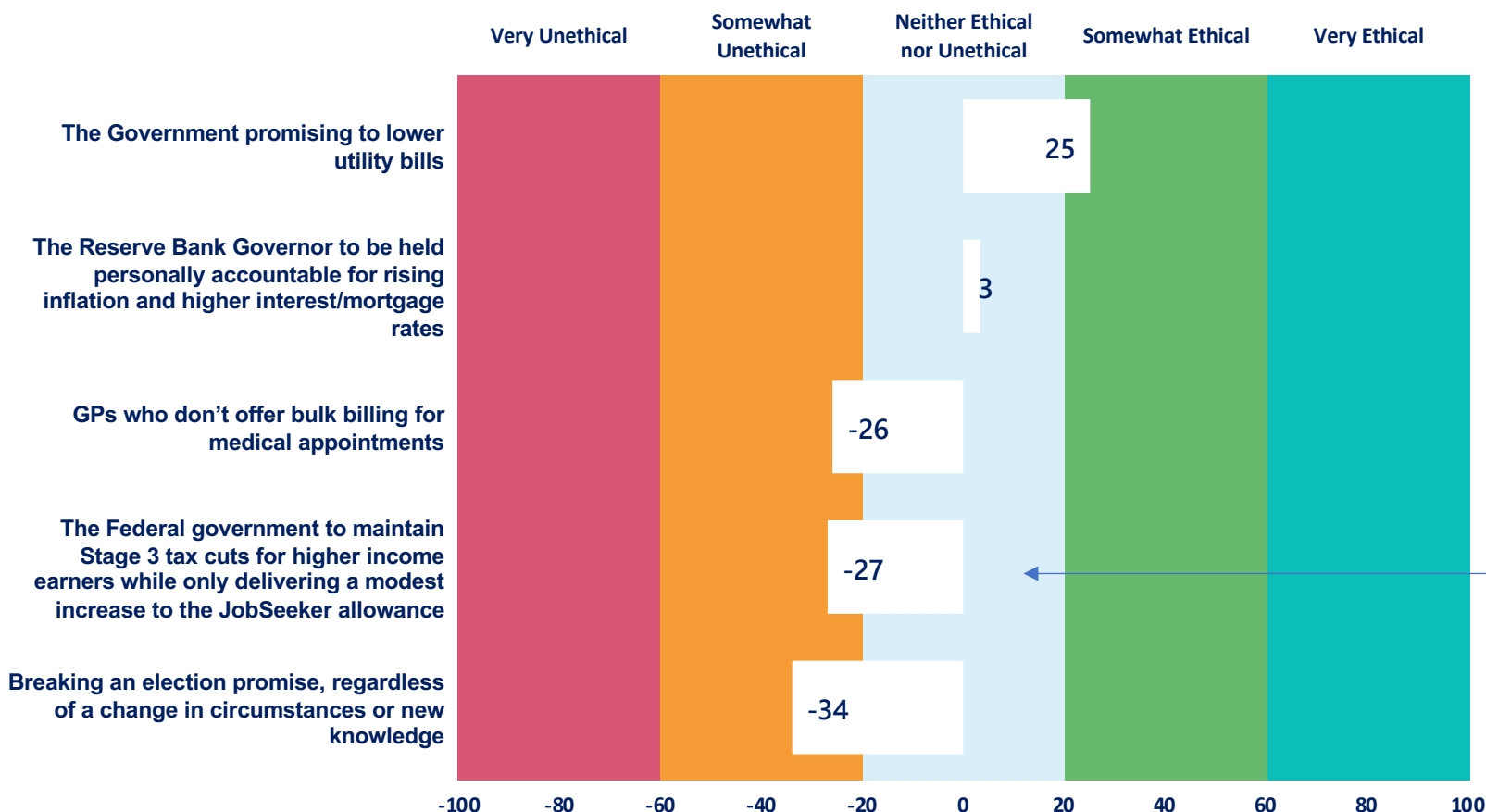




# 2023 Topical questions

In light of cost-of-living concerns, Australians perceive the Government's promise to lower utility bills as somewhat ethical. The Reserve Bank Governor's role in inflation and higher interest/mortgage rates is seen to be neither ethical nor unethical. In contrast, GPs who do not offer bulk-billing, the Federal Government's delivery of modest increases to the JobSeeker allowance while maintaining Stage 3 tax cuts for higher income earners, and the breaking of election promises (regardless of changes in circumstances/new knowledge) are all seen to be somewhat unethical/viewed negatively.

## Cost-of-Living pressure (net score)

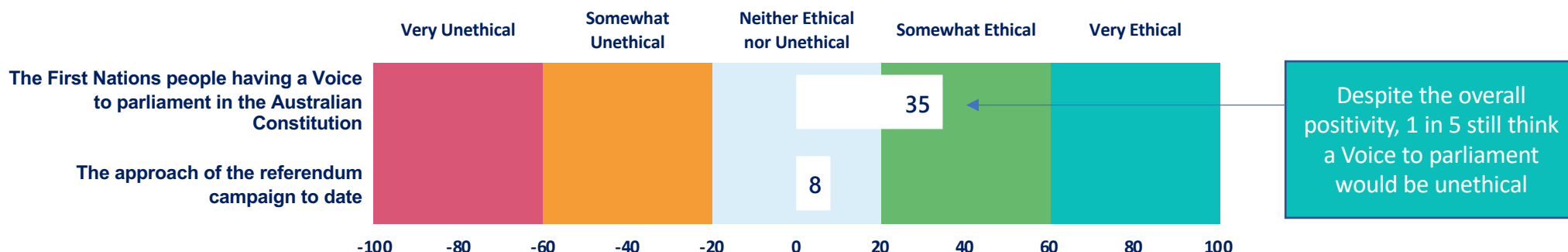


Despite a slightly more positive feeling toward Stage 3 tax cuts vs breaking election promises **OVERALL**, the % of people thinking it is Somewhat/Very Unethical behaviour is the same (approx. 53%)

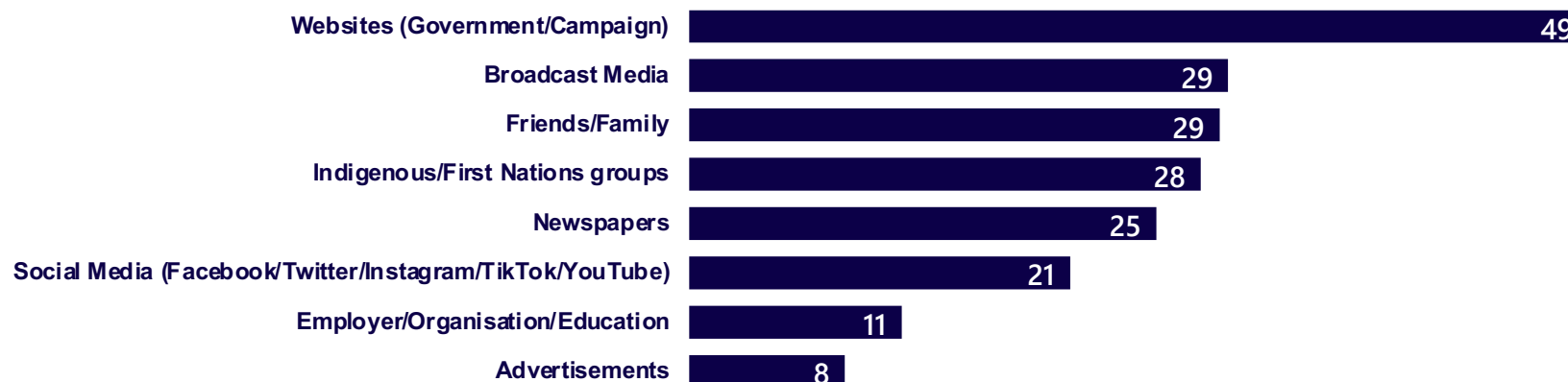
# 2023 Topical questions

While Australians do not perceive the referendum campaign to date to be either ethical or unethical (an even spread across the scale), First Nations people having a Voice to parliament in the Australian Constitution is perceived as somewhat ethical. When asked about trustworthy and credible sources of information about the referendum, 1 in 2 Australians look to government and campaign websites.

## The Voice referendum (net score)



## Trustworthy and credible sources about the Referendum (%)



**New questions in 2023 – #T2\_231 THE VOICE.** In late 2023, Australians will have their say in a referendum about whether to change the Constitution to recognise the First Peoples of Australia by establishing an Aboriginal and Torres Strait Islander Voice. The Voice would be an independent and permanent advisory body - how would you rate the ethical behaviour of each of these scenarios? **Base:** Australians 18-65, Ethics Index 2023 (n=1000) (excludes No Opinion and Don't Know for each statement) (Individual statement n=884-918)

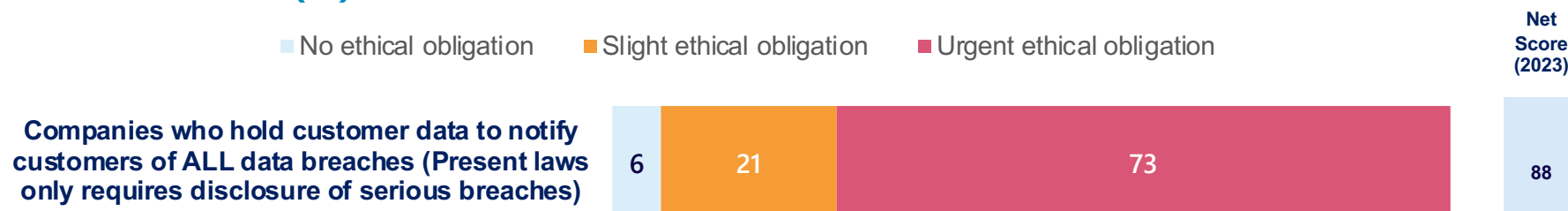
**#T2\_232.** Where would you, or do you, go to find trustworthy and credible information about the referendum? *Please select all that apply*

**Base:** Australians 18-65, Ethics Index 2023 (n=1000) (excludes No Opinion and Don't Know for each statement) (Individual statement n=81-487)

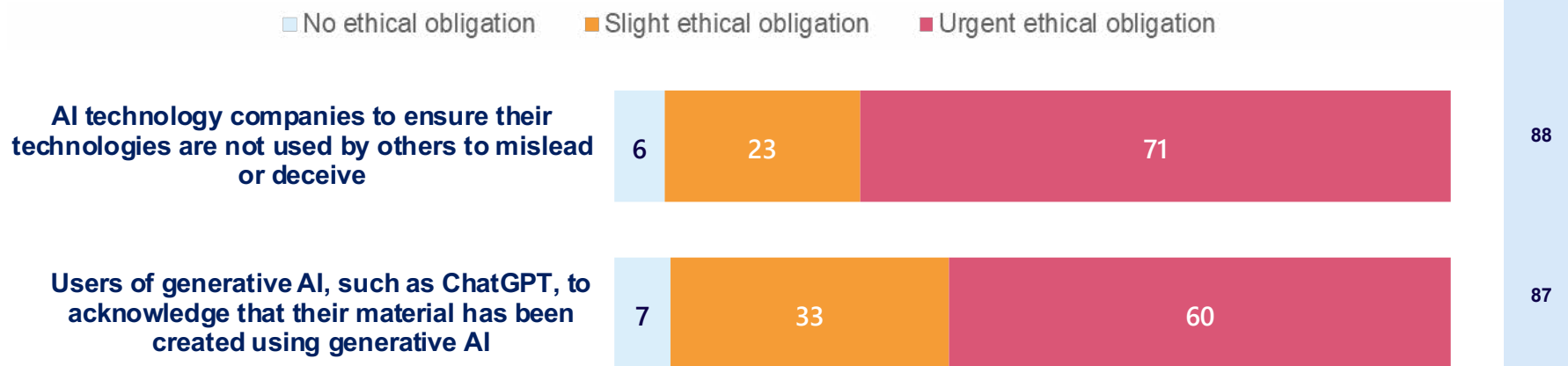
# 2023 Topical questions

When asked about the use of AI technologies and concerns around data protection, a majority of Australians feel that companies have an urgent ethical obligation to notify customers of *all* data breaches — not just serious data breaches. Similar levels of ethical obligation are expected of AI technology companies to ensure that their technologies are not being used by others to mislead or deceive. Although Australians still agree that there is an ethical obligation for generative AI users to acknowledge material that has been created using generative AI, it is seen as comparatively less urgent.

## Data breaches (%)



## AI technology (%)

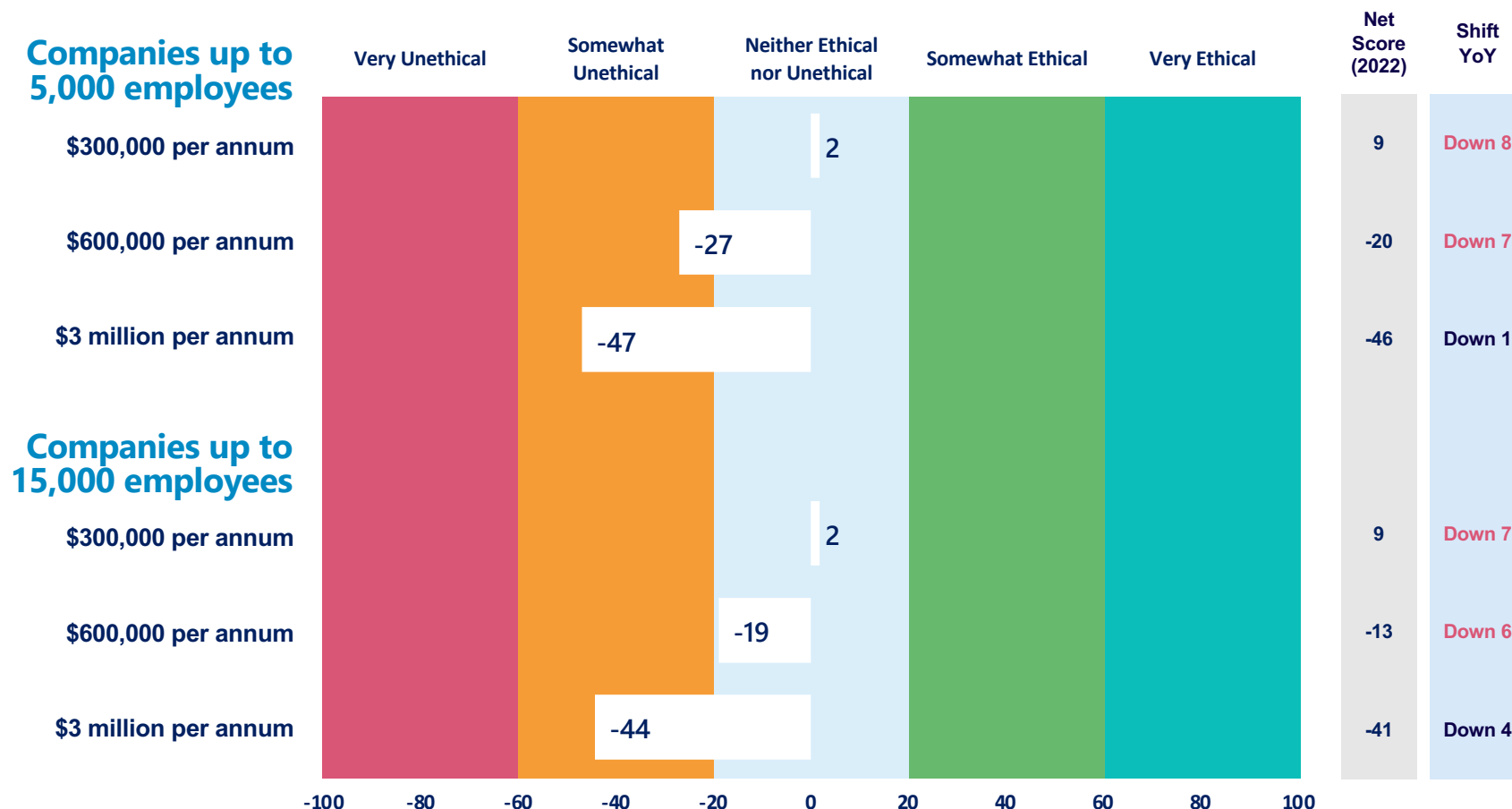




# Topical questions

With cost-of-living pressures weighing heavily on the minds of Australians, perceptions of how ethical it is to pay CEOs high salaries have become a higher ethical concern with significant decreases in perceptions of ethics for the \$300,000 and \$600,000 per annum band. However, the \$300,000 per annum category still sits in the Neither Ethical nor Unethical bracket, while higher bands are seen to be Somewhat Unethical regardless of company size.

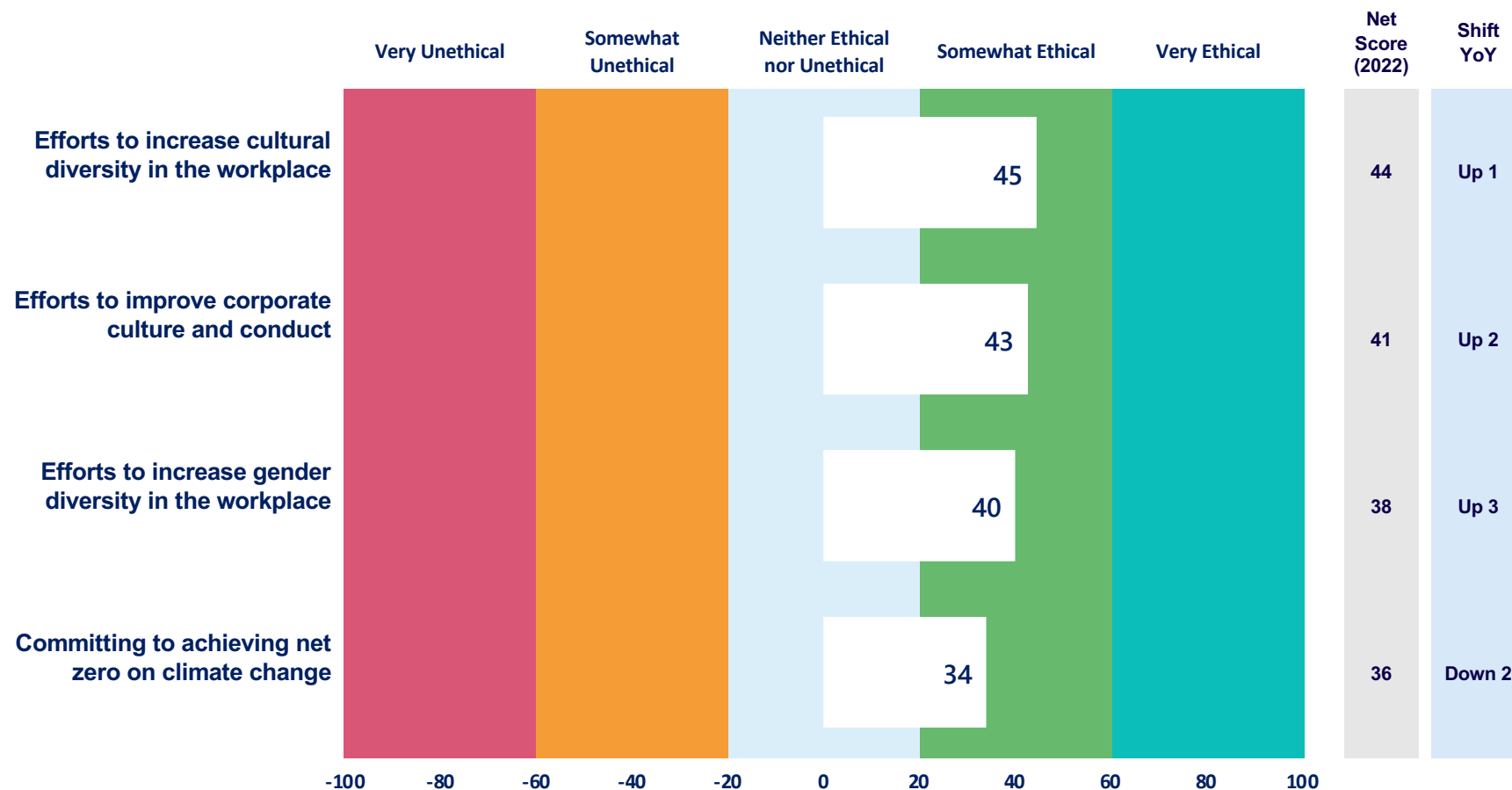
## Ethicality of CEO pay levels (net score)



# Topical questions

Looking at ethical responses to a variety of issues in the workplace, efforts across gender diversity, cultural diversity, committing to achieving net zero on climate change and efforts to improve corporate culture are all felt to be Somewhat Ethical, with efforts to increase cultural diversity in the workplace still having the highest net score (45) and committing to achieving net zero on climate change having the lowest net ethical score (34).

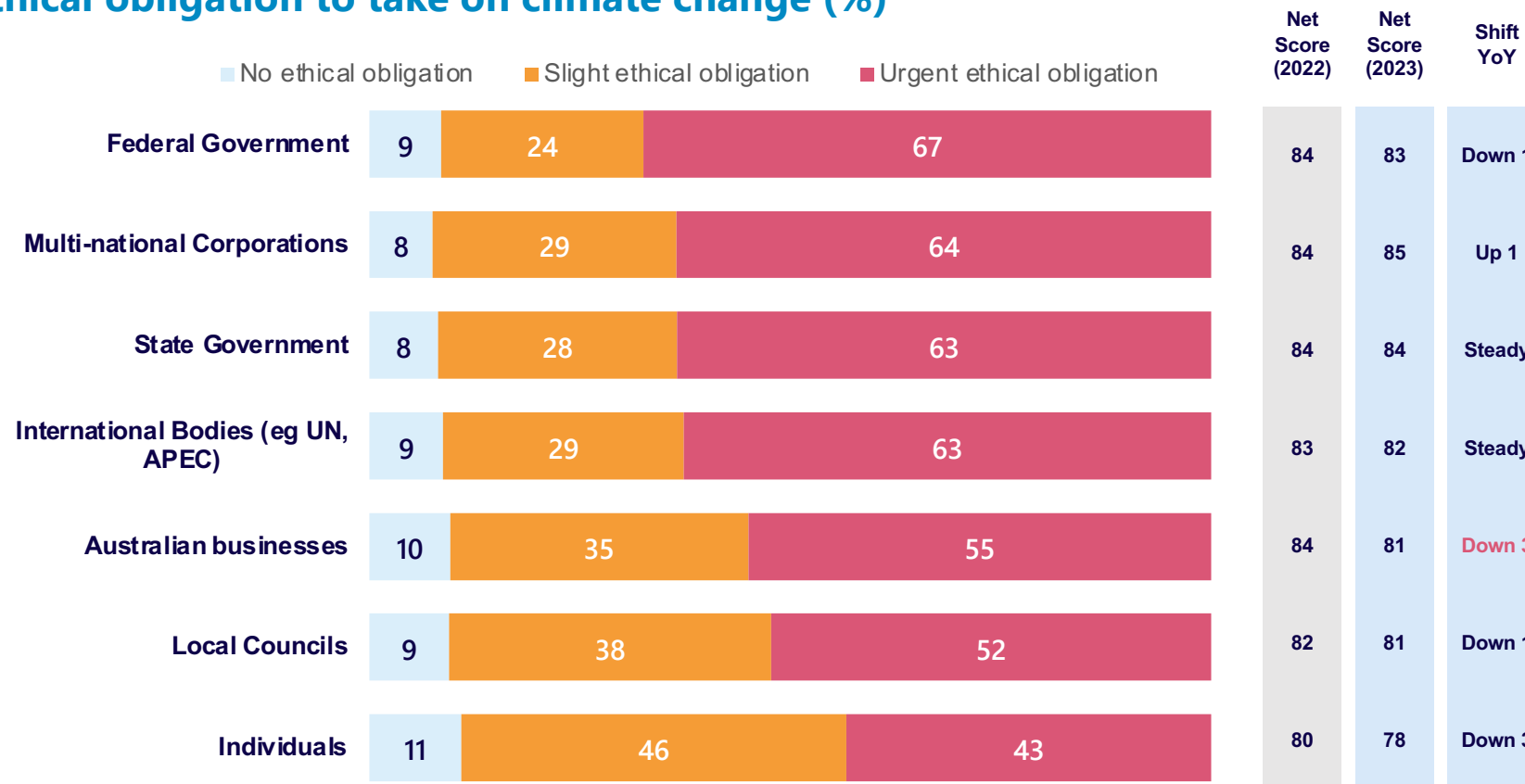
## Ethical response of the business/ corporate world (net score)



# Topical questions

When asked who has an ethical obligation to tackle climate change, perceptions are consistent with 2022, with all groups felt to have an ethical obligation. The federal government, multi-national corporations, state government and international bodies are all felt to have the highest levels of ethical obligation (all with an urgent ethical obligation of over 63%). Whilst individuals are felt to have less of an 'urgent' obligation, the net score of total ethical obligation is still high, at 78. Also worth noting that there is lower ethical obligation placed on Australian business this year (a significant decrease from 84 to 81).

## Ethical obligation to take on climate change (%)

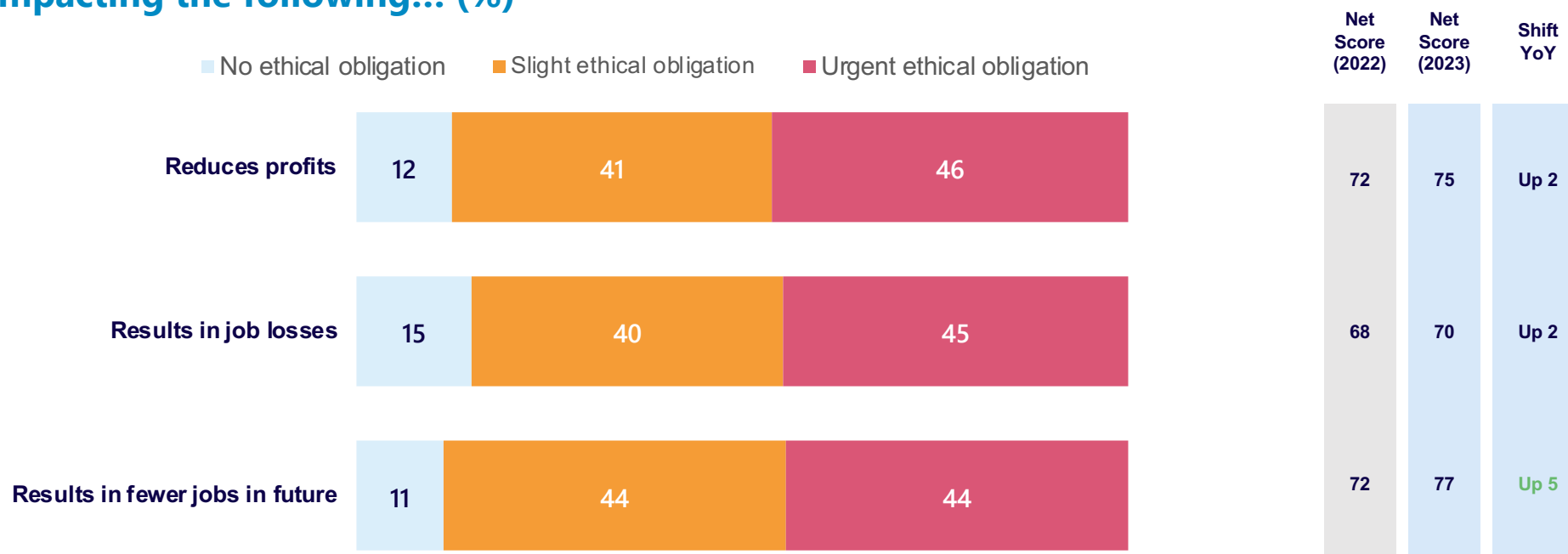




# Topical questions

A majority of Australians feel that there is an ethical obligation for organisations to tackle climate change even if this results in a reduction of profits, job losses or fewer jobs in the future — the latter of which felt to be increasingly important (with the net ethical score shifting significantly up from 72 to 77).

## Ethical obligation for organisations to take action on climate change even if impacting the following... (%)





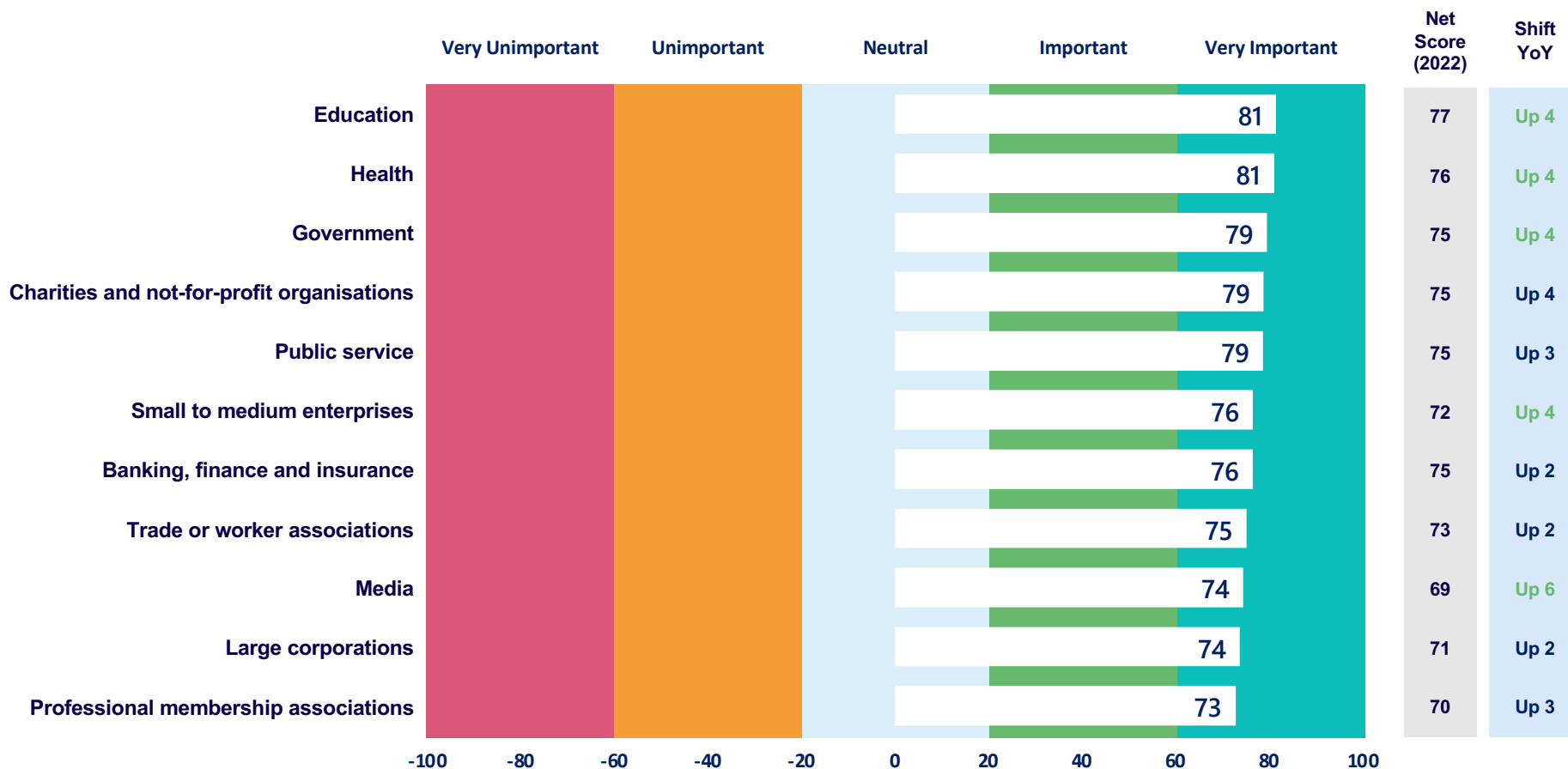
# Ethical behaviour by sector

(No index weighting)

# Importance of ethical behaviour of broad sectors

Ethical behaviour continues to be seen as important for society, with the majority of sectors seeing net scores of 70 or above. Since last year, ethical behaviour of the **Education, Health, Government, Small to Medium enterprises** and **Media** sectors are rated to be even more important and showing significant upward movements.

## Sectors (net score)

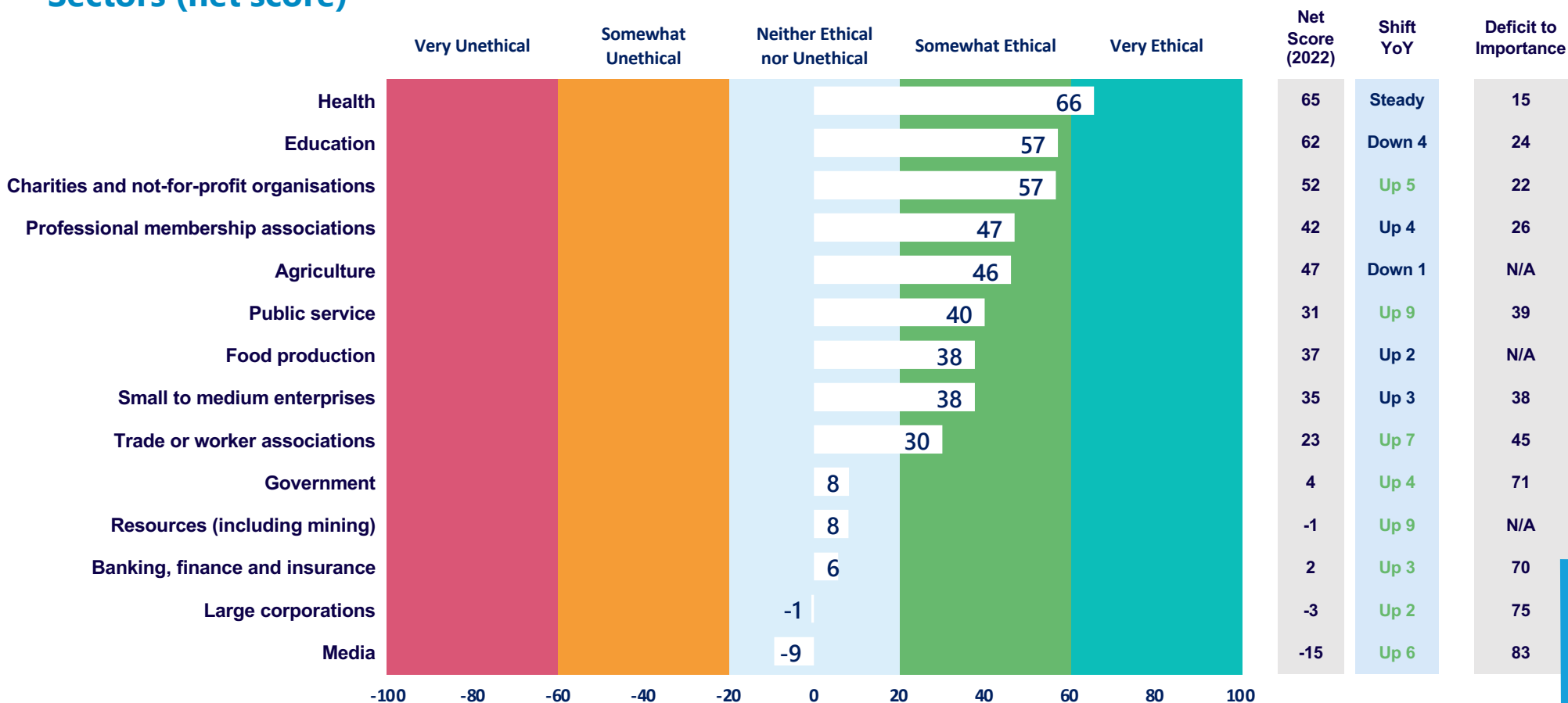




# Ethical behaviour of broad sectors

Perceived performance for behaviour varies across sectors, with several sectors seeing increases. Health continues to lead, followed by Education and Charities/NFP for perceived ethical behaviour, with the latter seeing a significant increase (net score of 57 from 52 in 2022). While the Government, Resources, Banking/Finance/Insurance, Large Corporations and Media have risen, they still sit in the neither Ethical nor Unethical space. Almost 1 in 5 Australians rate the Media as Very Unethical, higher than the proportion rating the Government, Resources, Banking or Large corporations as Very Unethical.

## Sectors (net score)

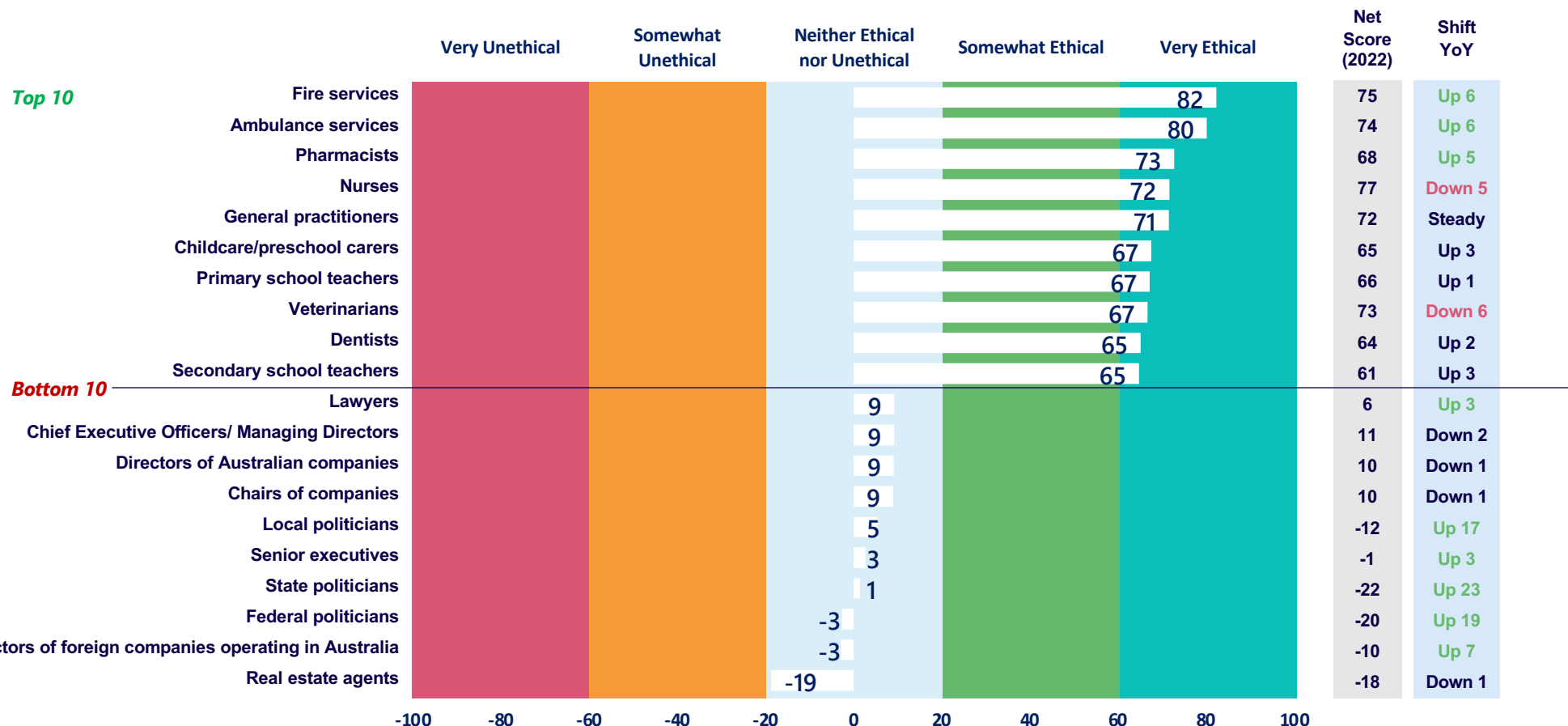


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# Occupation Summary — Ethical Behaviour

Within Occupation, a number of significant movements are apparent. Fire and Ambulance services, along with pharmacists all strengthen at the top of the list but nurses see a continued decline in perceived ethical behaviour (80 in 2021 and 77 in 2022). At the bottom end, politicians at all levels have risen substantially in ethical perception.

## Occupations (net score)



#E3. Within the health sector, how would you rate the level of ethical behaviour of each of the following groups? #E4. Within the banking, finance and insurance sector, how would you rate the level of ethical behaviour of each of the following groups? #E5. Within the corporate sector, how would you rate the level of ethical behaviour of each of the following groups? #E6. Within the following business sectors, how would you rate the level of ethical behaviour of each of the following groups? #E8. Within the education sector, how would you rate the level of ethical behaviour of each of the following groups? #E9. Within the public service and government sectors, how would you rate the level of ethical behaviour of each of the following groups?

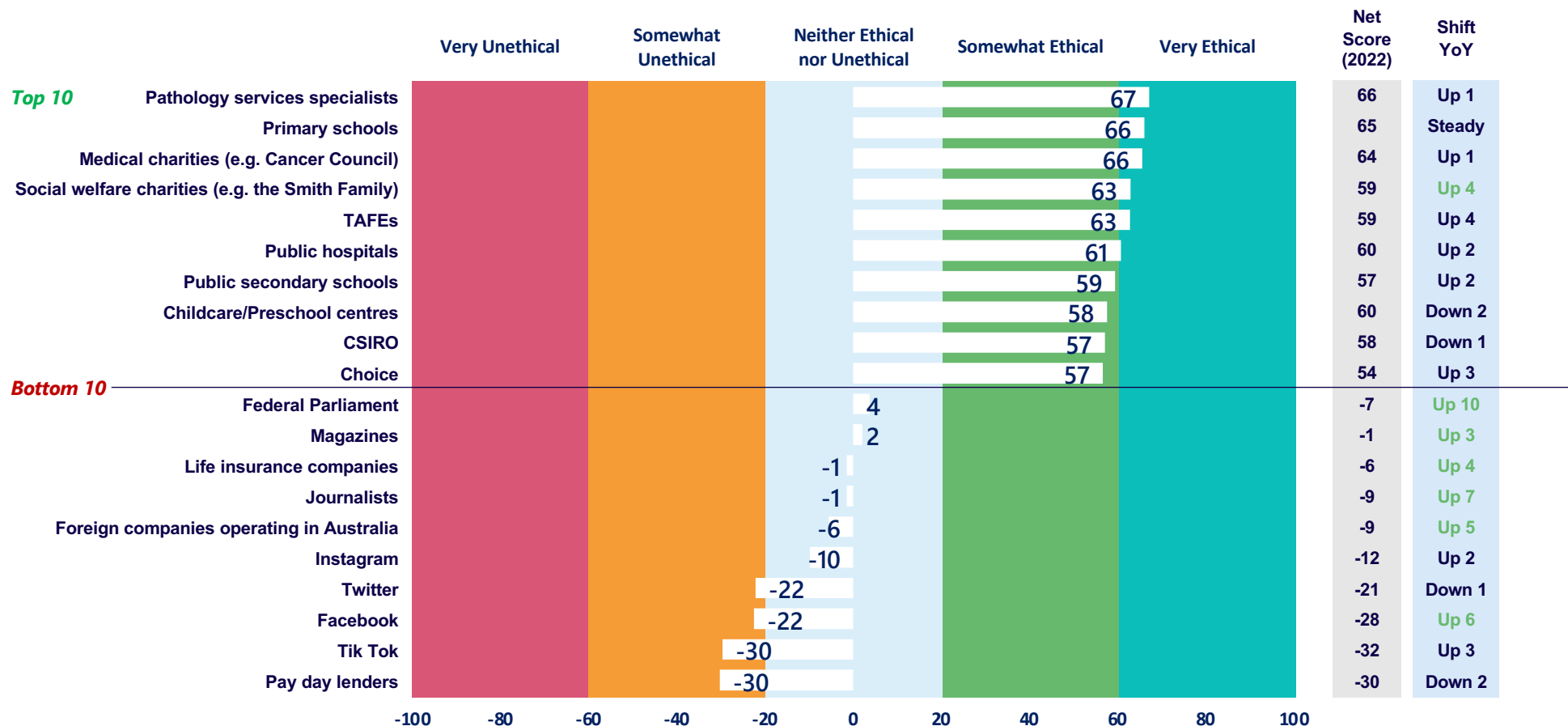
Base: Australians 18-65, Ethics Index 2023 (n=1000) (excludes No Opinion and Don't Know for each statement) (Individual statement n=481-967)

Significantly higher/lower shift vs previous year at 95% c.i.

# Organisation Summary – Ethical Behaviour

Pay Day lenders and Social media platforms continue to have the weakest ethical perceptions.

## Organisations (Net score)



#E3. Within the health sector, how would you rate the level of ethical behaviour of each of the following groups? #E4. Within the banking, finance and insurance sector, how would you rate the level of ethical behaviour of each of the following groups? #E5. Within the corporate sector, how would you rate the level of ethical behaviour of each of the following groups? #E6. Within the following business sectors, how would you rate the level of ethical behaviour of each of the following groups? #E8. Within the education sector, how would you rate the level of ethical behaviour of each of the following groups? #E9. Within the public service and government sectors, how would you rate the level of ethical behaviour of each of the following groups? #E10. Within the charity and not-for-profit sector, how would you rate the level of ethical behaviour of each of the following groups? #E11. Within the member associations sector, how would you rate the level of ethical behaviour of each of the following groups? #E12. Within the media sector, how would you rate the level of ethical behaviour of each of the following groups?

Base: Australians 18-65, Ethics Index 2023 (n=1000) (excludes No Opinion and Don't Know for each statement) (Individual statement n=399-973)

Significantly higher/lower shift vs previous year at 95% c.i.



# Education sector ethical behaviour

(Sector Ethics Index: 74 – Up 4)

The education sector continues to be perceived as a highly ethical sector, with an Index score of 74 (consistent with 2022). All occupations and organisations in the sector are felt to be ethical, with primary schools and primary school teachers seen as the most ethical organisation and occupation, with net scores of 66 and 67, respectively. Professors and university lecturers have increased significantly from a net score of 55 to 60. Private schools or Colleges show the highest unethical perceptions.

## Occupations (net score)

Very Unethical      Somewhat Unethical      Neither Ethical nor Unethical      Somewhat Ethical      Very Ethical

Primary school teachers

67

Net  
Score  
(2022)

Shift  
YoY

66

Up 2

Secondary school teachers

65

61

Up 3

Childcare/preschool carers

63

65

Down 1

Professors and university lecturers

60

55

Up 5

## Organisations (net score)

Primary schools

66

65

Steady

TAFEs

63

59

Up 4

Public secondary schools

59

57

Up 2

Childcare/Preschool centres

58

60

Down 2

Universities

49

47

Up 2

Independent (private) secondary schools

45

40

Up 4

Privately-run colleges

35

32

Up 3

-100      -80      -60      -40      -20      0      20      40      60      80      100

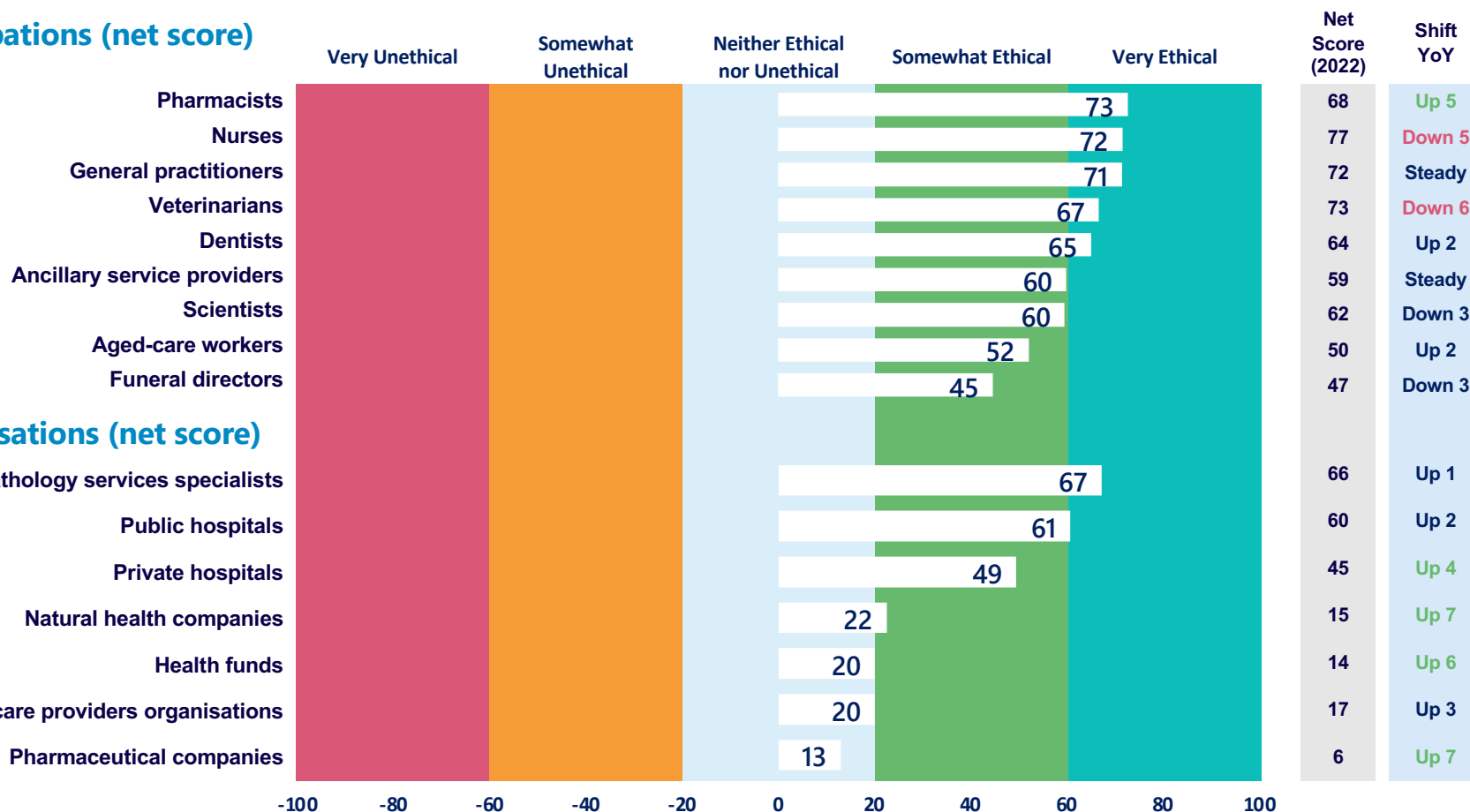
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# Health sector ethical behaviour

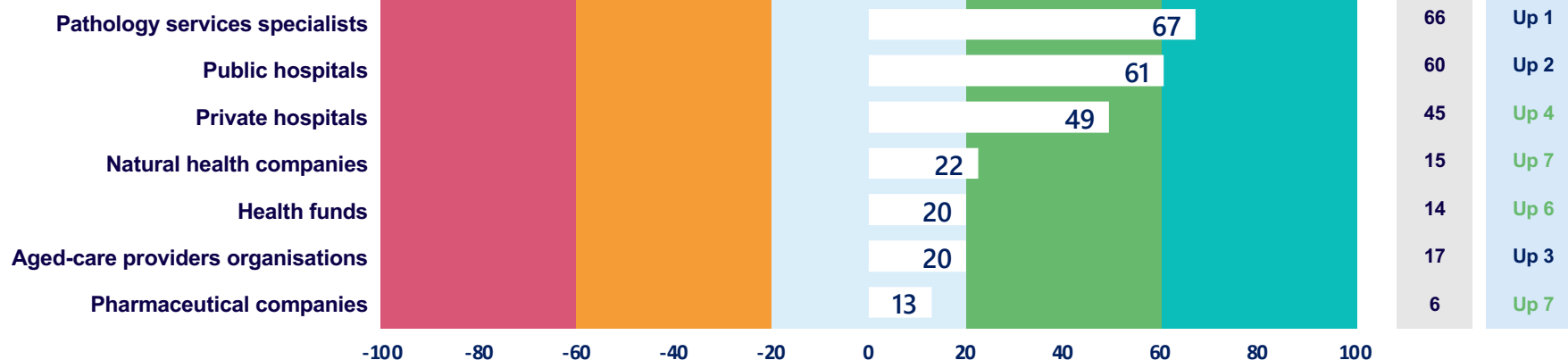
(Sector Ethics Index: 70 – Down 3)

The health sector is currently the second most ethical, with an Index score sitting at 70. Pharmacists have increased significantly from last year, now seen as one of the most ethical occupations along with nurses and GPs. Although considered very ethical, nurses and vets have softened in perceptions since last year. Pathology services continue to be seen as the most ethical organisation, with a net score of 67. Private hospitals have seen an uplift in net scores (after softening last year) along with natural health companies, health funds and pharmaceuticals.

## Occupations (net score)



## Organisations (net score)

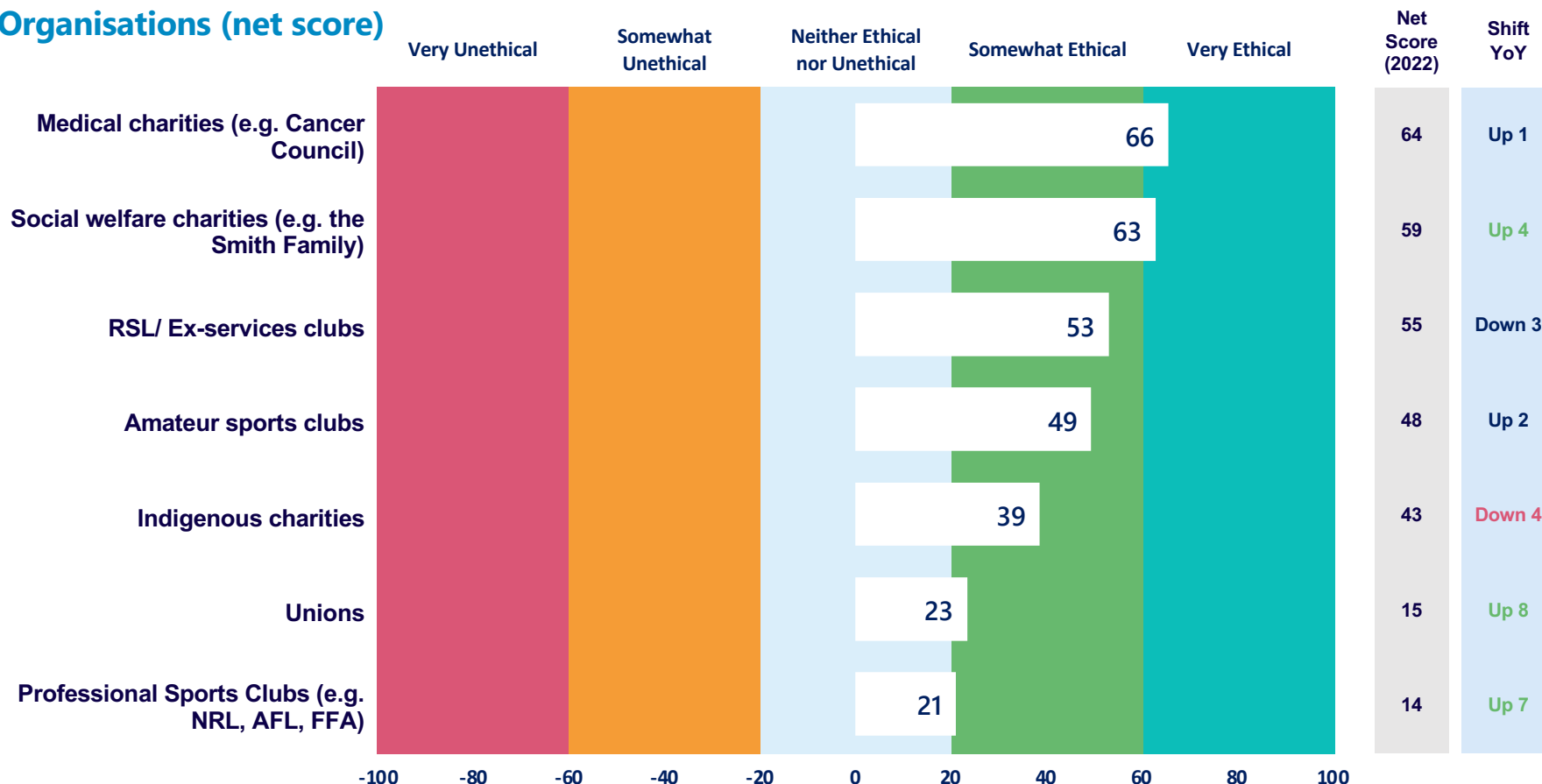


# Charity and NFP sectors ethical behaviour

(Sector Ethics Index: 63 – Up 3)

The charity and not-for-profit sector continues to be perceived as highly ethical, with a current index score of 63, consistent with 2022. Medical charities are seen to be the most ethical, with a net ethical score of 66 and almost a third of respondents endorsing them as Very Ethical. Social welfare charities see a significant increase in net score from 59 to 63. Indigenous charities have significantly dropped from 43 to 39 but remain in the Somewhat Ethical space. Unions and professional clubs also see increases, pushing them into the Somewhat Ethical space (the majority of any negativity comes in the form of Somewhat Unethical rather than Very Unethical).

## Organisations (net score)

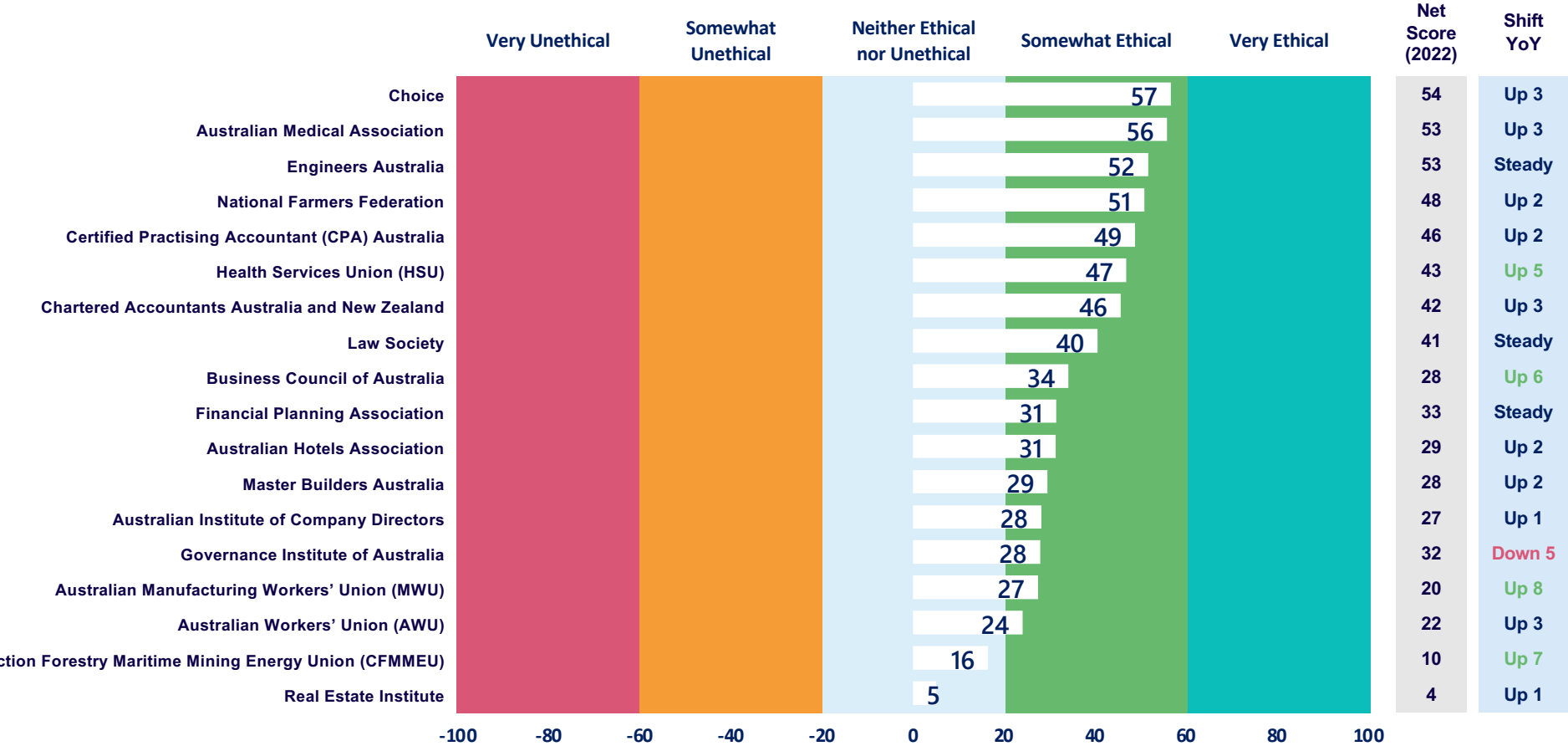


# Member associations ethical behaviour

(Sector Ethics Index: 51 – Up 2)

Membership associations continue to be perceived as somewhat ethical. Choice continues to see the strongest net ethical score, closely followed by The Australian Medical Association. The Health Services Union, Business Council of Australia, Australian Manufacturing Workers’ Union and the Construction Forestry Maritime Mining Energy Union all see an increase in perceptions this year. Meanwhile, although remaining in the somewhat ethical space, the Governance Institute of Australia has seen a decline from a net score of 32 to 28.

## Organisations (Net score)



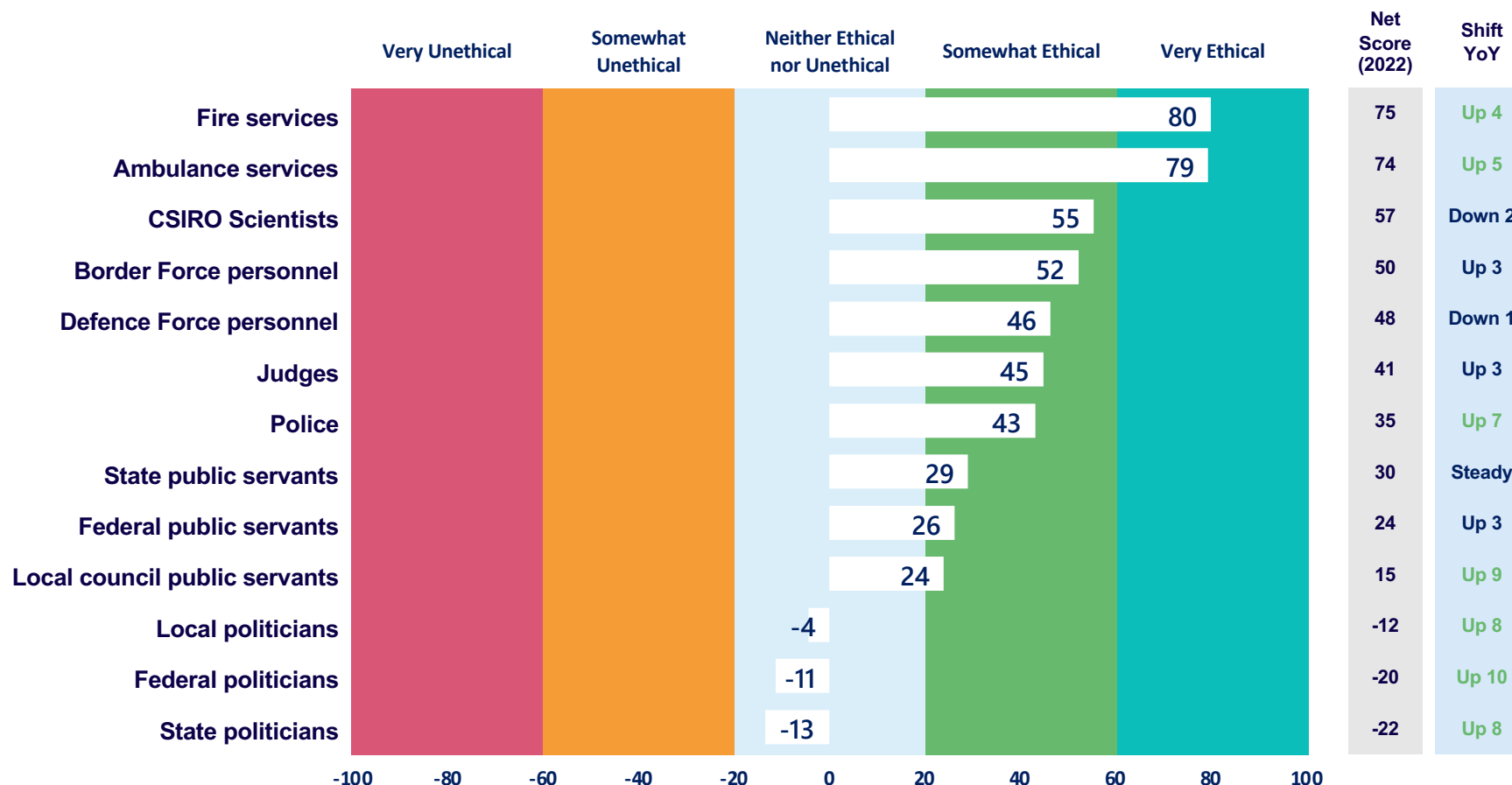


# Public service and government sector ethical behaviour (1/2)

(Sector Ethics Index: 46 – Up 9)

The public service and government sectors have rebounded after a period of decline with an Ethics Index score of 46. This is up from 38 in 2022 (following declines from 46 in 2021 and 56 in 2020). Fire services and Ambulances are driving that overall rebound, with the Fire Service itself rebounding from a drop to 75 in 2022 (with almost half, 49%, saying the Fire and Ambulance services are Very Ethical). Perceptions of our Police climb 7 (with 1 in 5 saying our police are Very Ethical).

## Occupations (net score)

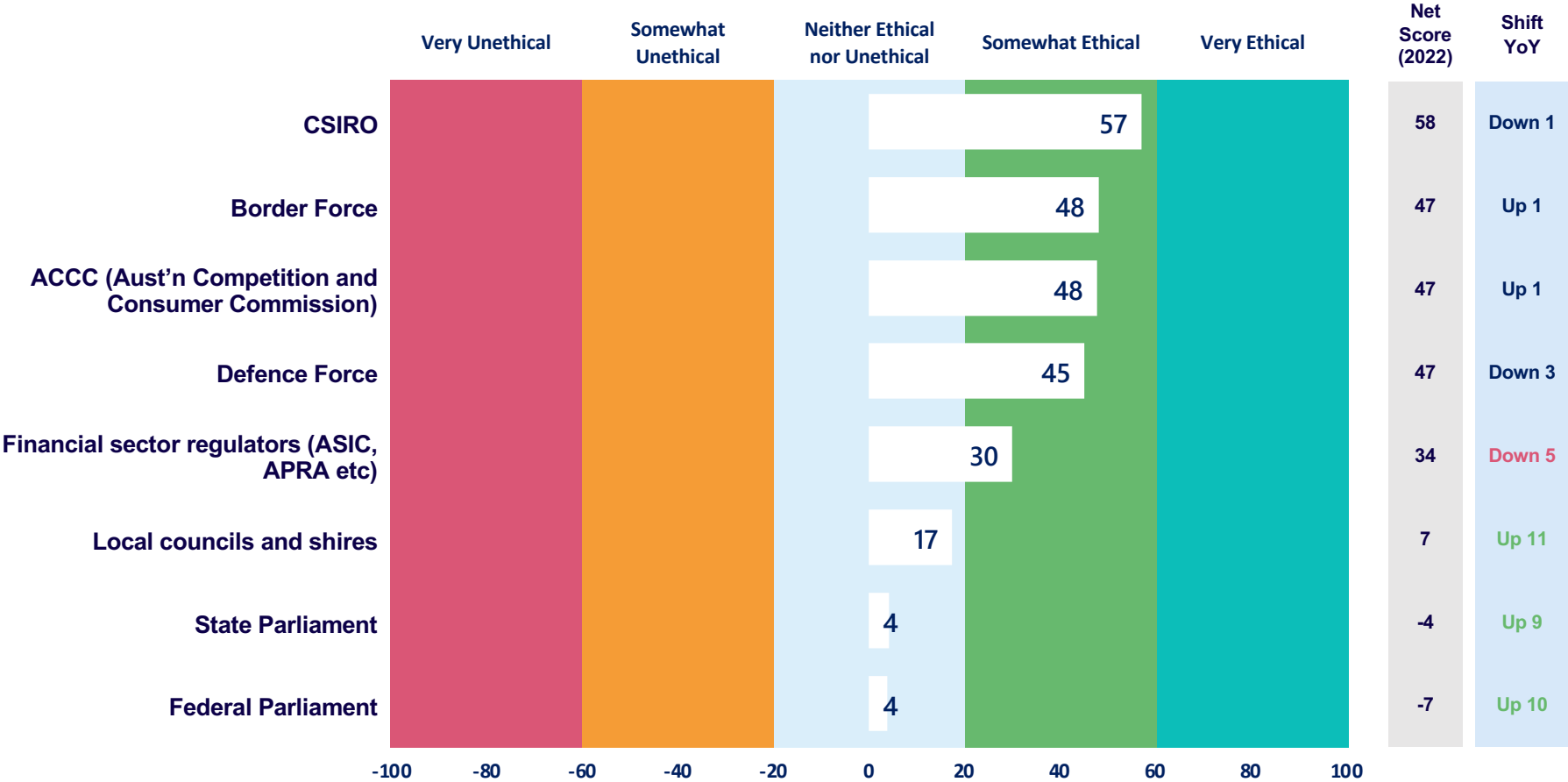


# Public service and government sector ethical behaviour (2/2)

(Sector Ethics Index: 46 – Up 9)

CSIRO maintains its position of most ethical organisation within the public services and government sector, with a net ethical behaviour score of 57. Financial sector regulators have declined in net ethical score from 34 to 30. Local councils and shires, the State and Federal parliament have all risen in net ethical perceptions.

## Organisations (net score)

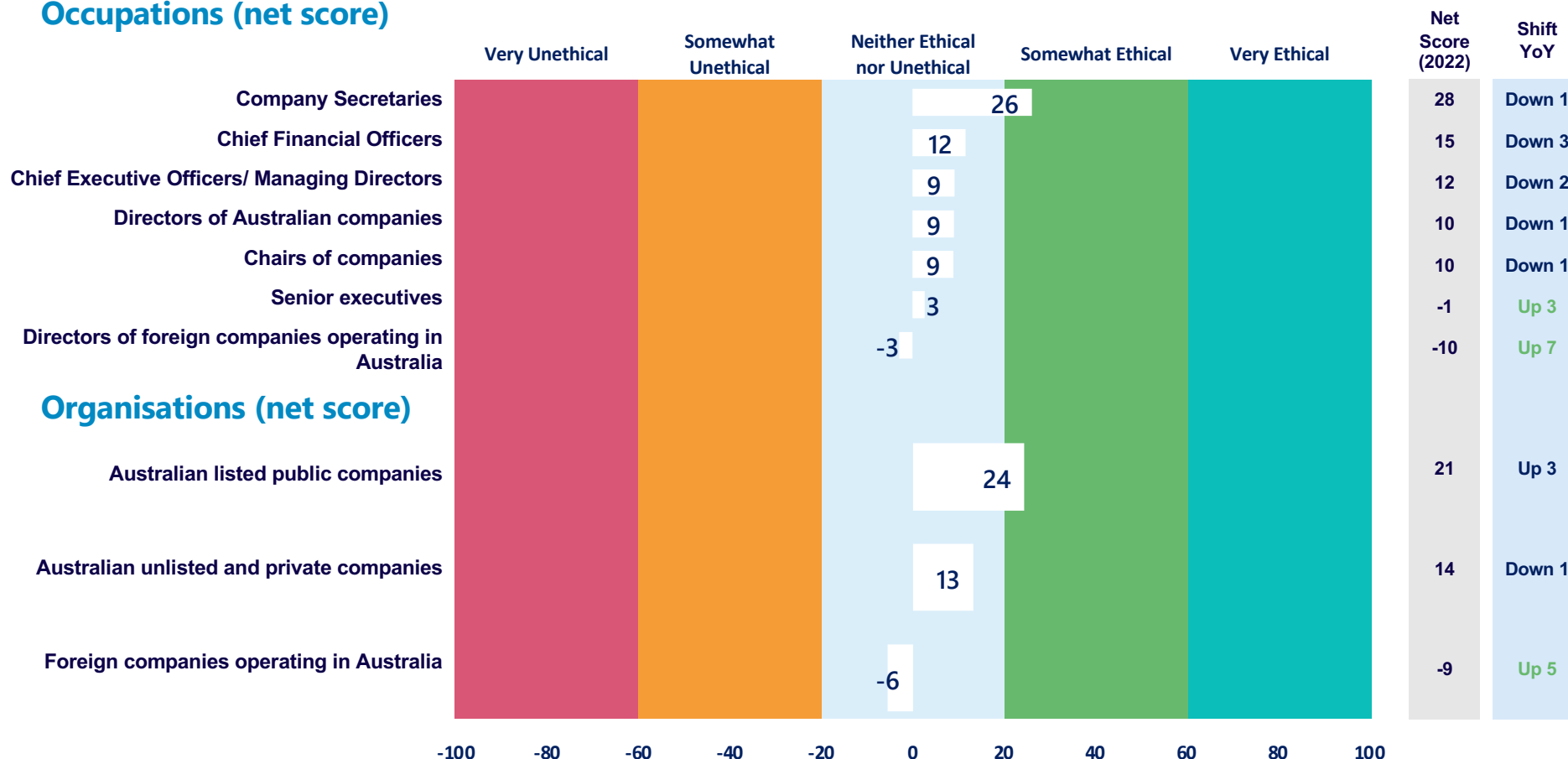


# Corporate sector ethical behaviour

(Sector Ethics Index: 12 – Down 1)

Whilst the corporate sector overall has maintained its Ethics Index score, there have been some movements. Company secretaries continued to be seen as the most ethical occupation within the sector, with a net score of 26 (but this is driven by a lack of negative endorsement rather than positivity). The least ethical occupations, senior executives and directors of foreign companies operating in Australia, have seen improved perceptions. Along with this, perceptions of foreign companies operating in Australia have also risen, with a net score of -6 (up from -9 in 2022).

## Occupations (net score)

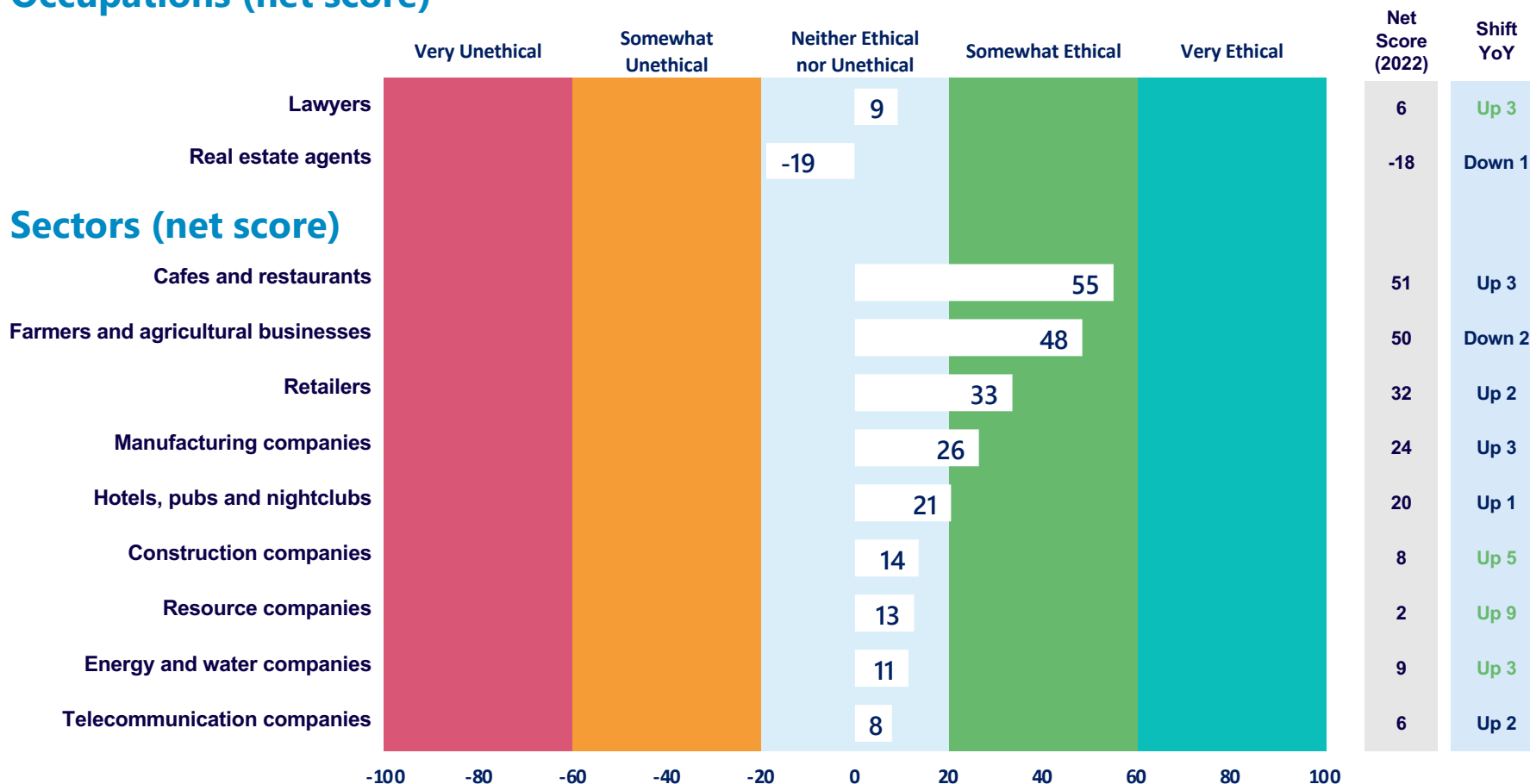


## Organisations (net score)

# Business sector ethical behaviour

Lawyers have seen an increase in perceptions of ethical behaviour to 9 in 2023, while real estate agents veer on the edge of being perceived as unethical with a score of -19. Cafes and restaurants (55) and farmers and agricultural businesses (48) continue to be seen as the most ethical sectors of business. After softening in 2022, construction companies (14) have seen improved perceptions along with resource companies (13). Energy and water companies have seen some improved perceptions, with a net score of 11 (up from 9 in 2022).

## Occupations (net score)



## Sectors (net score)

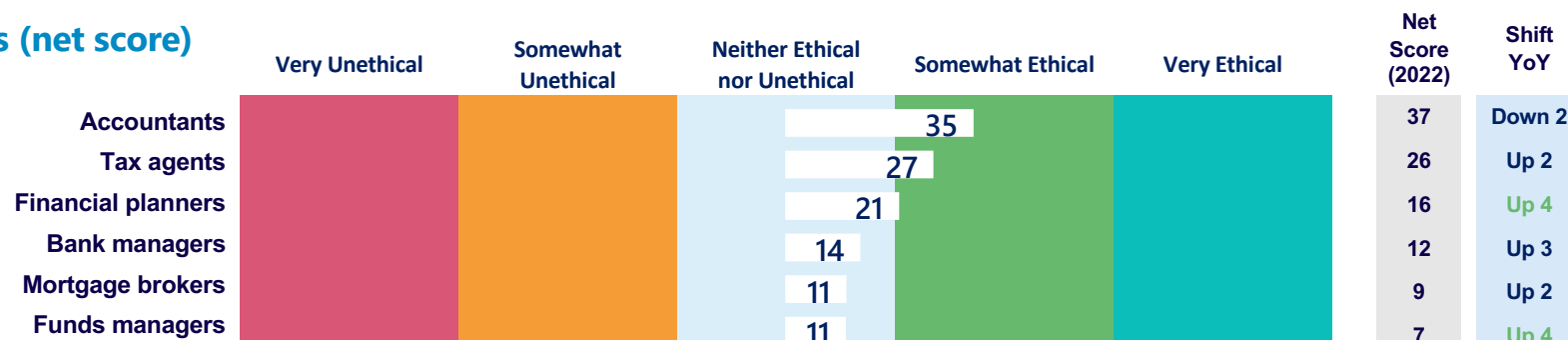


# Banking, finance and insurance sector ethical behaviour

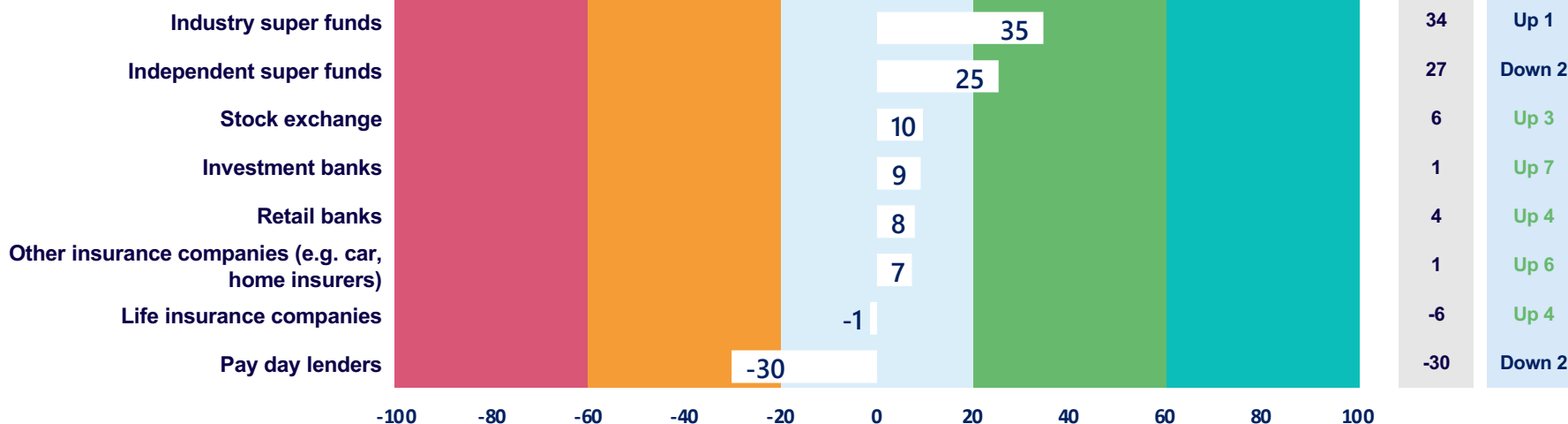
(Sector Ethics Index: 12 – Up 2)

The banking, finance and insurance sector sees an overall Ethics Index score of 12. Accountants continue to be seen as the most ethical occupation in the sector (35). Financial planners have seen improved perceptions (21, up from 16 in 2022). Fund managers have returned to perceptions last seen in 2021 but continue to be seen as the least ethical occupation. Organisations such as the stock exchange, investment banks, retail banks, other insurance companies and life insurance companies have all seen significant improvements in ethical perceptions.

## Occupations (net score)



## Organisations (net score)

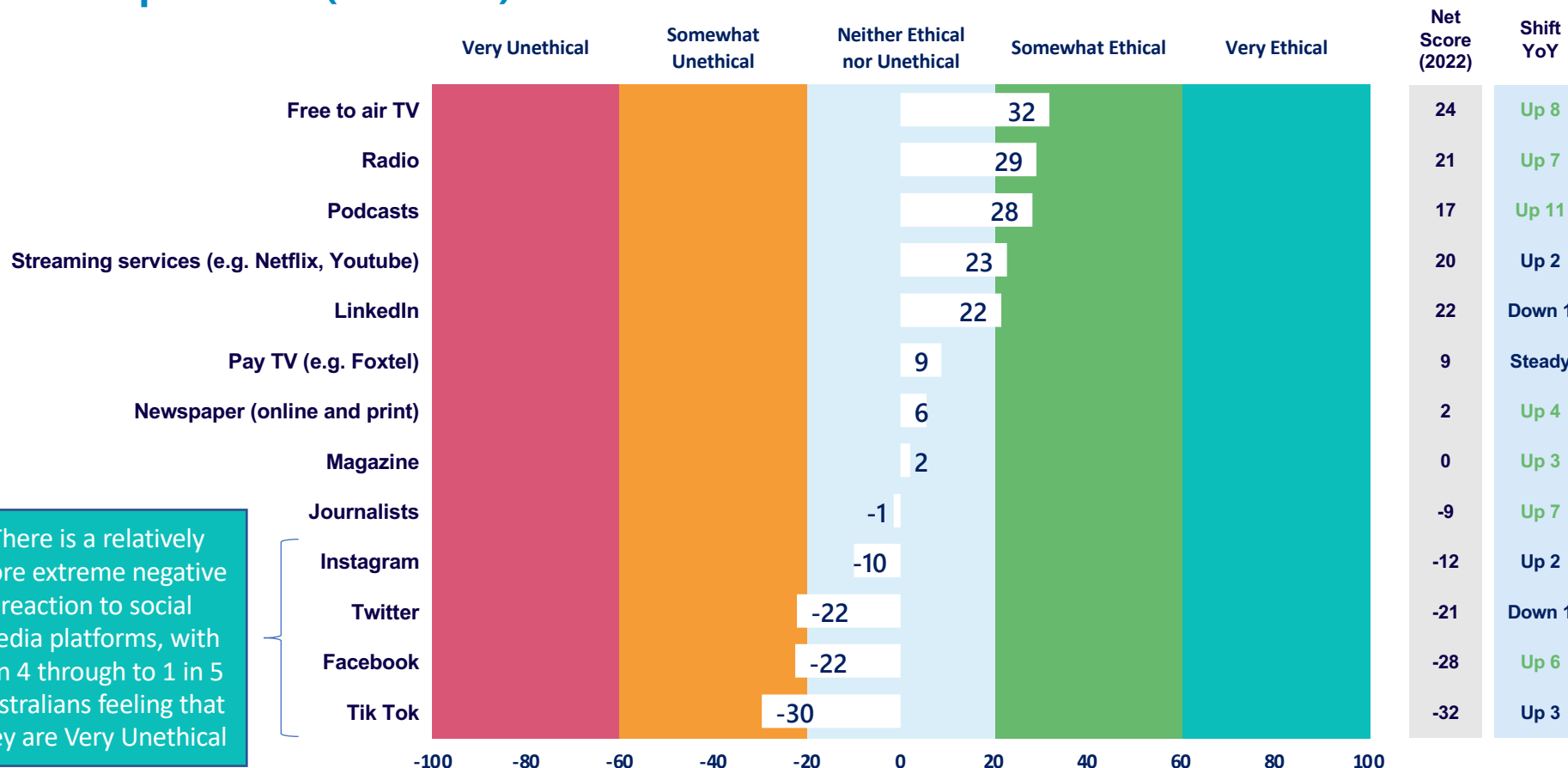


# Media sector ethical behaviour

(Sector Ethics Index: 2 – Up 1)

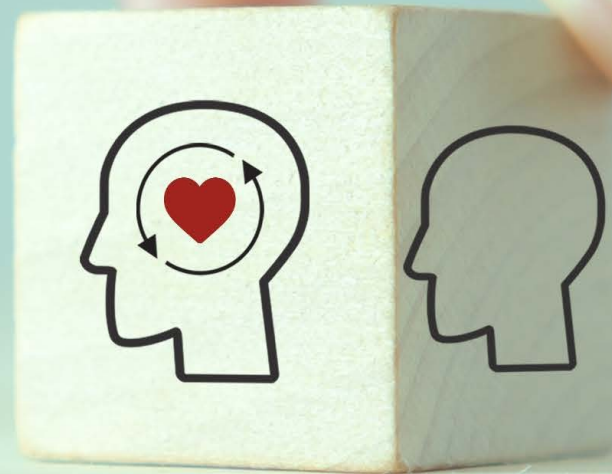
Free-to-air TV is seen to be the most ethical media platform with perceptions of ethical behaviour rising significantly, closely followed by radio and podcasts. Although still perceived to be in a more neutral space, newspapers, magazines and journalists have also seen improved perceptions of ethical behaviour. Facebook has seen improved perceptions as well, though still seen to be somewhat unethical with an overall score of -22, leaving TikTok as the least ethical media platform at -30.

## Media platforms (net score)



# Issues and influences

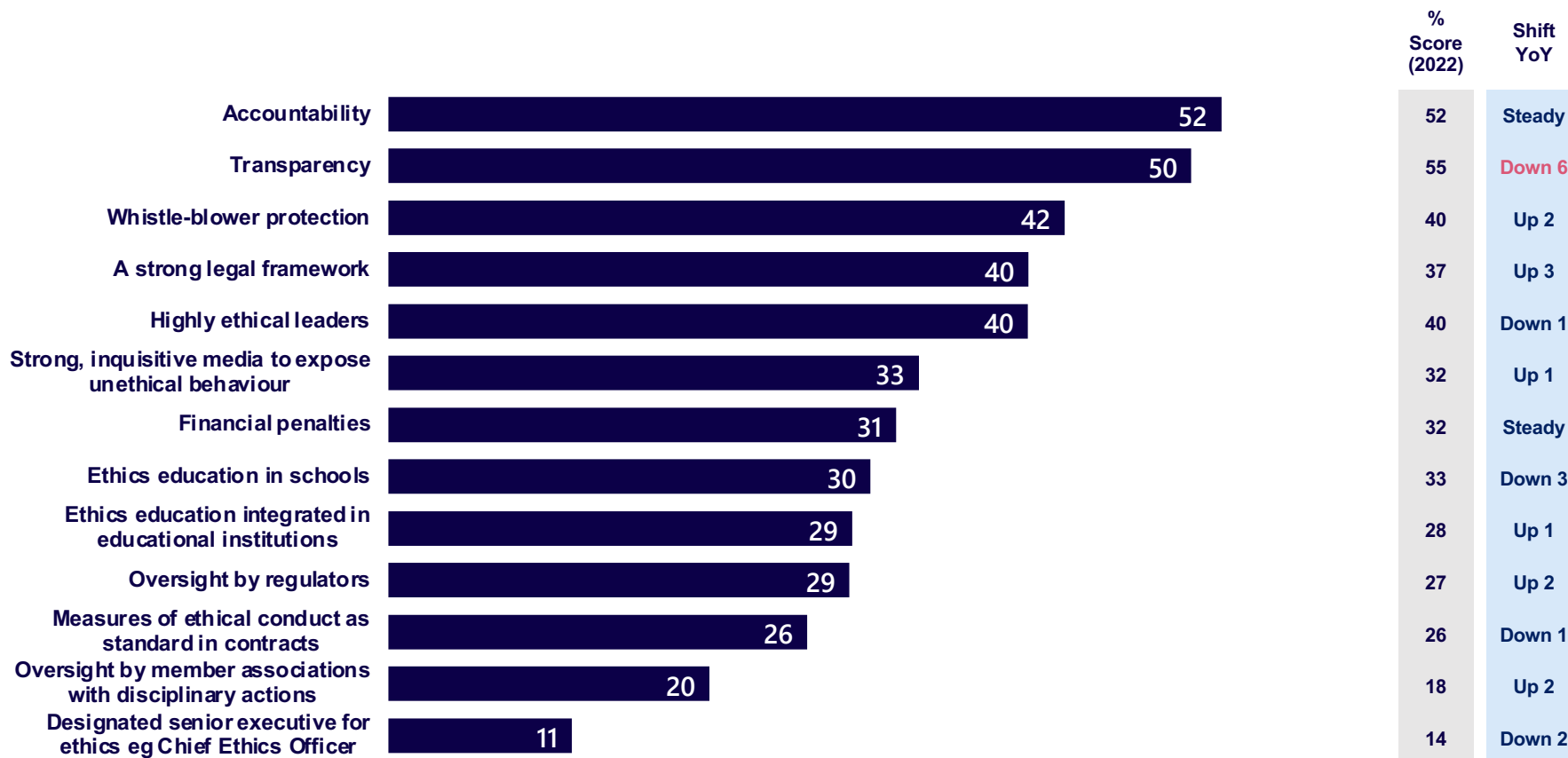
(No index weighting)



# Ethical conduct in society

When asked what elements are important to ensure ethical conduct in society, accountability (52%) has just overtaken transparency (50%) in importance due to the latter significantly softening in importance. Whilst transparency is clearly still important, there is an increasing perception of the need to take ownership of any mistakes or issues (possibly related to the data breaches experienced in recent times).

## Top elements ensuring ethical conduct (%)

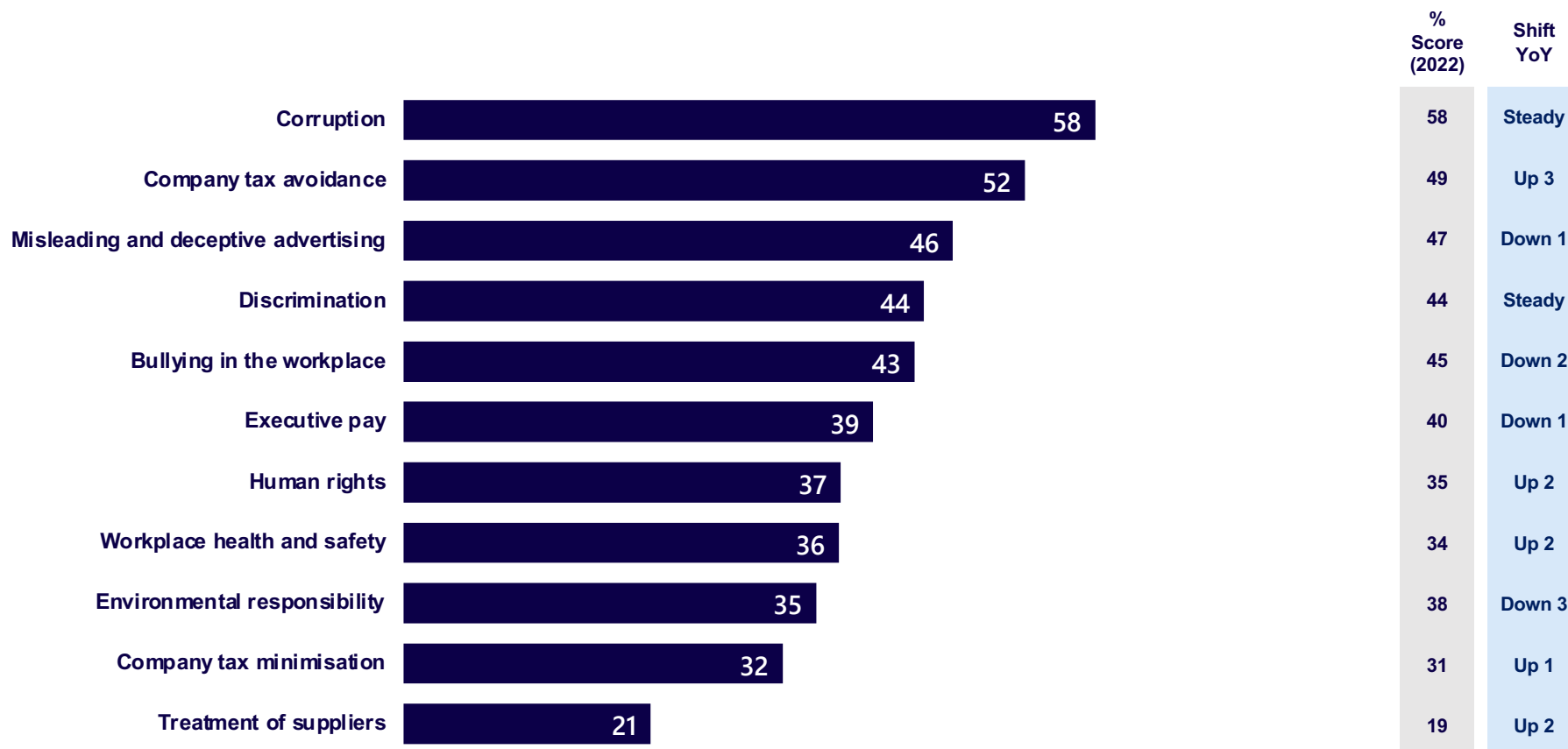




# Ethical issues in business

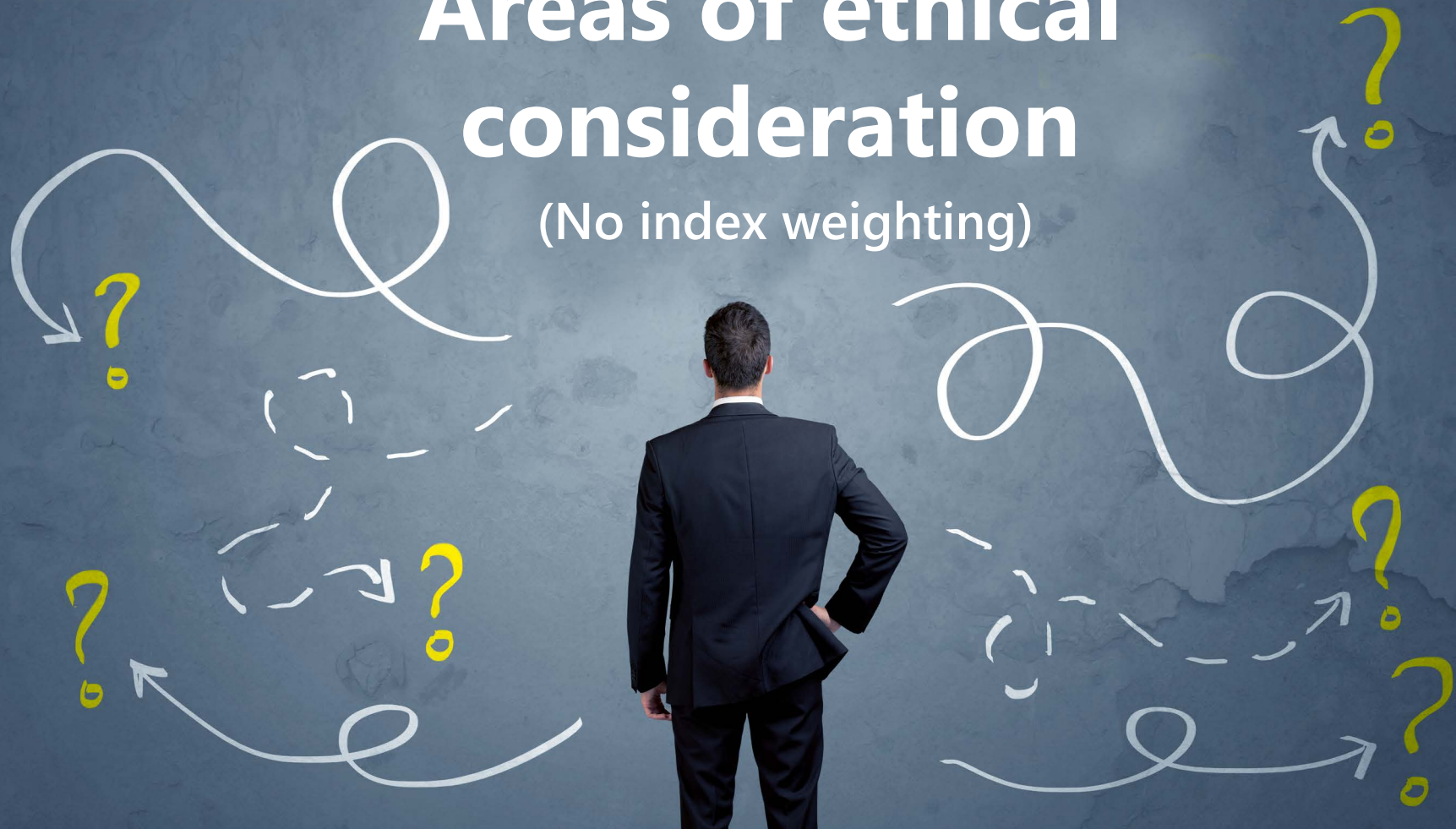
When asked about top issues relating to unethical behaviour, corruption continues to be the leading issue, with a score of 58%. This is followed by company tax avoidance at 52%. Misleading and deceptive advertising is seen as the 3rd biggest issue at 46%. Discrimination (44%) and bullying in the workplace (43%) are also seen as key issues.

## Top issues relating to unethical behaviour (%)



# Areas of ethical consideration

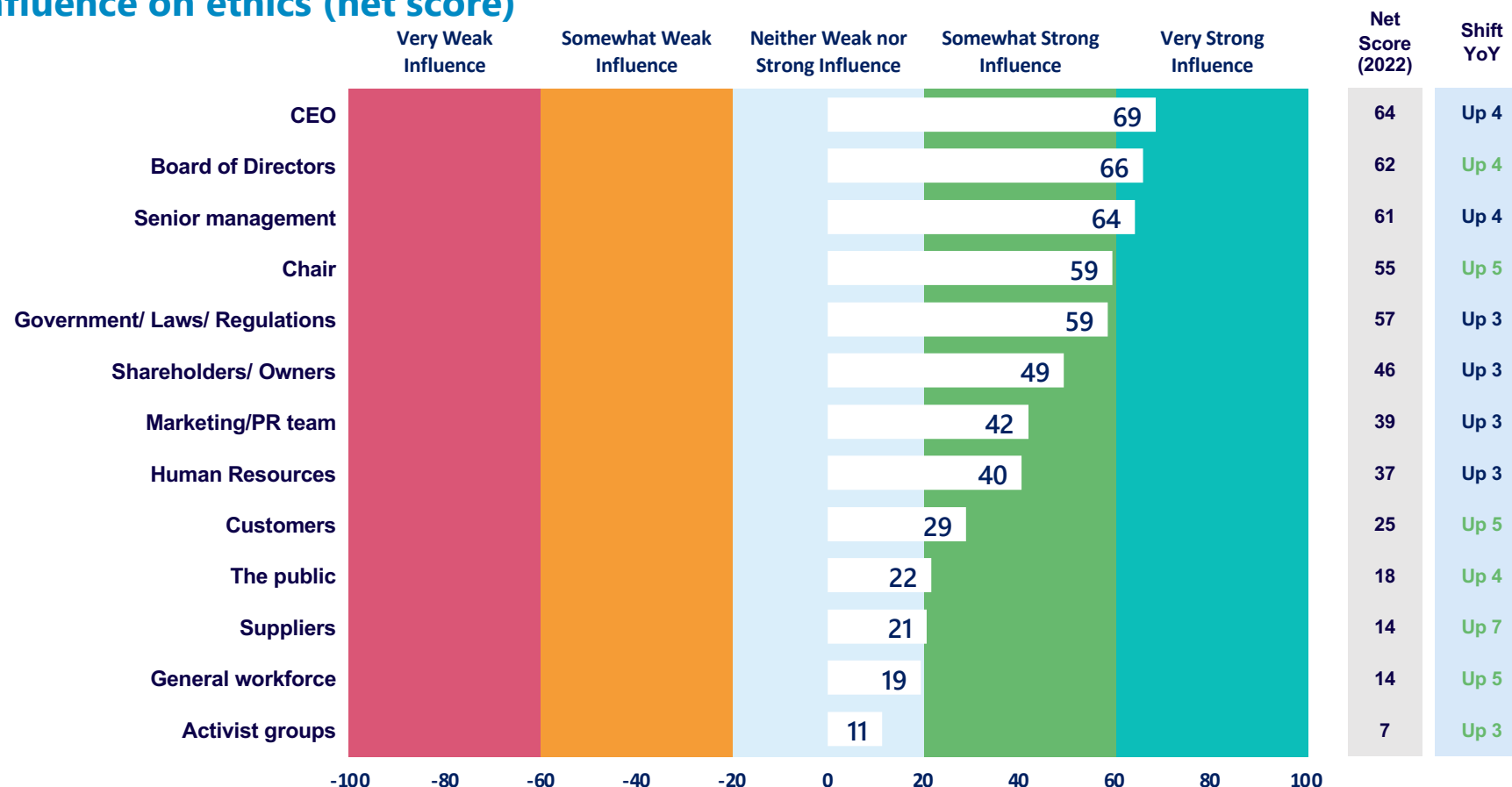
(No index weighting)



# Influence of roles on organisational ethics

People and groups continue to be seen as the most influential on an organisation's ethics. However, there is a sense that customers, the workforce and the broader public are beginning to influence behaviour more. Australians feel that senior roles have the most significant impact on influencing ethics within an organisation. In 4<sup>th</sup> place, the Chair is felt to have more influence on a company's ethics than last year. Influence of customers (29, up from 25 in 2022) and the public (22, up from 18 in 2022) have bounced back this year. Activist groups (11) have seen increased perceptions of influence, although remain the least influential.

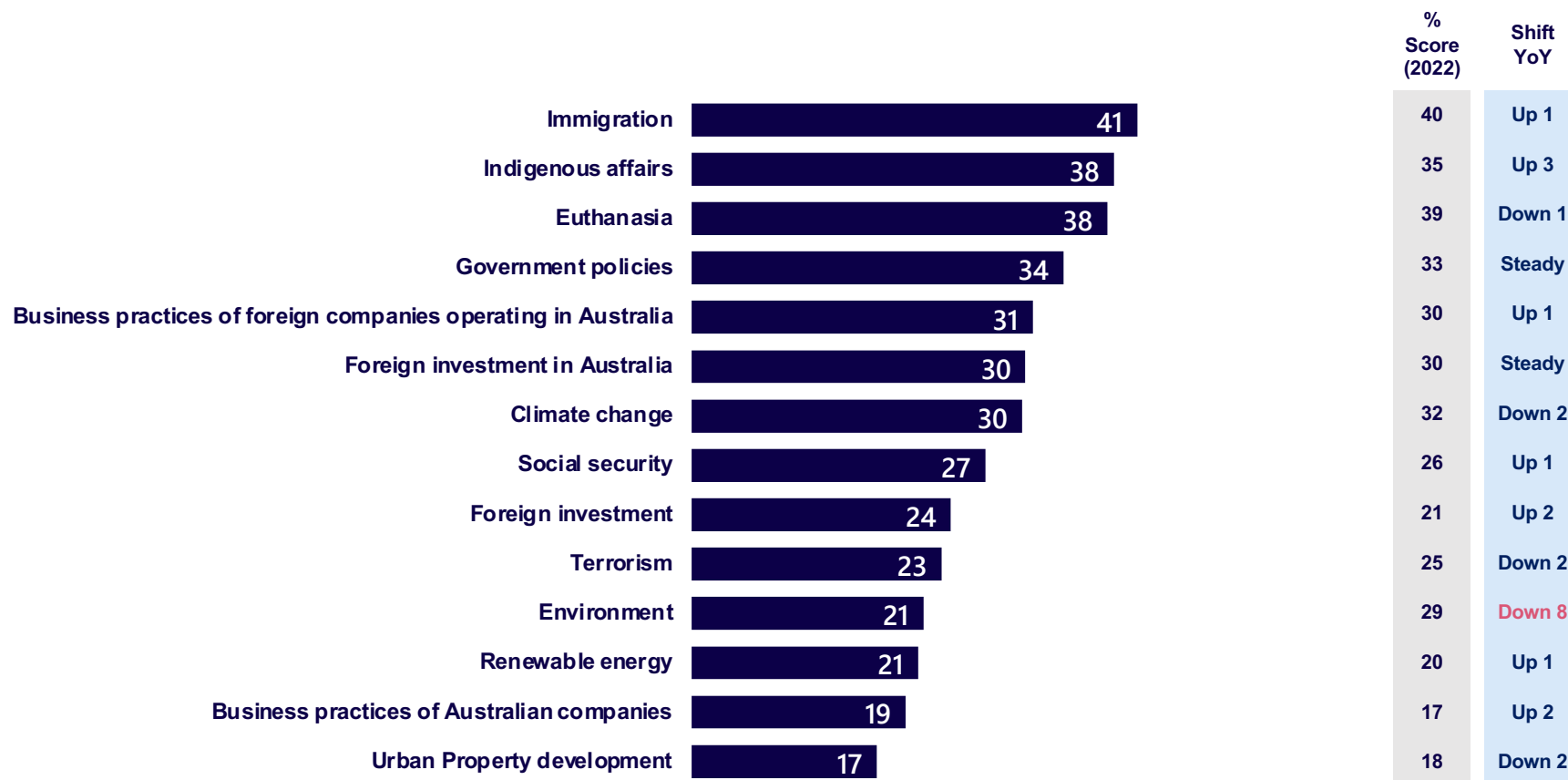
## Influence on ethics (net score)



# Navigating ethics in specific areas

Immigration continues to be seen as the most difficult area for ethical navigation, with a score of 41%, followed closely by Indigenous affairs (38% — most likely attributable to the Voice referendum) and euthanasia (38%). The only significant movement when comparing with the 2022 index is the environment, which has softened in the perception as an area of ethical difficulty.

## Top areas of difficulty for ethical navigation (%)

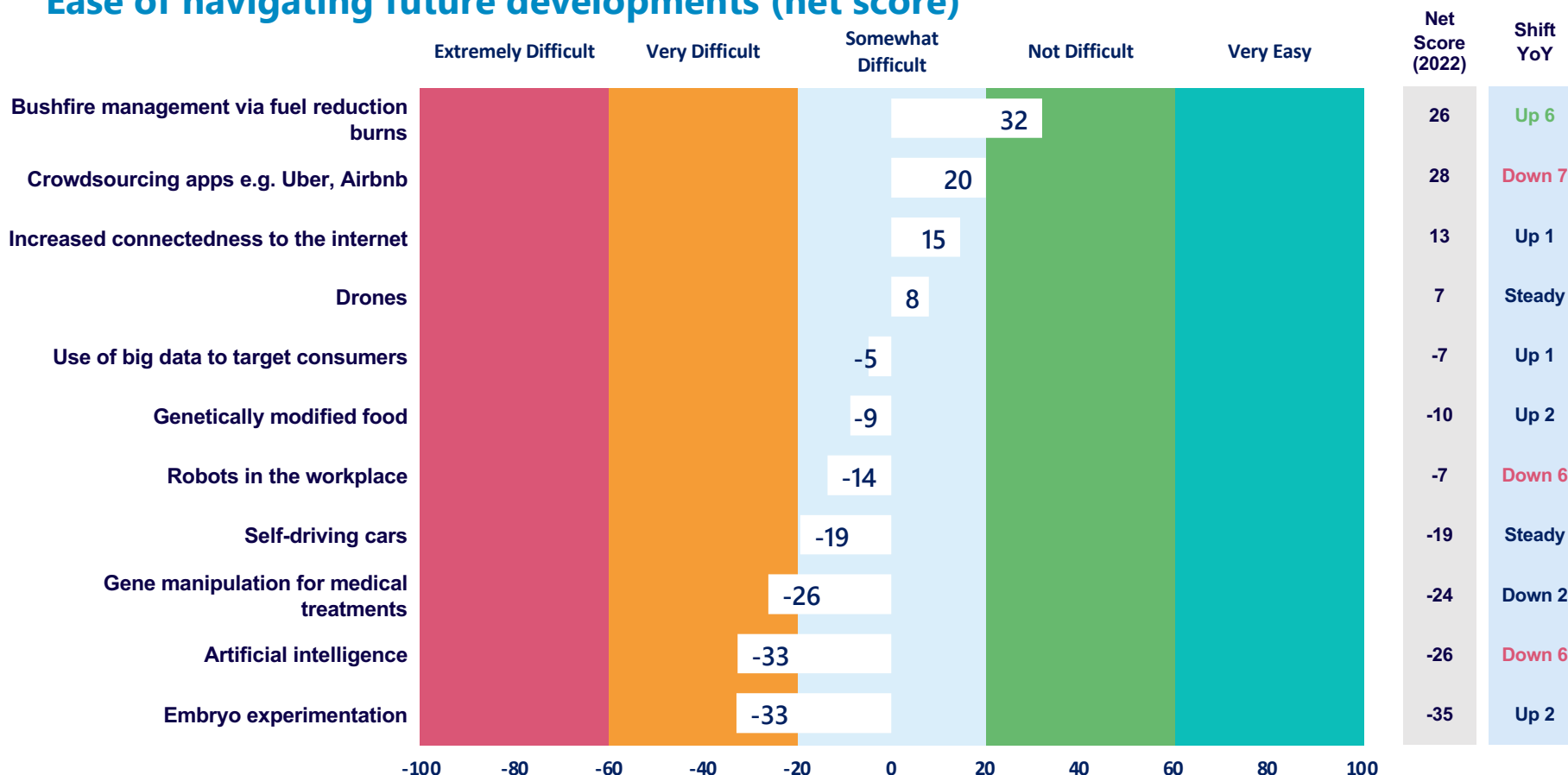




# Ethical difficulty of future developments

Looking at future developments, artificial intelligence has declined further and is now on par with embryo experimentation (from -21 in 2021 to -26 in 2022 to -33 in 2023). Robots in the workplace is another future development seeing higher levels of ethical concern (-14 from -7 in 2022) along with crowdsourcing apps. The least ethically difficult development is now bushfire management, with a net score of 32 (up from 26 in 2022). The Net Scores also reflect the % of Australians saying that each issue is Extremely Difficult to navigate.

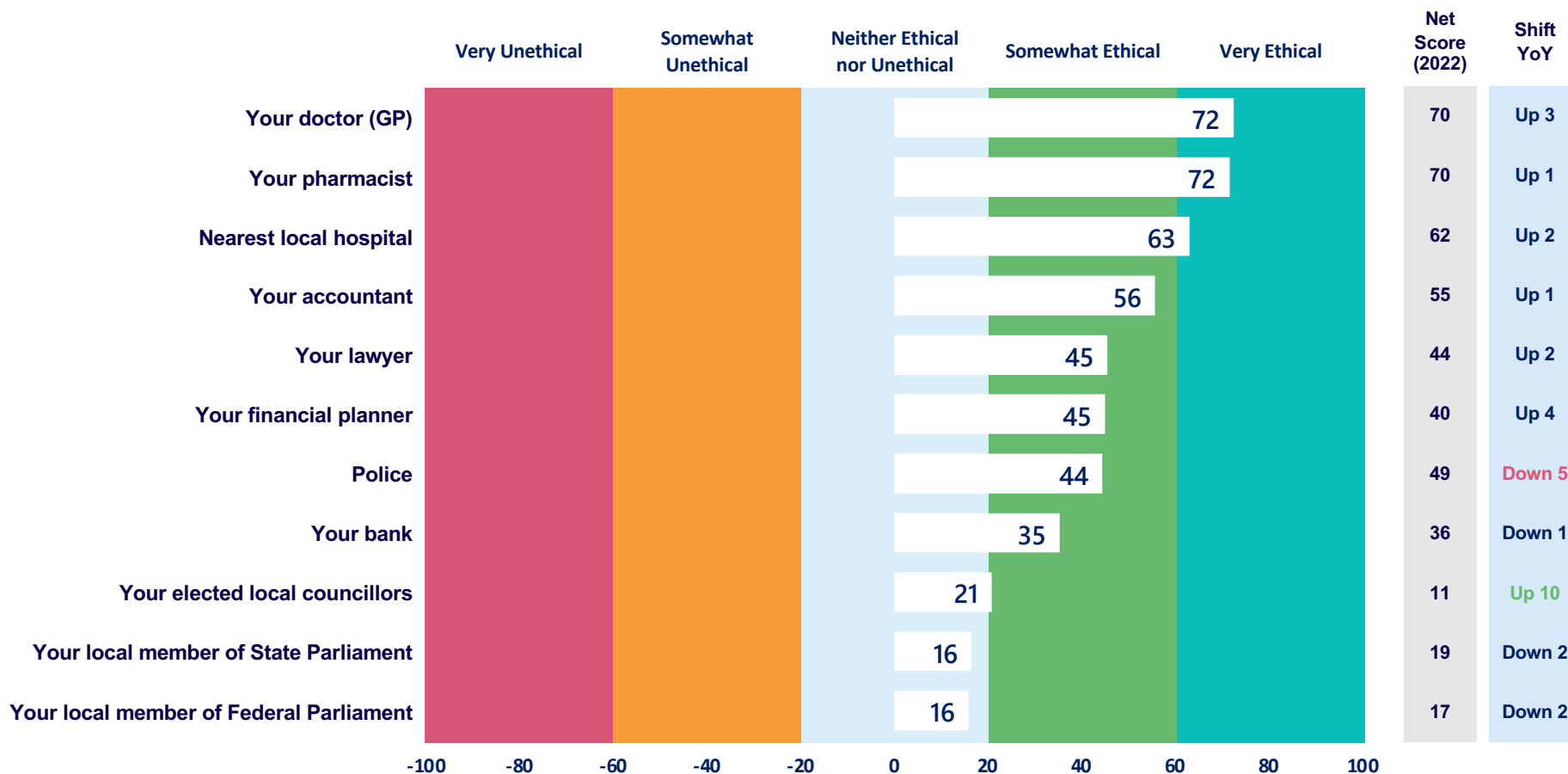
## Ease of navigating future developments (net score)



# Ethical behaviour of people in personal contact with

GPs and Pharmacists continue to have high perceived levels of ethical behaviour. Perceptions of the police continue to decline (49 to 44 in 2023) while the elected local councillors have seen an increase to 21, from 11 in 2022.

## People in personal contact (net score)



# Ethical behaviour in particular situations

Across a general range of potential ethical dilemma situations, Australians have a strong sense of ethical behaviour, with certain behaviour and actions rated as unethical. Opposition political parties and independents blocking legislation of a party which has won government has seen an ease in perceptions of being unethical. However, it still sits in the net unethical space. Job losses resulting from gains in AI have seen a sharp decline in perceptions, pushing the situation further into the unethical space. Overwhelmingly, keeping a parcel is felt to be Very Unethical by 52%.

## Particular situations (net score)

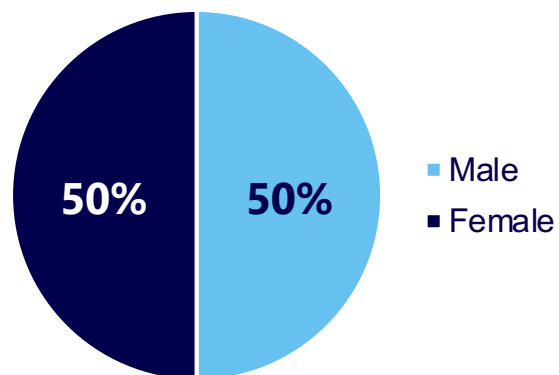


# Background and framework

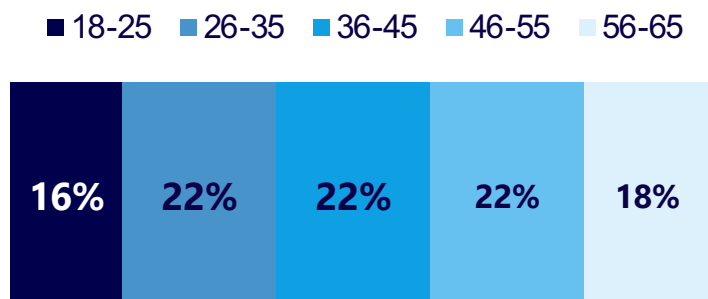
# Background

The Ethics Index survey was conducted online across a broad spectrum of Australians (to nationally representative age, gender and location quotas by ABS census data) between 22 June-5 July 2023.

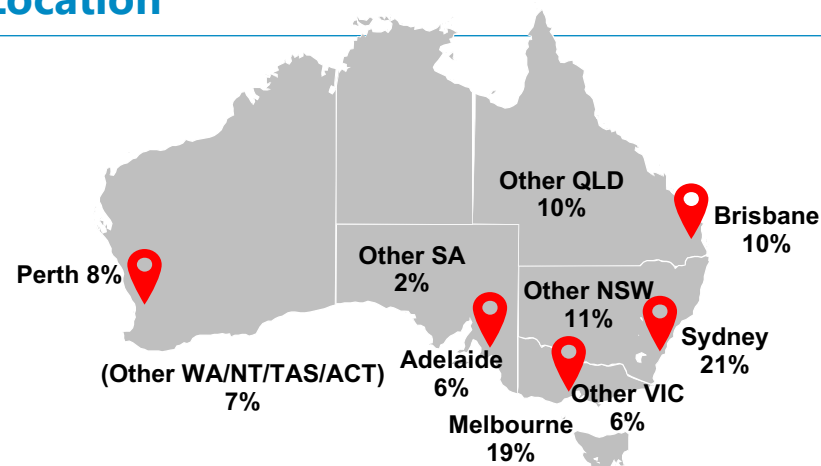
## Gender



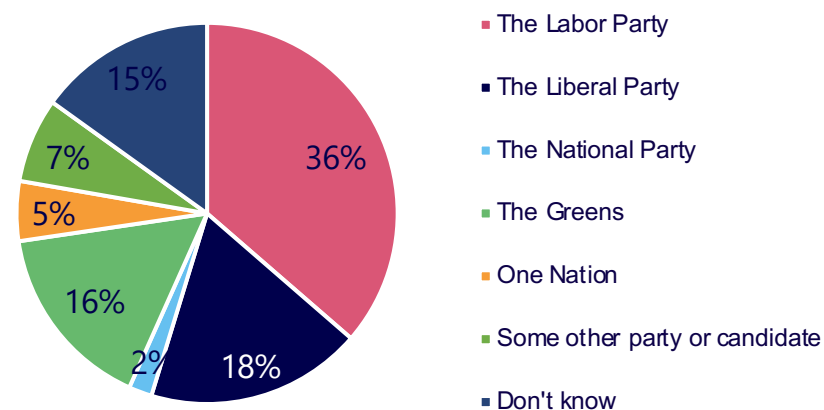
## Age



## Location



## Voting Preference





# Background

The Ethics Index survey was conducted online across a broad spectrum of Australians (to nationally representative age, gender and location quotas by ABS census data) between 22 June-5 July 2023.

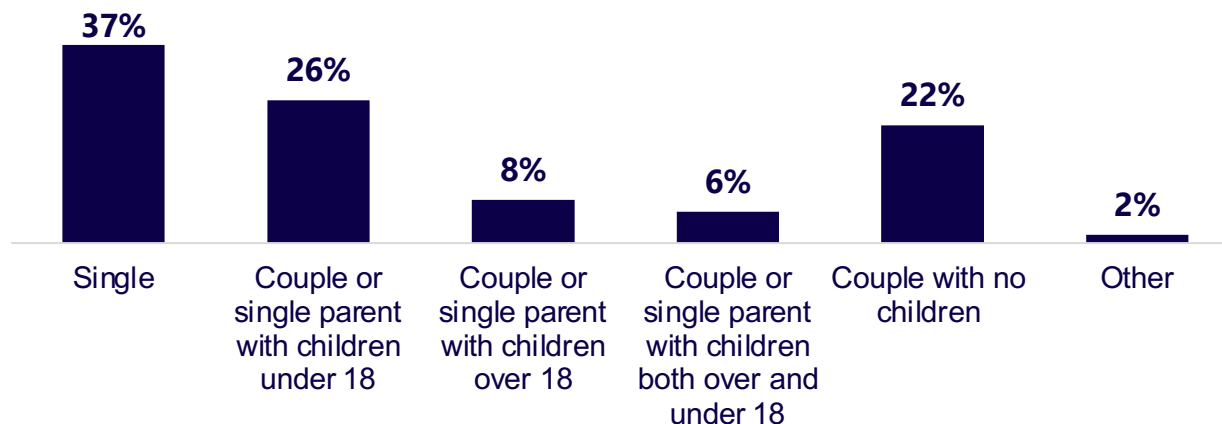
## Household income

Less than \$25,000 per year	9%
\$25,000-\$39,999 per year	11%
\$40,000-\$79,999 per year	23%
\$80,000-\$119,999 per year	25%
\$120,000-\$149,999 per year	15%
Over \$150,000 per year	17%

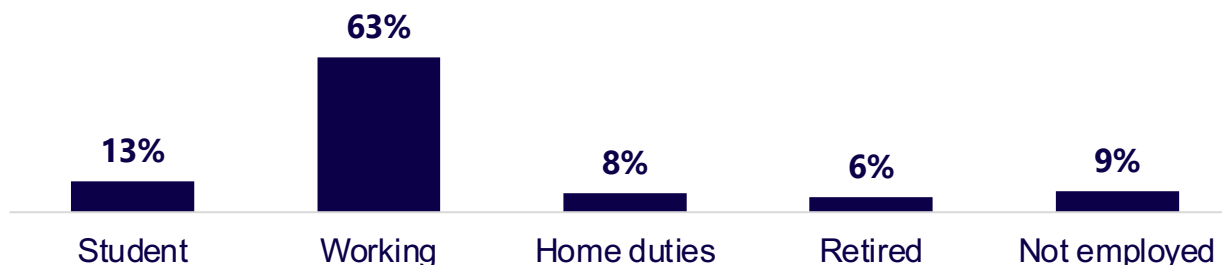
## Education

High school year 10/11	10%
HSC	11%
Trade certificate or diploma	23%
Some university or currently studying undergraduate	6%
Bachelors university degree	31%
Post graduate degree	17%
Other tertiary	1%
Other	1%

## Household status



## Work status



#S4.Education# What is the highest level of education that you have achieved? #S5.Work Status# Which of the following best describes you personally? #D1. Household status# What is your marital status? #D2. Household income# Thinking now about the total annual income of your household. Which one of the following ranges best describes the total income, before tax, of all wages or salaries, government benefits, pensions, allowances and other income usually earned by all people in your household per year?  
Base: Australians 18-65, Ethics Index 2023 (n=1000) (excludes No Opinion and Don't Know for each statement)

# How to read the results *(Ethics Index: xx)*

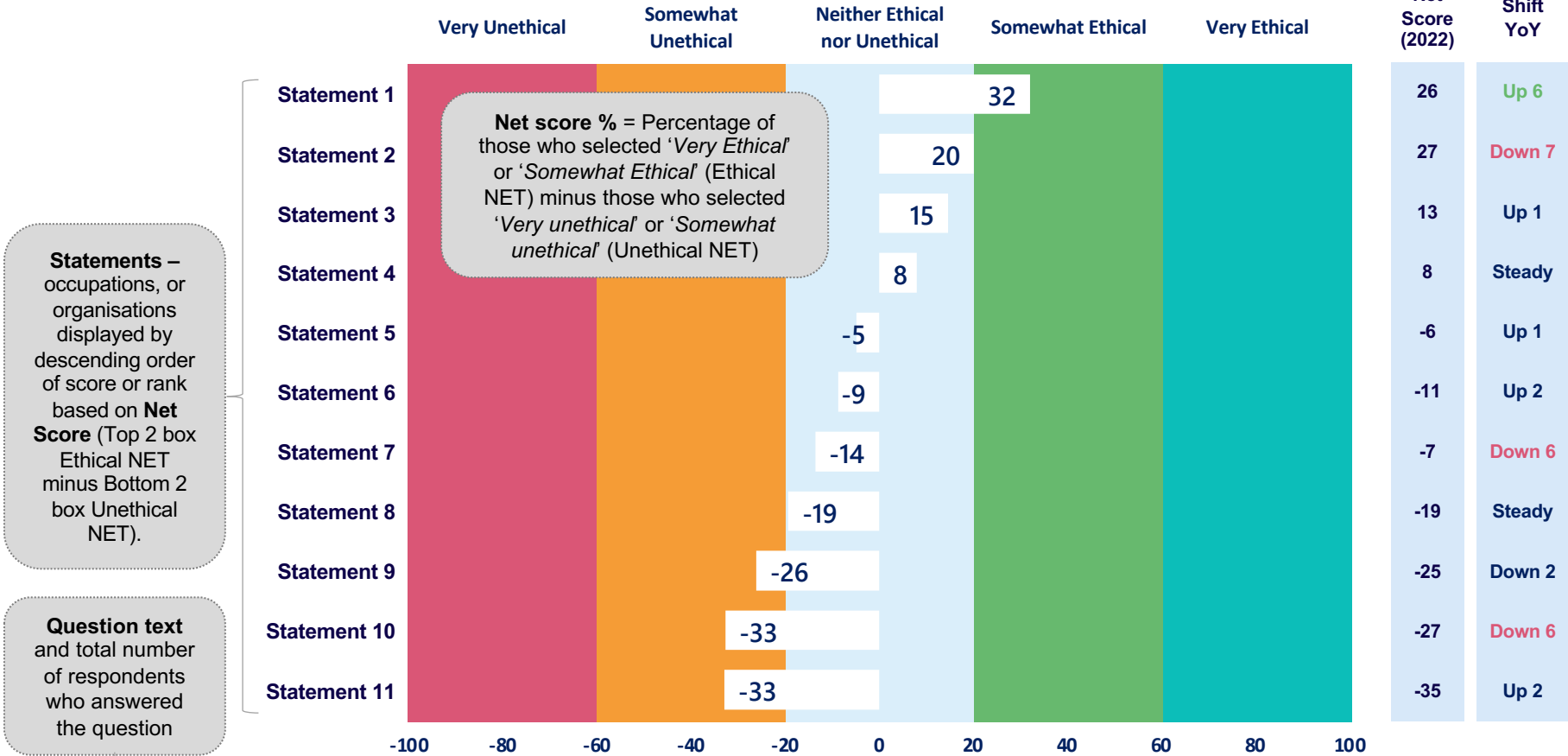
Number indicates score on Ethics Index (weighted results output).  
Colour of text indicates which range the Ethics Index Score is in (e.g. Very Ethical / Somewhat Ethical / Neither Ethical nor Unethical, etc).

**Shift YoY** – difference between current year's net score vs last year's net score. Coloured red or green only if significant difference.

**Chart heading** - to indicate topic/ theme of chart (i.e. what the data is)

## Chart heading (net score)

**Previous year's net score** for comparison



**Statements** – occupations, or organisations displayed by descending order of score or rank based on **Net Score** (Top 2 box Ethical NET minus Bottom 2 box Unethical NET).

**Question text** and total number of respondents who answered the question

# Ethics in general

The Ethics Index shows many Australians have a strong understanding of ethics and its main definitions, with 97% agreeing with one of the three ethics definitions provided in the survey. Ethics continues to be seen as important to a well-functioning society, with 87% rating ethics as either important or very important, with a strengthening of the net importance of ethics in 2023 vs 2022 (80% up from 77%). When posed with an ethical dilemma scenario, 59% stated they would take an option resulting in safeguarding the life of a child over their own.

## Understanding of ethics

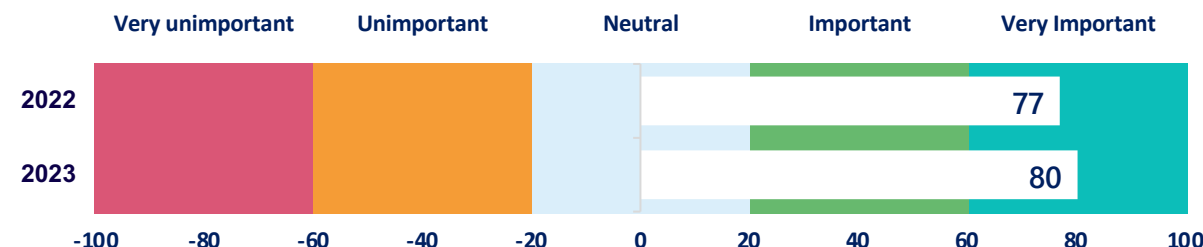
	2022	2023
Well-founded standards of right and wrong that prescribes what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues ( <i>Markkula Centre for Applied Ethics</i> )	43%	<b>41%</b>
Moral principles that govern a person's behaviour or the conducting of an activity ( <i>Oxford Dictionary</i> )	38%	<b>41%</b>
A set of concepts and principles that guide us in determining what behaviour helps or harms sentient creatures ( <i>The Thinkers Guide to Ethical Reasoning</i> , published 2006)	15%	<b>15%</b>
None of the above	4%	<b>3%</b>

## Ethical scenario

**'You are travelling along a single lane mountain road in a new driverless car that is fast approaching a narrow tunnel. Just before entering the tunnel, a child attempts to run across the road but trips in the centre of the lane, effectively blocking the entrance to the tunnel. The car has only two options: to either hit and unfortunately kill the child, or to swerve into the wall on either side of the tunnel, thus unfortunately killing you.'**

		2022	2023
The car should have been programmed at the factory...	...The occupant would be killed	25%	<b>20%</b>
	...The child would be hit	19%	<b>23%</b>
The occupant should be required to set their preferences before using the car...	...Chosen to protect the occupant	16%	<b>19%</b>
	...Chosen to protect the child	40%	<b>39%</b>

## Importance of ethics in society (net score)



#S6. *Understanding of ethics*# There are many definitions of ethics. Below are several current definitions that may be found. Which of the below most closely matches your definition of ethics? #G2.*Ethical scenario*# Keeping in mind that there is no right or wrong answer, what is your opinion on how the driverless car should react? #E1. *Importance of ethics*# How would you rate the importance of ethics to a well-functioning society?

Base: Australians 18-65, Ethics Index 2023 (n=1000) (excludes No Opinion and Don't Know for each statement)

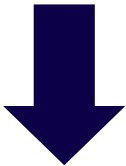
# Personal ethics

Over half of Australians (56%) state that they have personally experienced an ethical dilemma. Financial matters were seen as the easiest to deal with, followed by work matters, vs personal and family matters, which were seen as more challenging. One in five state that having faced an ethical dilemma, they would now change their decision on how they handled it. Of those who said they would change their handling of the situation, the benefit of hindsight was the leading reason for around a third, followed by a change in personal values – the change in society’s beliefs and values also now contributing more too (vs 2022).

## Incidence of personal ethical dilemma

**56%**  
(58% in 2022)

said that they had faced an ethical dilemma personally

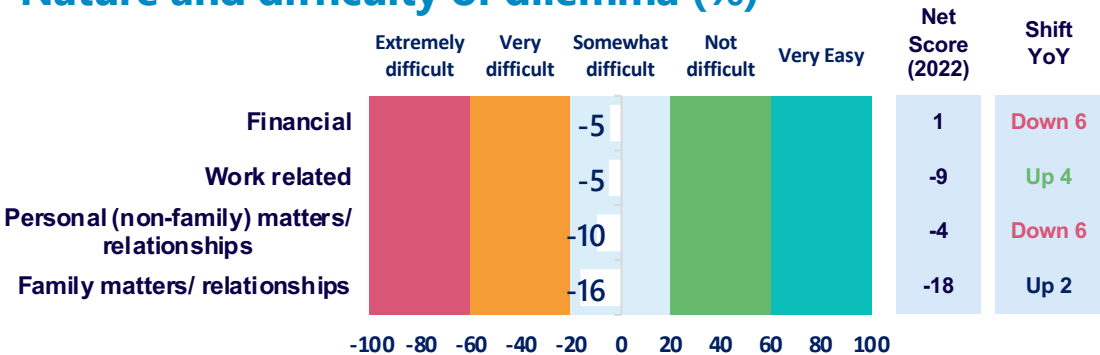


Having faced that dilemma and made a decision...

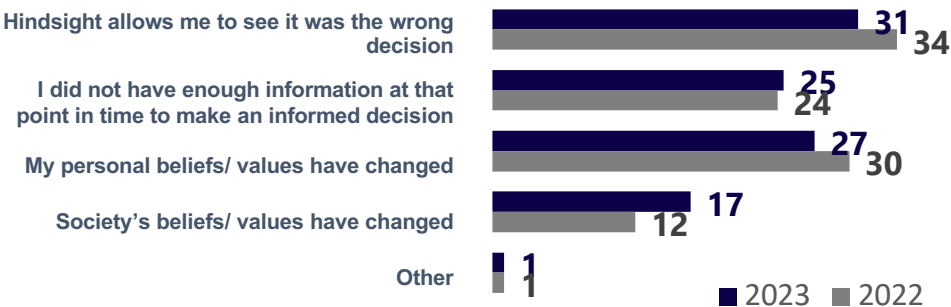
**19%**  
(19% in 2022)

said that they would now change their original decision

### Nature and difficulty of dilemma (%)



### Reason for changing decision (%)



# Summary



# Ethics Index 2023

## Summary

### Ethics and everyday Australians

The Ethics Index shows many Australians have a strong understanding of ethics and its main definitions, with 97% agreeing with one of the three ethics definitions provided in the survey. Ethics continues to be seen as important to a well-functioning society, with 87% rating ethics as either important or very important, with a strengthening of the net importance of ethics in 2023 vs 2022 (80% up from 77%). When posed with an ethical dilemma scenario, 59% stated they would take an option resulting in safeguarding the life of a child over their own.

Over half of Australians (56%) state that they have personally experienced an ethical dilemma. Financial matters were seen as the easiest to deal with, followed by work matters, vs personal and family matters, which were seen as more challenging. One in five state that having faced an ethical dilemma, they would now change their decision on how they handled it. Of those who said they would change their handling of the situation, the benefit of hindsight was the leading reason for around a third, followed by a change in personal values. Society's changing beliefs and values are also having an impact.

### Ethics across the time

Following COVID, the importance of ethics continues to grow and is at an all-time high – but the Ethic Index, a cross sector measure, has remained relatively stable, albeit up 3 from last year. This leads to an increasing gap (the Ethics Expectation Deficit) between the importance society is placing on ethical behaviour and broad performance.

### Ethics across the generations

Gen X see very little movement between the importance they place on ethical behaviour and their assessment of societal performance – however the other age groups are showing some changes. Millennials continue to have the highest Ethics Index score at 51 but show a strong increase in the importance they place on ethical behaviour (up 15 points vs 2022), leading to an equivalent surge in the expectation deficit. Baby Boomers still show the lowest Ethics Index score at 38, but this has increased from 28 in 2022. Coupled with a decrease in the importance they place on ethical behaviour means the Expectation Deficit contracts from -57 to -40.

# Ethics Index 2023

## Summary

### Ethical behaviour by organisation and sector

Ethical behaviour continues to be seen as **important** for society, with the majority of sectors seeing net scores of 70 or above. Since last year, ethical behaviour of the **Education, Health, Government, Small to Medium enterprises** and **Media** sectors are rated to be even more important and showing significant upward movements.

Whilst ethical **behaviour** is felt to be important for all sectors, perceived performance for behaviour varies across sectors. Several sectors have seen increased performance compared with 2022 (although for Public Service and Trade or Worker Associations, this is a return to scores seen in 2021). Health continues to lead followed by Education and Charities/NFP for perceived ethical behaviour, with the latter seeing a significant increase (net score of 57 from 52 in 2022). While the Government, Resources, Banking/Finance/Insurance, Large Corporations and Media have shown increased performance, they still sit in the neither Ethical nor Unethical space. Almost 1 in 5 Australians rate the Media as Very Unethical, higher than the proportion rating the Government, Resources, Banking or Large corporations as Very Unethical.

Therefore, the largest deficits in performance (vs importance) come from Banking/Finance (70), the Government (71), Large corporations (75) and Media (83) whilst the closest deficits come from Health (15), Charities (22) and Education (24) sectors.

Within Occupation, a number of significant movements are apparent. Fire and Ambulance services and pharmacists all strengthen at the top of the list, but nurses see a continued decline in perceived ethical behaviour (80 in 2021 and 77 in 2022). At the bottom end, politicians all show significant positive perceptual movements in 2023.

# Ethics Index 2023

## Summary

### Ethical behaviour by sector (cont'd)

**The education sector** is perceived as the most ethical sector, with an Index score of 74 (consistent with 2022). All occupations and organisations in the sector are felt to be ethical, with primary schools and teachers seen as most ethical organisation and occupation, with net scores of 66 and 67 respectively. Professors and university lecturers have increased significantly from a net score of 55 to 60. Private schools or colleges show the highest endorsement of Unethical perceptions.

**The health sector** is currently seen to be the second most ethical, with an Index score sitting at 70 (although Down 4 vs 2022). Pharmacists have increased significantly from last year, now seen as one of the most ethical occupations along with nurses and GPs. Although considered to be very ethical, nurses and vets have softened in perceptions since last year. Pathology services continue to be seen as the most ethical organisation with a net score of 67. Private hospitals have seen an uplift in net scores (after softening last year) along with natural health companies, health funds and pharmaceuticals.

**The charity and not-for-profit sector** continues to be perceived as highly ethical, with a current index score of 63, consistent with 2022. Medical charities are seen to be most ethical, with a net ethical score of 66 and almost a third endorsing them as Very Ethical. Social welfare charities see a significant increase in net score from 59 to 63 whereas Indigenous charities have significantly dropped from 43 to 39 but remain in the somewhat ethical space. Unions and professional clubs also see increases, pushing them into the somewhat ethical space (the majority of any negativity comes in the form of Somewhat Unethical rather than Very Unethical).

**Membership associations** also continue to be perceived as somewhat ethical (51, consistent with 49 in 2022). Choice continues to see the strongest net ethical score, closely followed by The Australian Medical Association. The Health Services Union, Business Council of Australia, Australian Manufacturing Workers' Union and the Construction Forestry Maritime Mining Energy Union all see an increase in perceptions this year. Meanwhile, although remaining in the somewhat ethical space, the Governance Institute of Australia has seen a decline from a net score of 32 to 28.

# Ethics Index 2023

## Summary

### Ethical behaviour by sector (cont'd)

The **public service and government sectors** have rebounded after a period of decline, with an Ethics Index score of 46. This is up from 38 in 2022 (following declines from 46 in 2021 and 56 in 2020). Fire services and Ambulances are driving that overall rebound, with the Fire Service itself rebounding from a decline to 75 in 2022 (with almost half, 49%, saying the Fire and Ambulance services are Very Ethical). Following significant news coverage of global police possibly causing some declines, perceptions of our police climb 7 (with 1 in 5 saying our police are Very Ethical).

CSIRO maintains its position of most ethical organisation within the public services and government sector, with a net ethical behaviour score of 57. Financial sector regulators see a decline in net ethical score from 34 to 30. Local councils and shires, the State and Federal parliament all seeing an increase in net ethical perceptions.

Whilst the **corporate sector** overall has maintained its Ethics Index score, with a score of 12 vs 13 in 2022, there have been some movements within the sector. Interestingly, there is very little that differentiates any group at the positive end (i.e. endorsement of Somewhat/Very Ethical) and are defined by the negative perceptions that surround them. Company secretaries continued to be seen as the most ethical occupation within the sector with a net score of 26 (but this is driven by a lack of negative endorsement rather than positivity). The least ethical occupations, senior executives and directors of foreign companies operating in Australia, have seen improved perceptions. Along with this, perceptions of foreign companies operating in Australia has also seen an improvement with a net score of -6 (up from -9 in 2022).

The **banking, finance and insurance sector** sees an overall Ethics Index score of 12, with a number of occupations and organisations seeing significant, positive movement. Accountants continue to be seen as the most ethical occupation in the sector (35). Financial planners have seen improved perceptions (21, up from 16 in 2022). Fund managers have returned to perceptions last seen in 2021 (after declining to 7 in 2022) but continue to be seen as the least ethical occupation. Organisations in the neutral space, after super funds, have seen improved perceptions this year – notably the stock exchange (following a decline in 2022), investment banks, retail banks, other insurance companies and life insurance companies.

Finally, **media** continues to place bottom in the Ethics rankings with a net index of 2. Free to air TV is seen to be the most ethical media platform, perceptions of ethical behaviour rising significantly, closely followed by radio and podcasts. Newspapers, magazines and journalists have also seen improved perception of ethical behaviour. Facebook has seen improved perceptions as well, though still seen to be somewhat unethical with an overall score of -22, leaving TikTok as the least ethical media platform at -30.

# Ethics Index 2023

## Summary

### Issues and influences

When asked what elements are important to ensure ethical conduct in society, **accountability** (52%) has just **overtaken transparency** (50%) in importance due to the latter significantly softening in importance. Whilst transparency is clearly still important, there is an increasing need to take ownership of any mistakes or issues (possibly related to the data breaches experienced in recent times).

When asked about top issues relating to unethical behaviour, Australians' perceptions remain largely the same. **Corruption** continues to be the leading issue, with a score of 58%. This is followed by **company tax avoidance** at 52%. **Misleading and deceptive advertising** is seen as the 3rd biggest issue at 46%. **Discrimination** (44%) and **bullying in the workplace** (43%) are also seen as key issues.

**People and groups within business and organisations** remain perceived as the **most influential on ethics**. There is a sense that **customers, the workforce and the broader public** are beginning to **influence behaviour more**.

Australians feel that senior roles have the most significant impact on influencing ethics within an organisation. CEOs are seen to have the greatest influence with a net score of 69, followed closely by the board of directors (66, up from 62) and senior management (at 64). In 4th place, the Chair is felt to have more influence on a company's ethics than last year.

Influence of customers (29, up from 25 in 2022, same as 29 in 2021) and the public (22, up from 18 in 2022, on par with 25 in 2021) have bounced back this year. Suppliers (21), general workforce (19), and activist groups (11) have all also seen increased perceptions of influence.



# Ethics Index 2023

## Summary

### Areas of ethical consideration

**Immigration** continues to be seen as the most difficult area for ethical navigation with a score of 41%, followed closely by **Indigenous affairs** at 38% (likely attributable to The Voice referendum) and **euthanasia** (38%). The only significant movement vs 2022 is the environment which has fallen to 21% from 29% feeling it to be an ethically difficult area to navigate.

Looking at future developments, Australians have highest levels of ethical concern around **embryo experimentation**. After declining further on perceptions, **artificial intelligence** is now on par with embryo experimentation, (from -21 in 2021 to -26 in 2022 to -33 in 2023). Robots in the workplace is another future development seeing higher levels of ethical concern (-14 from -7 in 2022) along with crowdsourcing apps, though this is seen to be a less contentious issue. The least ethically difficult development is now bushfire management with a net score of 32 (up from 26 in 2022). The net scores also reflect the percentage of Australians saying that each issue is Extremely Difficult to navigate.

GPs and pharmacists continue to have high perceived levels of ethical behaviour. Perceptions of the police continue to decline (49 to 44 in 2023) while elected local councillors have seen an increase to 21, from 11 in 2022.

Across a general range of potential ethical dilemma situations, Australians have a strong sense of ethical behaviour, with certain behaviour and actions rated as unethical. Opposition political parties and independents blocking legislation of a party which has won government has seen an ease in perceptions of being unethical, with a net score of -22, up from -26 in 2022. Job losses resulting from gains in AI have seen a decline in perceptions, pushing the situation further into the unethical space. Overwhelmingly, keeping a parcel is felt to be Very Unethical by 52%. A restaurant bill correction is the second most unethical action overall, but this is driven by a high percentage of people (38%) saying it is Somewhat Unethical (vs 22% saying it was Very Unethical).

# About Governance Institute

A national membership association, Governance Institute of Australia advocates for a community of more than 43,000 governance and risk management professionals, equipping our members with the tools to drive better governance within their organisation. We tailor our resources for members in the listed, unlisted and not-for-profit sectors and ensure our member's voice is heard loudly. As the only Australian provider of chartered governance accreditation, we offer a range of short courses, certificates and postgraduate study to help further the knowledge and education of the fast-growing governance and risk management profession. We run a strong program of thought leadership, research projects and news publications and draw upon our membership of the Chartered Governance Institute to monitor emerging global trends and challenges to ensure our members are prepared. Our members know that governance is at the core of every organisation, and in these tumultuous times, good governance is more important than ever.

