

Governance Institute Ethics Index 2019



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Governance Institute *Ethics Index 2019*

Introduction

Ethics and ethical behaviour continue to be very important across all sectors of Australian society. Media coverage of controversial and ethically charged events abounds with debate occurring at the individual, organisational and government level.

The *Ethics Index*, now in its fourth year, enables us to quantify the Australian adult population's **perception of the overall importance of ethics** and **what the actual level of ethical behaviour is** within Australian society. The difference between these is termed the 'ethical expectation deficit'.

With these benchmarks, we can objectively gauge whether our ethical behaviour and expectation have slipped or improved across the four surveys.

So, how does 2019 compare to previous *Ethics Index* results? In short, the overall answer is slightly up on last year with a score of 37 (see slide 17), (on the ethical index scale this means that Australian society as a whole is operating at a 'somewhat ethical' level). This result is a slight increase on the 2018 ethical index score of 35, but it is less than that of 2017 when an ethical index score of 41 was reported.

This study contains considerable detail of different sectors, organisations, occupations, issues and influences, inviting meaningful comparison between the various components, and consequently, an evaluation of performances. The insights lead the reader to start asking questions that warrant additional detailed investigation.

We trust that readers will find the research is a good starting point and provides a powerful benchmark to encourage further deep, objective discussions.

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Governance Institute *Ethics Index 2019*

Executive summary (1 of 6)

The concept of ethics and how it has touched everyday Australians

Australians have an understanding of ethics and its main definitions, with 96% agreeing with the three ethics definitions in the survey. A large majority (86%) rate ethics as important or very important to a well-functioning society. This is consistent with the 2018 Ethics Index findings. When a particular ethical scenario was posed, the majority (60%) chose to take the selfless option and safeguard the life of a child over their own.

Just over half of Australians (54%) have faced a personal ethical dilemma, with family matters rated the most difficult to deal with (39%), followed by work-related matters (30%), other personal, non-family matters rated at 30% difficult. Financial matters were rated the least difficult (23%). Just over one in four (27%) would change the decisions they had made in those situations, claiming that hindsight allowed them to see it was the wrong decision (40%) or that they didn't have enough information at the time to make an informed decision (29%).

Governance Institute Ethics Index 2019 scores

Overall, Australians continue to consider that Australian society is 'somewhat ethical', with an Ethics Index score of 37, while the 'overall importance of ethics index' is scored at a much higher 82, representing 'very ethical'. This suggests that there is a shortfall in actual ethical performance (or perception thereof) of some sectors that may be contributing to the ethical deficit — or as we term it the 'Ethics expectation deficit'.

While Australian society is seen to be 'somewhat ethical' at the aggregate level, with an Ethics Index score of 37, across generations there are differences. Millennials have the lowest 'ethics expectation deficit', while Baby Boomers have the highest 'ethics expectation deficit'.

The Ethics Index increased slightly in 2019, from 35 to 37. The education, health and charity/not-for-profit (NFP) sectors are perceived as 'very ethical'. Although they remain as the top scoring sectors, their net scores compared to 2018 were slightly lower. The media, corporate and banking, and finance and insurance sectors continue to rate the same, with a perception of 'neither ethical or unethical'. Similarly, the aged care sector is also perceived as 'neither ethical or unethical'.



Governance Institute *Ethics Index 2019*

Executive summary (2 of 6)

Ethical behaviour by sector

The study first asks respondents to rate the importance of ethical behaviour of different sectors, as well as rating how ethical they actually are. Health, education, charities and NFP sectors have the smallest gap between the importance of ethical behaviour and their actual ethical behaviour scores. In contrast, banking, finance and insurance, media, large corporations and government sectors have the largest gap between the importance of ethics and how ethical they are perceived to be.

While ethical behaviour is considered important across all sectors, it is most important among health, public service, education and government. Charities and NFP, banking, finance and insurance and large corporations follow closely behind. In terms of ethical scores, social sectors (health, education, charities and NFP organisations) continue to have high ethical scores (68% and above), which is in line with their ethics indices.

Conversely, in 2019 the financial sector continued to have the lowest ethical rating (31%) and the highest unethical rating (49%) indicating very low trust and perceived behavioural standards.

Respondents were then asked to rate nominated occupations and organisations within each sector.

The **education sector** continues to hold the highest perceived level of ethical behaviour of all the sectors, with every occupation and organisation performing at the 'somewhat ethical' or 'very ethical' level. Primary school teachers continue to have the highest net score.

Ethical behaviour in **health sector** occupations continues to be perceived as ethical (all above 60%), with the exception of funeral directors, who dropped from 45% to 36% (net score). For organisations in the sector, pathology services and hospitals continue to be perceived as ethical, at or above 60%. Opinions on natural health companies, health funds and pharmaceutical companies generally polarise with regards to the proportion of who consider them ethical versus unethical.

Within the **charity and NFP sectors**, medical charities and social welfare charities continue to be held in high ethical regard (71% ethical score). Perceptions of ethical behaviour in RSL/Ex-services clubs and amateur sports clubs also continue to be perceived positively (60% and above ethical score).



Governance Institute *Ethics Index 2019*

Executive summary (3 of 6)

Ethical behaviour by sector (cont'd)

Ambulance and fire services are rated as the most ethical occupations within the **public sector** (above 80% ethical score). In contrast, state and federal politicians continue to be seen as unethical by one in two Australians, the lowest among the occupations. The net ethics score of state politicians and local council public servants have improved compared to 2018. CSIRO, defence and border forces are rated as the most ethical organisations within the public sector, (60% or above ethical score). The net ethics score of local councils and shires, federal and state parliaments has improved since 2018.

Choice, included for the first time in 2019, is seen as the most ethical organisation in the **member associations** sector. The Australian Medical Association, National Farmers Federation, Engineers Australia and Certified Practising Accountant Australia follow with ethical scores of 60% and above. Albeit the Australian Medical Association saw a decrease in its net ethics score (from 62% to 54%). Other associations that saw an uplift in their net scores this year include HSU, Australian Hotels Association, Business Council of Australia, AWU, MWU and CFMMEU.

Australians continue to rate the ABC as the most ethical **media** platform (62% ethical score). Social media platforms, Facebook, Twitter and Instagram have the lowest ethical scores within the sector (less than 30% ethical score). Perceptions of Facebook, magazines and journalists have improved compared to 2018.

Within the **aged care** sector, workers have the highest ethical score of 54%. Aged care organisations are polarising with 36% rating them as ethical versus 38% as unethical. 42% of Australians perceive aged-care directors, executive and management to be unethical.

Occupations in the **corporate sector** scored fairly neutral. Consistent with results in 2018, company secretaries scored the highest in ethical behaviour and directors of foreign companies scored the lowest. Between 30-38% of Australians scored these occupations as neither unethical nor ethical. Directors of foreign companies continue to have the worst unethical score (45%) aligning with the poor result seen for the companies they work for with a 43% unethical score.



Governance Institute *Ethics Index 2019*

Executive summary (4 of 6)

Ethical behaviour by sector (cont'd)

Within key **business sectors**, real estate agents continue to have the lowest ethical score (25%), and the highest unethical score (46%). Lawyers are perceived as slightly more ethical (36%). By industry, there is high regard for farmers and agricultural businesses who are perceived as the most ethical (63%). In second place are cafes and restaurants (60% ethical score). Telecommunication companies continue to be seen as the least ethical among the industries (37% unethical score).

The **banking, finance and insurance sector** continues to have the lowest Ethics Index score of all sectors. Within the sector, accountants scored the highest in ethical behaviour (50% ethical score). Industry super funds remains as the most ethical among organisations in the sector. Pay-day lenders have improved their net score ratings compared to 2018, albeit still seen as unethical by 60% of Australians respectively; while the net score rating for independent super funds has increased compared to 2018.

Issues and influences

Accountability (61%) continues to be the top element of importance to ensure ethical conduct in society, with no change compared to 2018. This is followed by transparency (57%), whistle-blower protection (50%), and highly ethical leaders (49%).

The **top ethical issues in business** continue to follow the same order. Corruption remains in the top position (62%), followed by company tax avoidance (51%), misleading and deceptive advertising (48%), and executive pay (45%). Environmental responsibility and human rights are mentioned more often in 2019 (from 36% to 44% and 27% to 32% respectively).



Governance Institute *Ethics Index 2019*

Executive summary (5 of 6)

Issues and influences (cont'd)

Those who work **within organisations** at the most senior level continue to be seen as having the **most influence** on the overall ethical practices and outcomes, with the CEO and board of directors unsurprisingly seen as the most influential (70%+ 'strong influence'). With regard to external influence, government, laws and regulations remain most influential (65% 'strong influence'). Net scores have decreased for the top five roles compared to 2018.

Less than one in five Australians expect '**total improvement**' in ethical behaviour by boards and executives across various institutions to actually occur.

The **top ethically important issues within the banking and finance sector** continues to be executive salaries (51%). Bribery and corruption issues remain in second place (50%), while insufficient regulation rank third (49%) in ethical importance. This is followed by executive bonuses (48%), lack of government action (48%) and treatment of customers (47%).

For Australians, the more the **CEO is paid**, the more unethical they think it is. The majority of Australians (74%) perceive that it is unethical if the CEO of a company with up to 5,000 employees is paid \$3 million per annum (i.e. 35 x the average Australian's yearly income). A similar situation is seen for the CEO of a company with up to 15,000 employees, with 72% of Australians perceiving it to be unethical.

Nine in ten Australians want the Federal government to take action on climate change and a similar number say organisations must also take action, even if it impacts profits and job losses. The majority of Australians (60%+) believe that the federal and state governments, international bodies and multi-national corporations have an urgent ethical obligation to take action on **climate change**. At least one in two Australians believe that individuals, local councils and Australian businesses also have an urgent ethical obligation to take on climate change. A similar proportion (90%) also believe there is an obligation for Australia to fully transition to renewable energy.

Artificial intelligence (AI) based traffic management and public surveillance are seen as the most ethical uses of **AI systems** (40%+ ethical), while AI-based social scoring of citizens is seen as the least ethical (60% unethical). Other issues seen as unethical by the majority of Australians include AI-based hiring using private and public data, AI-based autonomous lethal weapons, and AI systems created in ways that cannot be understood (all scoring 50%+ unethical).



Governance Institute *Ethics Index 2019*

Executive summary (6 of 6)

Areas of ethical consideration

Almost one in two (49%) of Australians continue to feel that immigration is the **most difficult area to navigate ethically**, with euthanasia in second place on 39% (down from 47% in 2018). In 2019, climate change has risen to third position, moving from 23% to 37%.

Australians continue to be most **concerned ethically with future developments** that involve humans interfering with nature's natural course. Examples of this include embryo experimentation, gene manipulation for medical treatments and artificial intelligence (40%+ for ethical difficulty). In addition, Australians are concerned with the ethics of self-driving cars (43% ethical difficulty). Fewer Australians in 2019 are concerned by the use of big data to target consumers (-16 to -6 net score).

Overall, the **ethical behaviour of people we are in personal contact with** has remained mostly consistent with 2018, with the exception of banks, which has improved its net score. Healthcare professionals with whom Australians have had personal contact are perceived as most ethical (70%+ ethical score). The ethical net scores of local members of state parliament and elected local councillors have also improved in 2019.

For **ethical behaviour in particular situations**, the majority of Australians rated each of the situations as more unethical than ethical, eliciting strong responses for the collection of data by social media companies (64% unethical), 'win at all costs' approach to sport (65% unethical) and not correcting a restaurant bill when it doesn't include an ordered item (68% unethical).

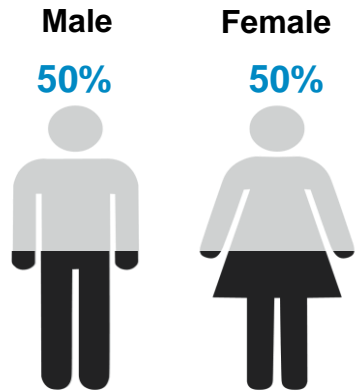
Background and framework



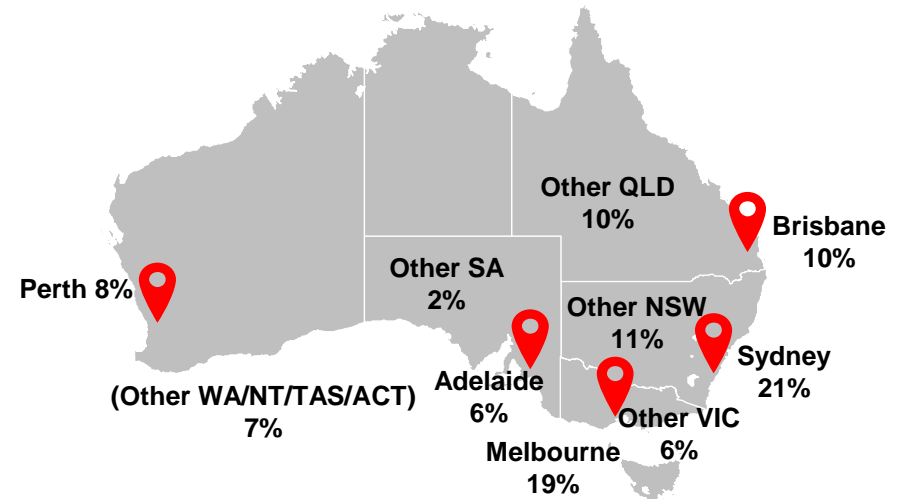
Background

The *Ethics Index 2019* survey was conducted online across a broad spectrum of Australians (to nationally representative age, gender and location quotas by ABS census data) between 9-21 October 2019.

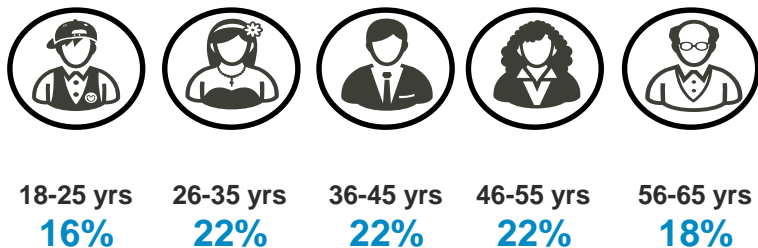
Gender



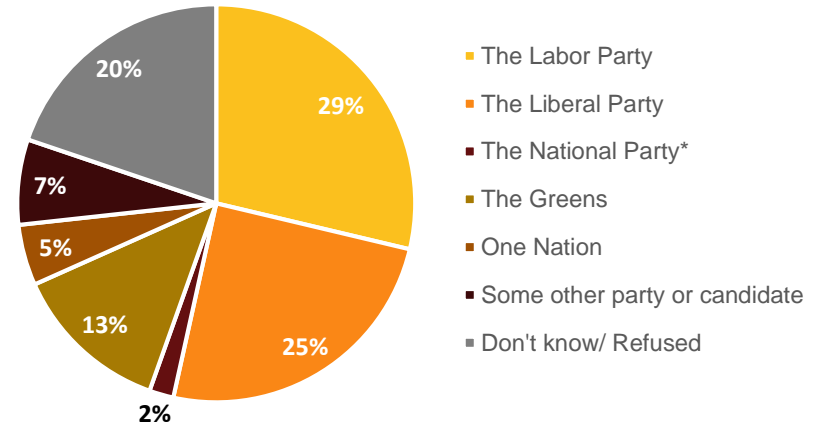
Location



Age



Voting preference



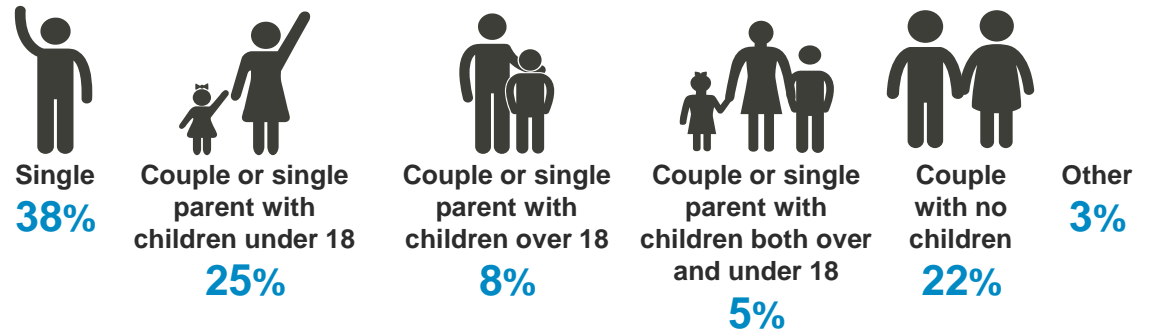
Background

The *Ethics Index 2019* survey was conducted online across a broad spectrum of Australians (to nationally representative age, gender and location quotas by ABS census data) between 9-21 October 2019.

Household income

Less than \$25,000 per year	12%
\$25,000-\$39,999 per year	15%
\$40,000-\$79,999 per year	27%
\$80,000-\$119,999 per year	21%
\$120,000-\$149,999 per year	12%
Over \$150,000 per year	13%

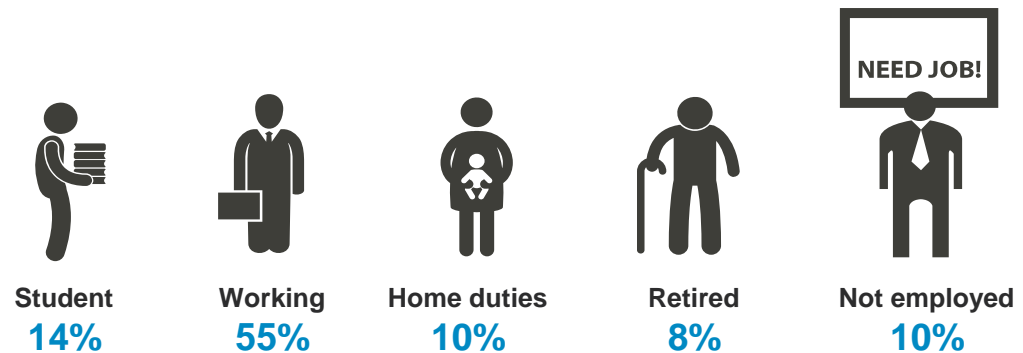
Household status



Education

High school year 10/11	12%
HSC	13%
Trade certificate or diploma	26%
Some university or currently studying undergraduate	7%
Bachelors university degree	28%
Post graduate degree	10%
Other tertiary	3%
Other	1%

Work status





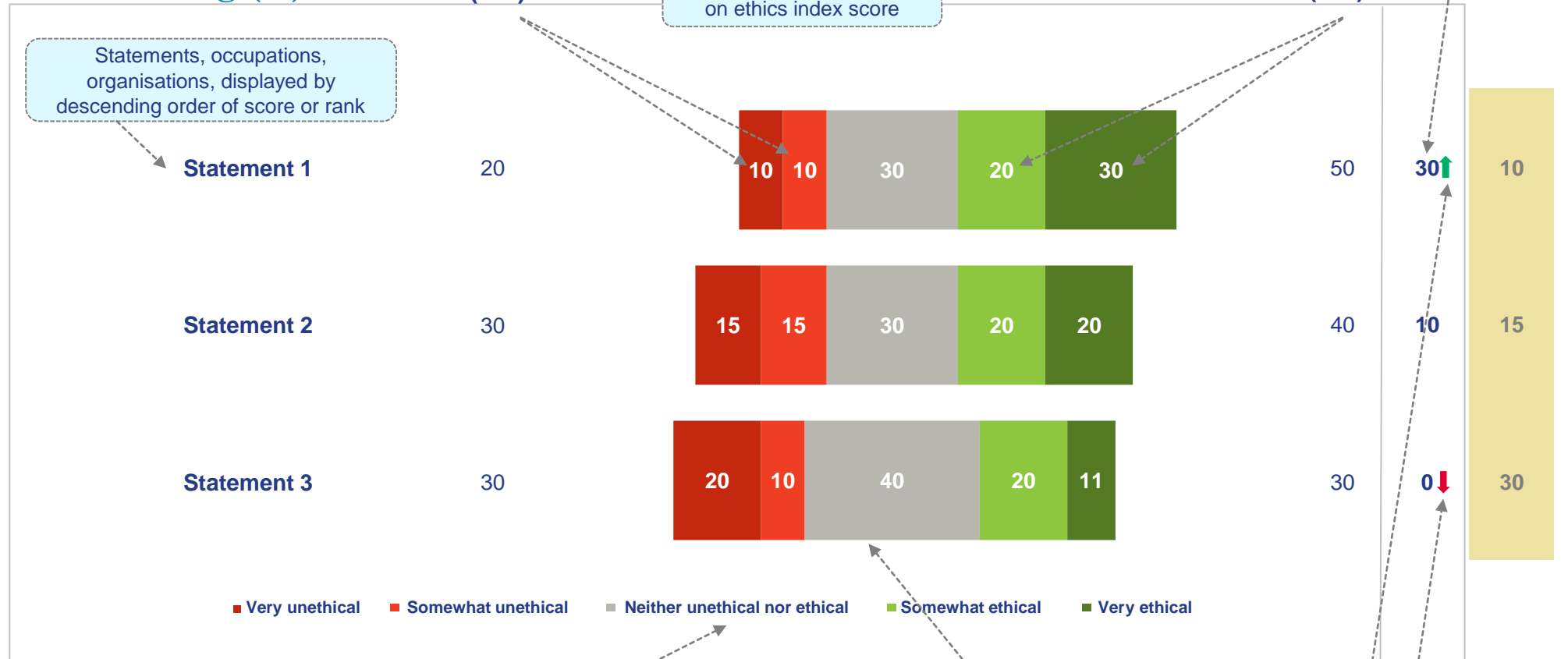
How to read the results

(Ethics Index: 80)

Net score = Ethical net (4 + 5 on scale)
minus Unethical net (1 + 2 on scale)

Figures are in % and are
ranked in descending
order by net score

Chart heading (%)



5-point scale where 1 = Very unethical and 5 = Very ethical

Question text and Total number of
respondents who answered the question

Where figures do not sum
to 100, this is due to the
effects of rounding

Indicates a significant increase from 2018
net balance @95% confidence level
Indicates a significant decrease from
2018 net balance @95% confidence level







Ethics in general

Australians have an understanding of ethics and its main definitions, with 96% agreeing with the three ethics definitions in the survey. A large majority (86%) rate ethics as important or very important to a well-functioning society, consistent with 2018. When an ethical scenario was posed, the majority (60%) chose to take the selfless option, and safeguard the life of a child over their own.

Understanding of ethics

<ul style="list-style-type: none"> 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>) 	41% (44%)
<ul style="list-style-type: none"> Moral principles that govern a person's behaviour or the conducting of an activity (<i>Oxford Dictionary</i>) 	41% (41%)
<ul style="list-style-type: none"> 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) 	14% (13%)
<ul style="list-style-type: none"> None of the above 	4% (2%)

Ethical scenario

<p>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.'</p>		
The car should have been programmed at the factory...	...The occupant would be killed	 21% (21%)
	...The child would be hit	 25% (26%)
The occupant should be required to set their preferences before using the car...	...Chosen to protect the occupant	 15% (16%)
	...Chosen to protect the child	 39% (37%)



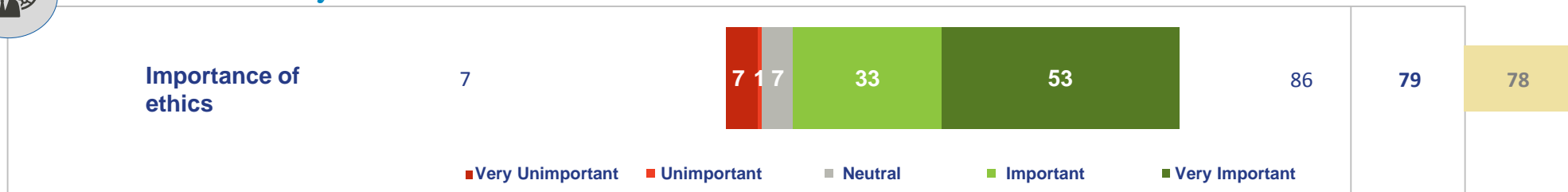
Ethics in society

Unimportant
(Net)

Important
(Net)

Net Score
2019

Net Score
2018



(**%) data in 2018



Personal ethics

Just over half of Australians (54%) have faced an ethical dilemma personally, with family matters being the most difficult to deal with (39% difficult), followed by work related matters (30% difficult) and other personal, non family, matters (30% difficult). Financial matters were rated the least difficult of their experiences (23% difficult). Just over one in four (27%) would change the decisions they had made in those situations, claiming that hindsight allowed them to see it was the wrong decision (40%) or they didn't have enough information at the time to make an informed decision (29%).

Incidence of personal ethical dilemma

54%

said that they had faced an ethical dilemma personally

52% (2018)



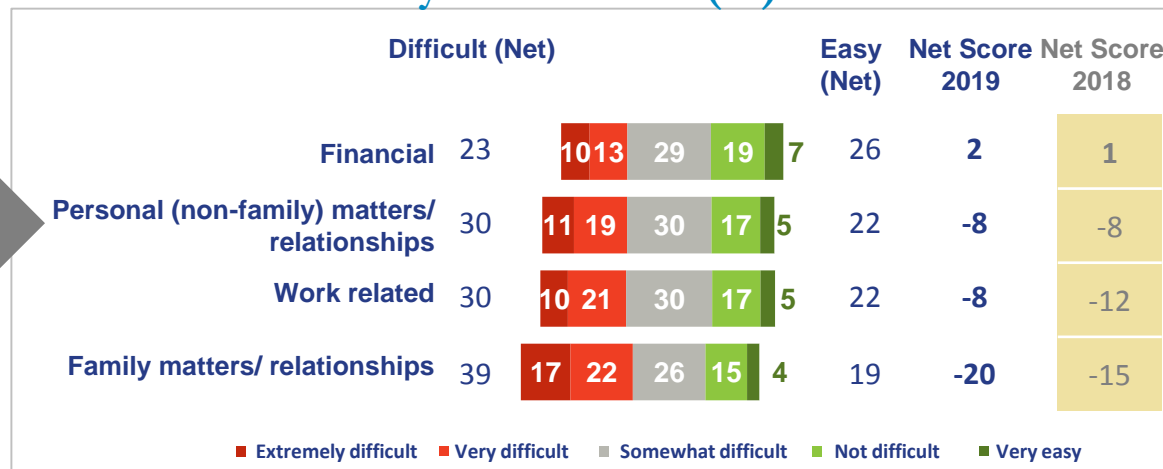
Having faced that dilemma and made a decision...

27%

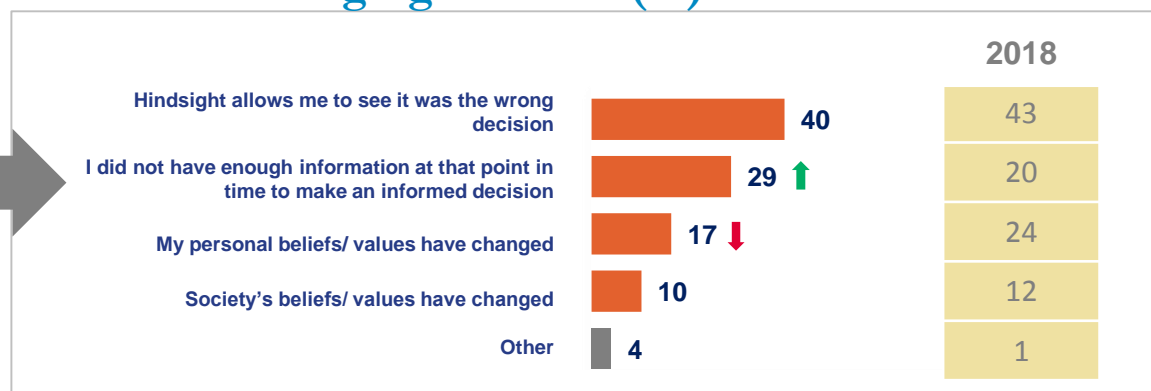
said that they would now change their original decision

29% (2018)

Nature and difficulty of dilemma (%)



Reason for changing decision (%)



Governance Institute

Ethics Index 2019



Weighted index calculation

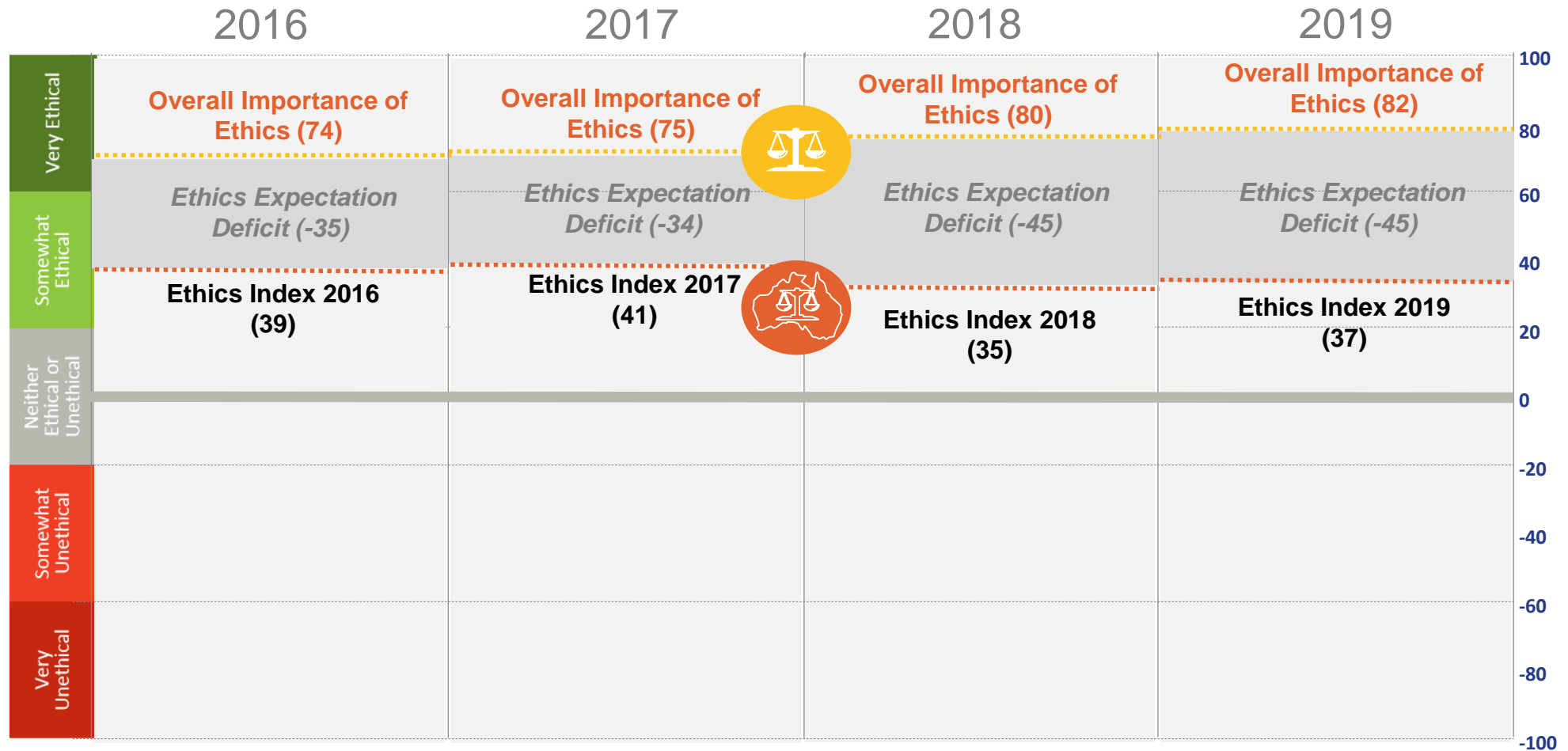


Ethics Index 2019

(Overall Ethics Index: 37)

Ipsos Connect

Overall, Australians continue to consider that Australian society is 'Somewhat Ethical' (with an Ethics Index score of 37) while the overall Importance of Ethics Index is scored at a much higher 82 (representing 'Very Ethical'). 2019's results are most similar to results seen in 2018.

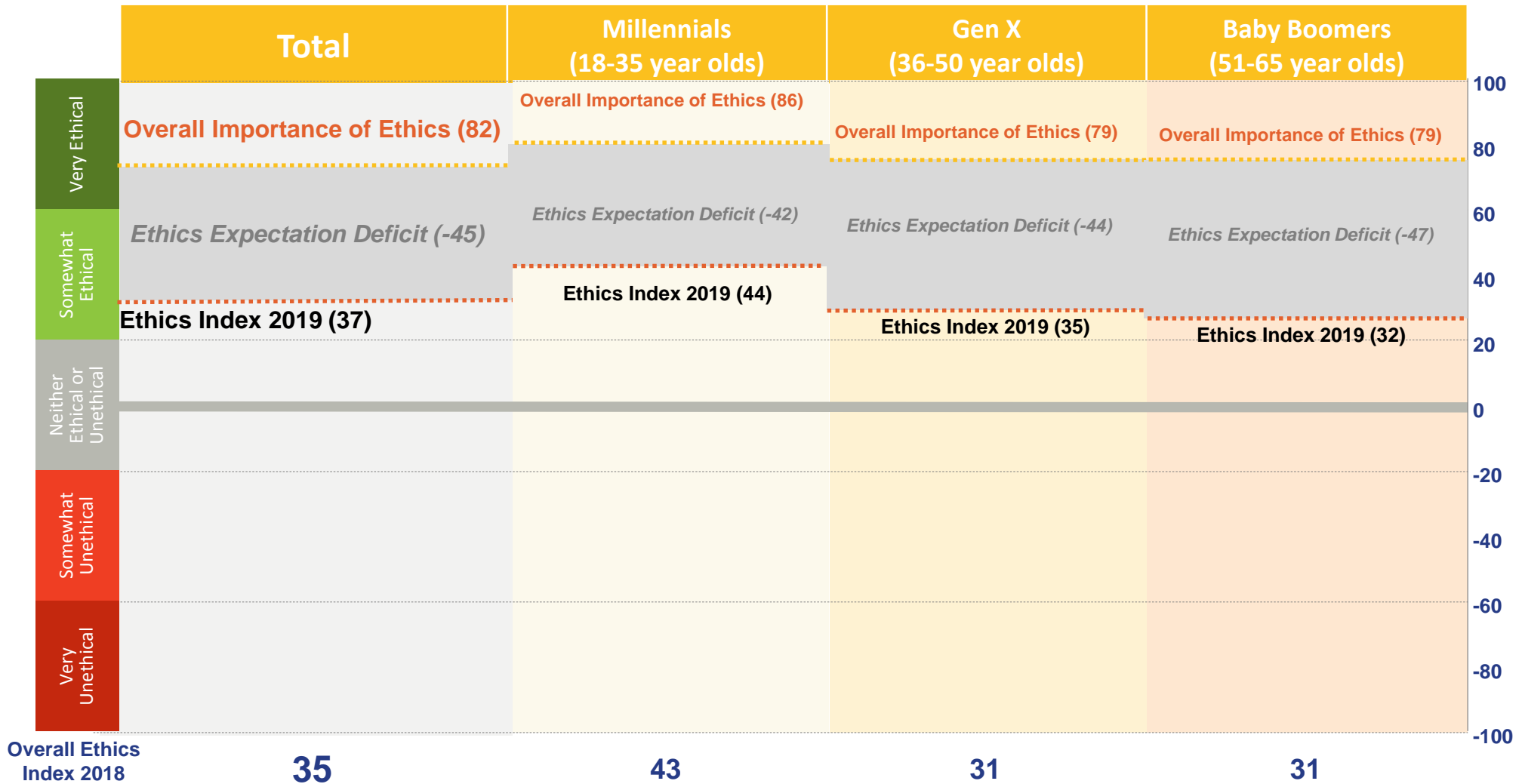




Ethics Index 2019

(Overall Ethics Index 2019: 37)

While Australian society is seen to be 'Somewhat Ethical' at the aggregate level (with an Ethics Index score of 37), across the generations it is evident there are some differences. Millennials have the lowest Ethics Expectation Deficit, while Baby Boomers have the highest Ethics Expectation Deficit.

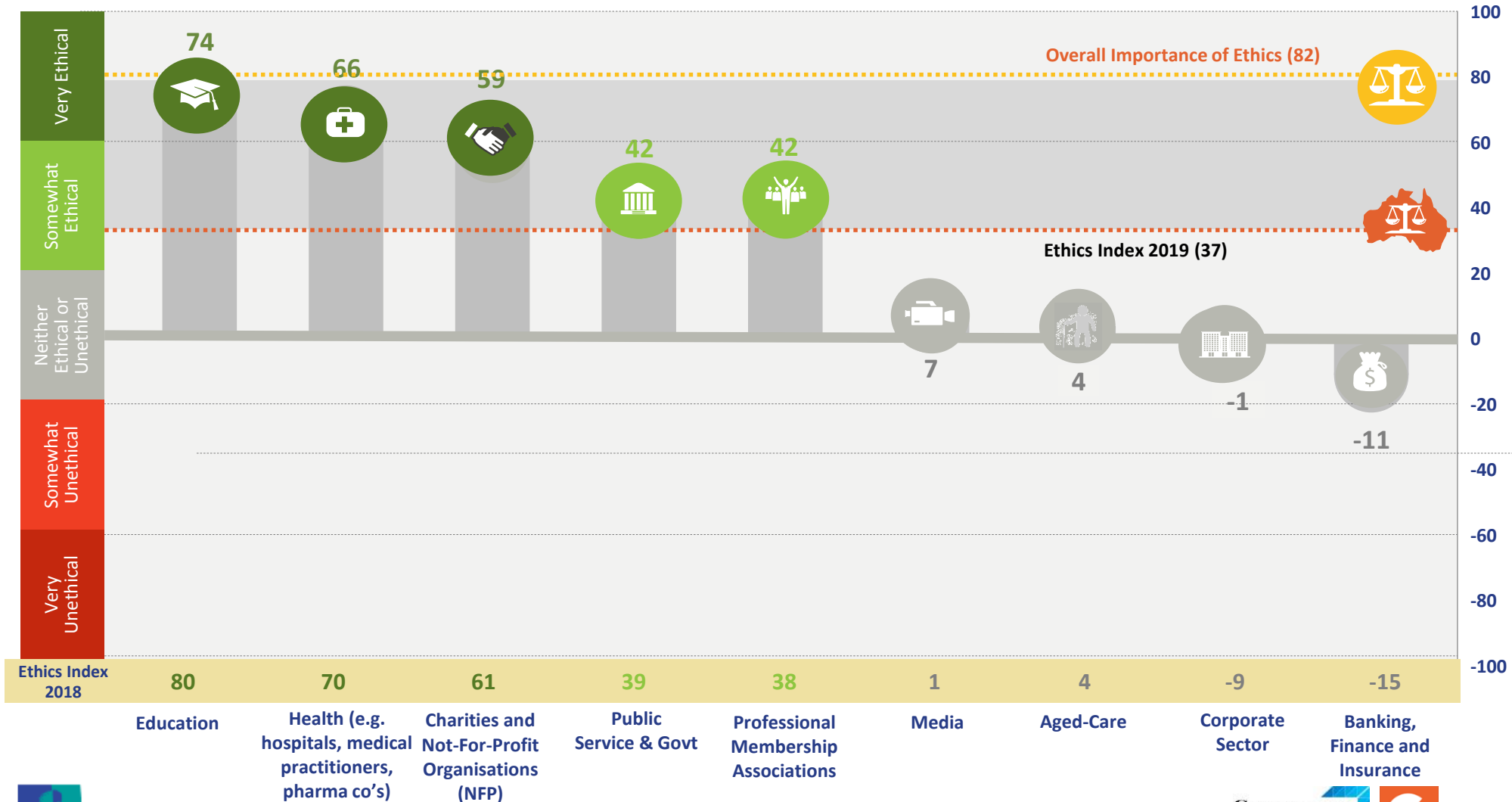




Ethics Index 2019

(Overall Ethics Index 2019: 37)

The Ethics Index marginally increased in 2019 (from 35 to 37). The education and health sectors, although scoring lower compared to 2018, continue to be perceived as 'Very ethical'. The charities and NFO sector scored slightly lower in 2019, shifting this sector into the 'Somewhat ethical' cohort, alongside public service and government and professional membership associations. The media, corporate and banking, finance and insurance sectors continue to be perceived as 'Neither ethical or unethical'; so too, the aged-care sector in its debut year. The banking, finance and insurance sector continues to be the lowest scoring sector.



Ethical behaviour by sector

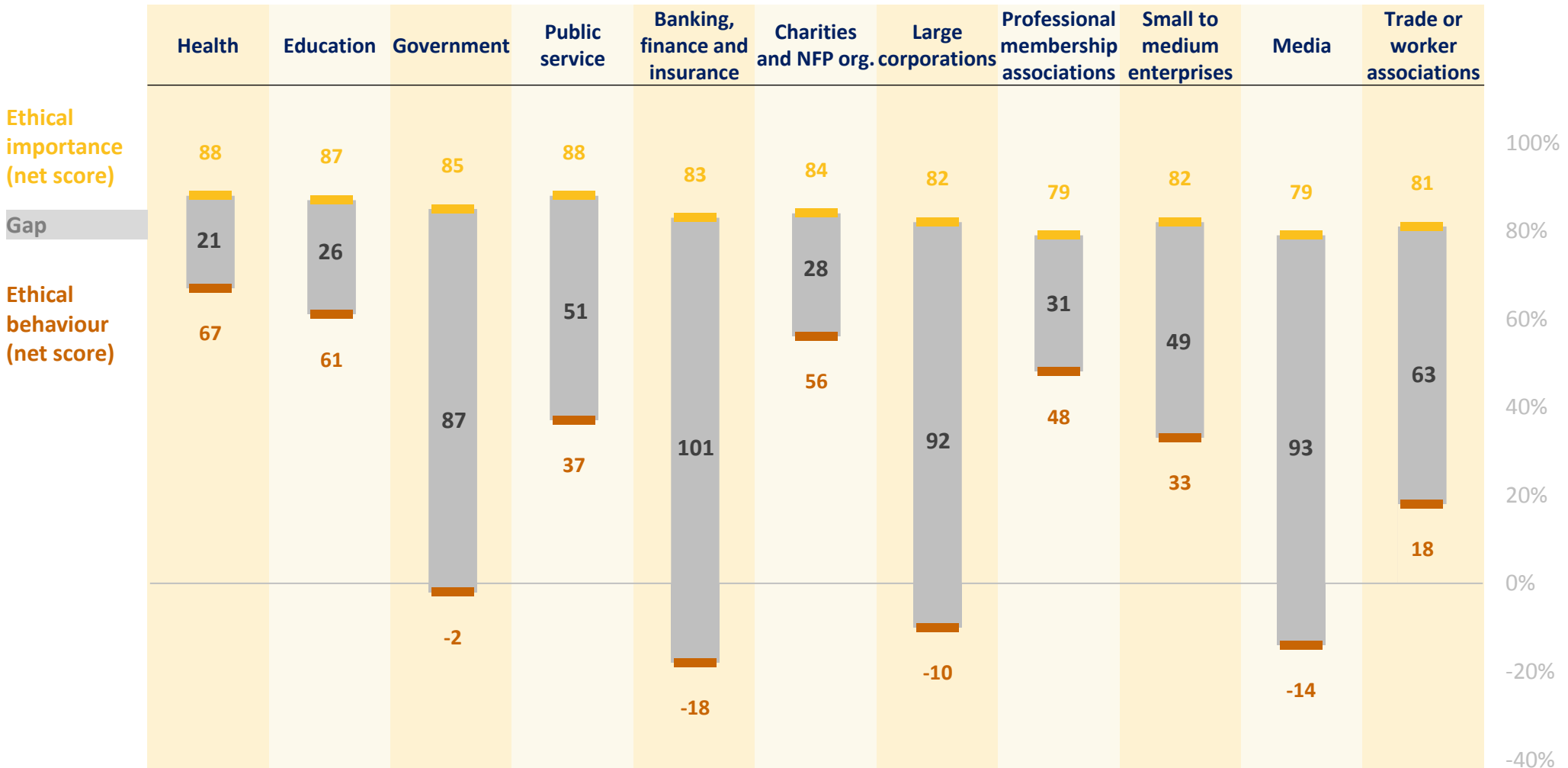


Unweighted scores/results



Ethical expectation gap

Similar to the *Ethics Index*, health, education, charities and NFP sectors have the smallest gap between the importance of ethical behaviour and their ethical behaviour scores. In contrast, banking, finance and insurance, media, large corporations and government sectors have the largest ethical gap.





Importance of ethical behaviour of broad sectors

While ethical behaviour is considered important across different sectors of society (above 80%), it is most important among health, public service and education sectors. Government, charities and not-for profit, banking, finance and insurance and large corporations sectors follow closely behind.



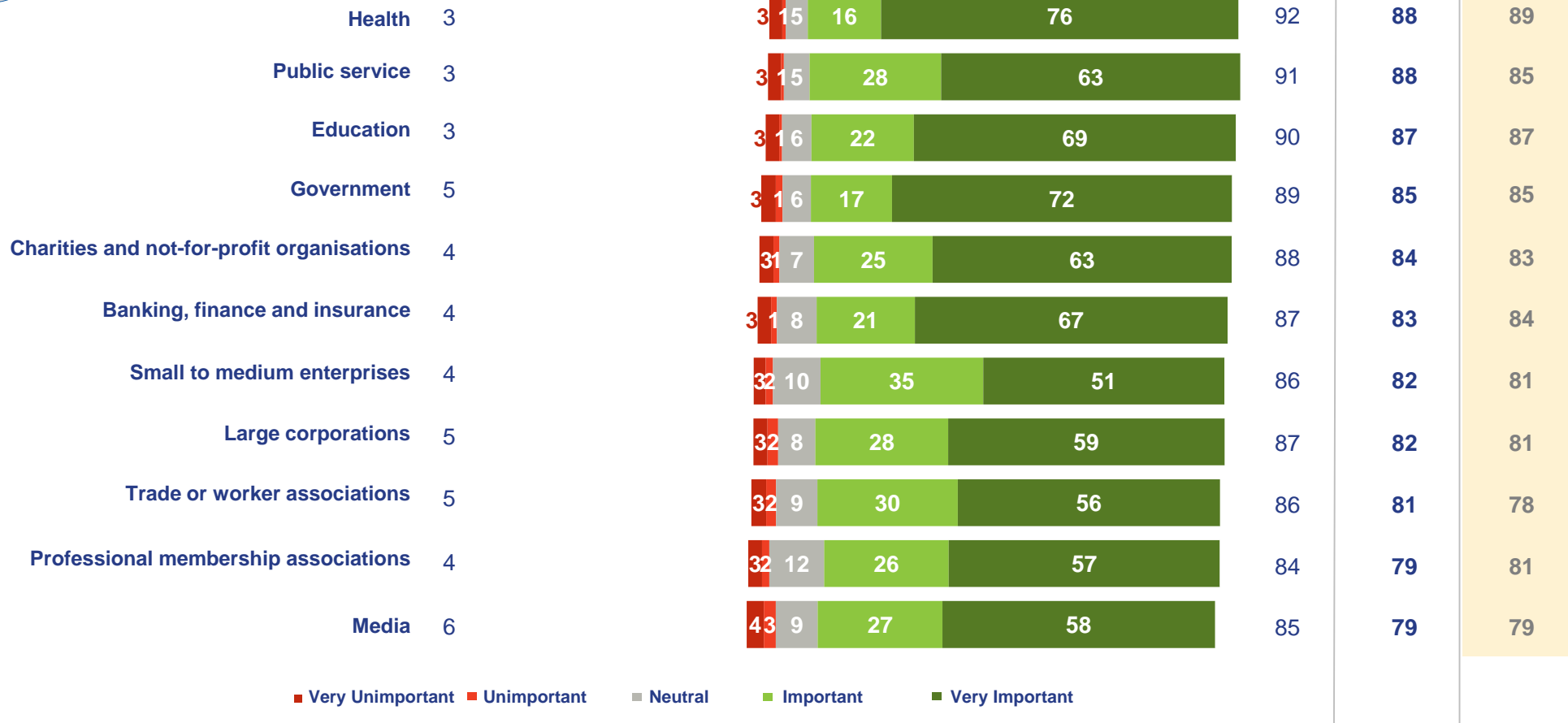
Sectors (%)

Unimportant
(Net)

Important
(Net)

Net Score
2019

Net Score
2018



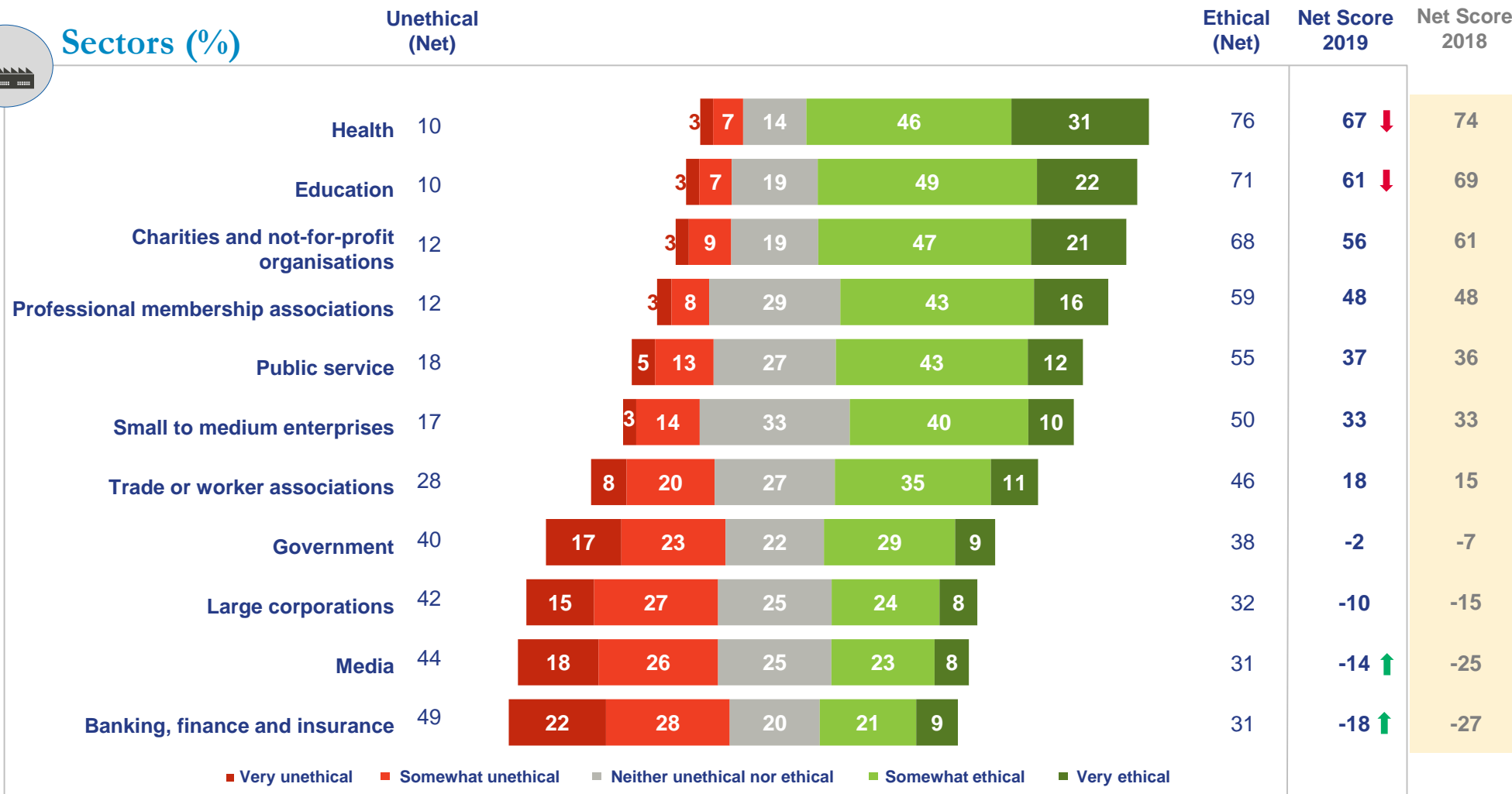


Ethical behaviour of broad sectors

Social sectors (health, education, charities and not-for-profit organisations) continue to have high ethical scores, although net scores have significantly declined for health and education compared to 2018. The financial and media sectors continue to score the lowest on being Ethical in 2019, however, net scores for both these sectors have significantly improved compared to results seen in 2018.



Sectors (%)





Education sector ethical behaviour

(Ethics Index: 74)

The education sector continues to hold the highest perceived level of ethical behaviour of all the sectors, with every occupation and organisation performing at the Somewhat Ethical or Very Ethical level. In this sector, primary school teachers have the highest net score while privately-run colleges continue to have the lowest net score.

Occupations (%)

Unethical
(Net)

Ethical
(Net)

Net Score
2019

Net Score
2018

Primary school teachers

6



75

69 ↓

76

Secondary school teachers

8



74

66

71

Professors/university lecturers

11



69

58 ↓

64

Organisations (%)

Primary schools

6



73

67

71

Public secondary schools

8



70

62

66

TAFEs

7



68

61

62

Universities

15



63

48

51

Independent (private) secondary schools

16



57

41

47

Privately-run colleges

21



51

30

32

■ Very unethical ■ Somewhat unethical ■ Neither unethical nor ethical ■ Somewhat ethical ■ Very ethical



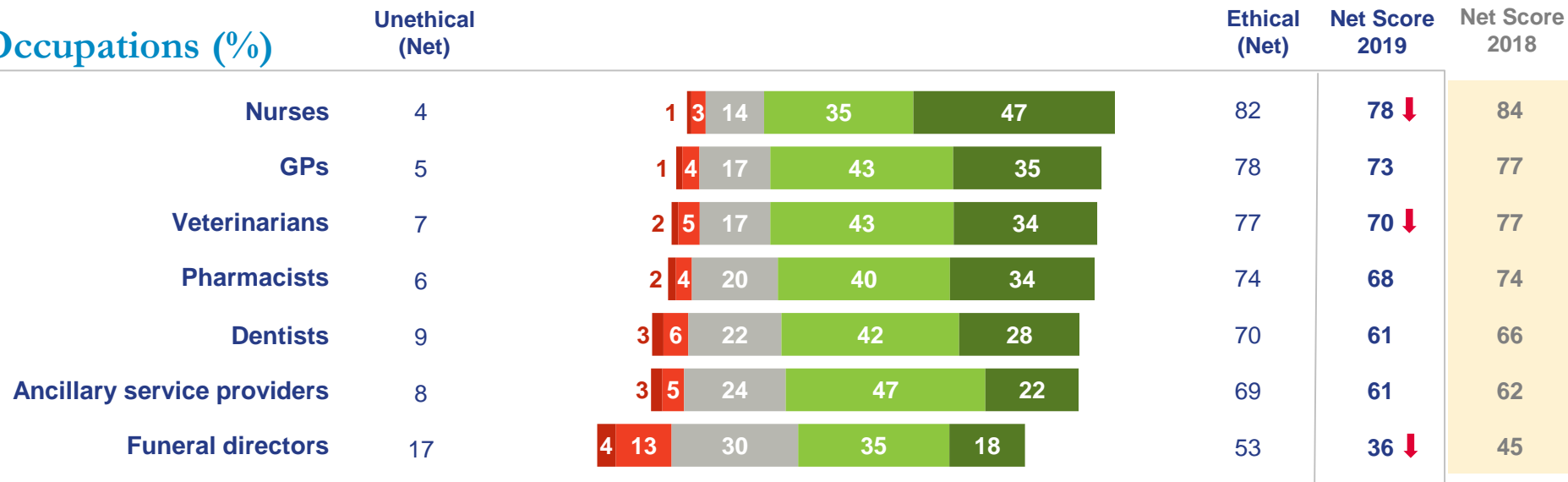
Health sector ethical behaviour

(Ethics Index: 66)

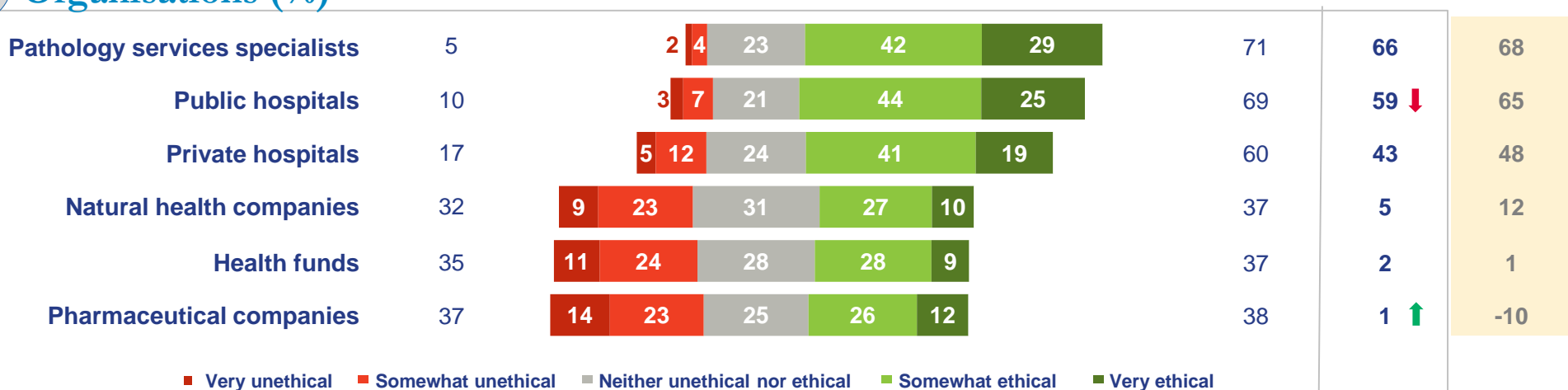
Ethical behaviour in health sector occupations continue to be perceived as ethical (all above 60%), with the exception being funeral directors. The net score for funeral directors has dropped further (from 45% to 36%). Net scores for nurses and veterinarians have also dropped in 2019. For organisations in the sector, pathology services and hospitals continue to be perceived as ethical (at or above 60%). Opinions on natural health companies, health funds and pharmaceutical companies generally polarise with regards to the proportion who consider them unethical versus ethical.



Occupations (%)



Organisations (%)





Charity and NFP sectors ethical behaviour

(Ethics Index: 59)

Within the charity and not-for-profit sectors, medical charities and social welfare charities continue to be held in high ethical regard (above 70% ethical score). However, the net score for social welfare charities has dropped in 2019. Perceptions of ethical behaviour in RSL/Ex-services clubs and amateur sports clubs also continue to be perceived positively (60% and above ethical score).



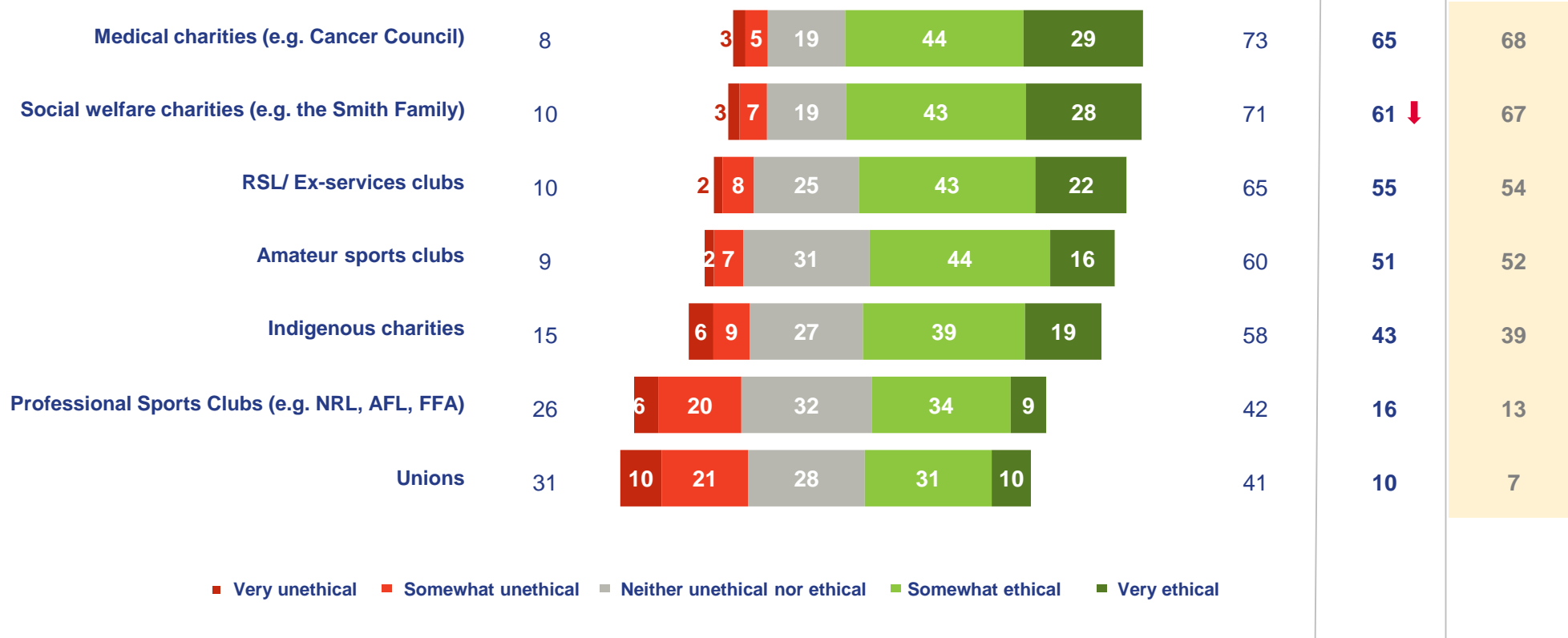
Organisations (%)

Unethical
(Net)

Ethical
(Net)

Net Score
2019

Net Score
2018





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

(Ethics Index: 42)

Ambulance and fire services are rated as the most ethical occupations within the public sector (above 80% ethical score). In contrast, state and federal politicians continue to be seen as unethical by one in two Australians, the lowest among the occupations. The net ethics score of federal politicians and local council public servants have improved compared to 2018.



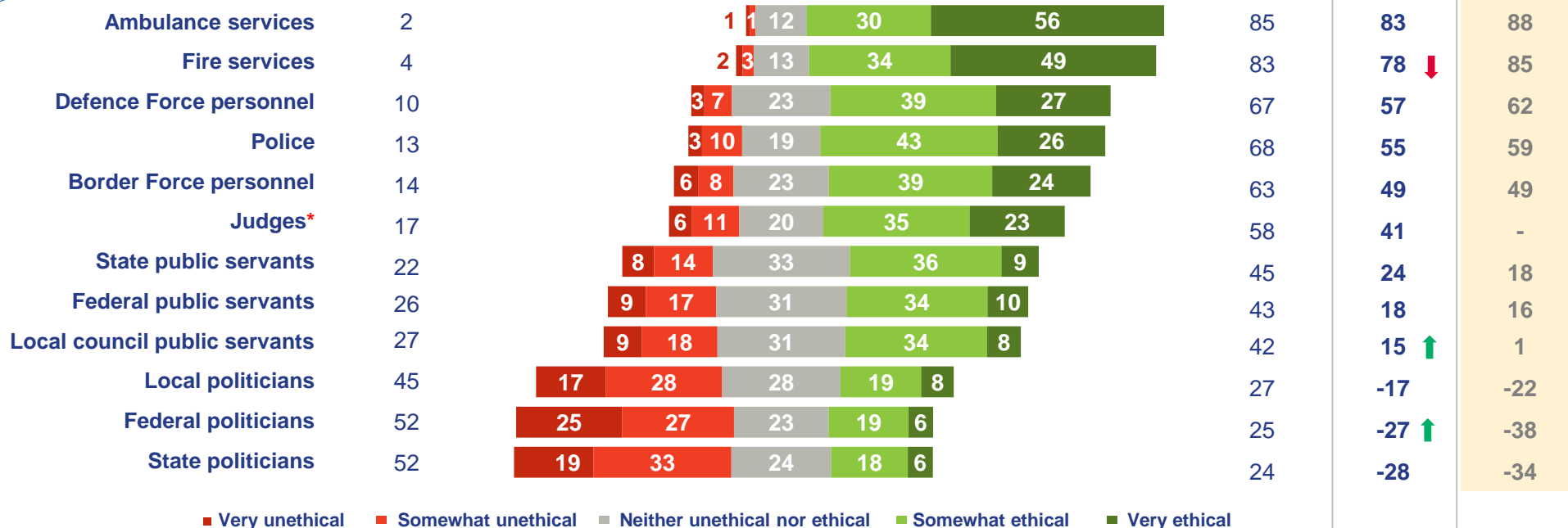
Occupations (%)

Unethical
(Net)

Ethical
(Net)

Net Score
2019

Net Score
2018



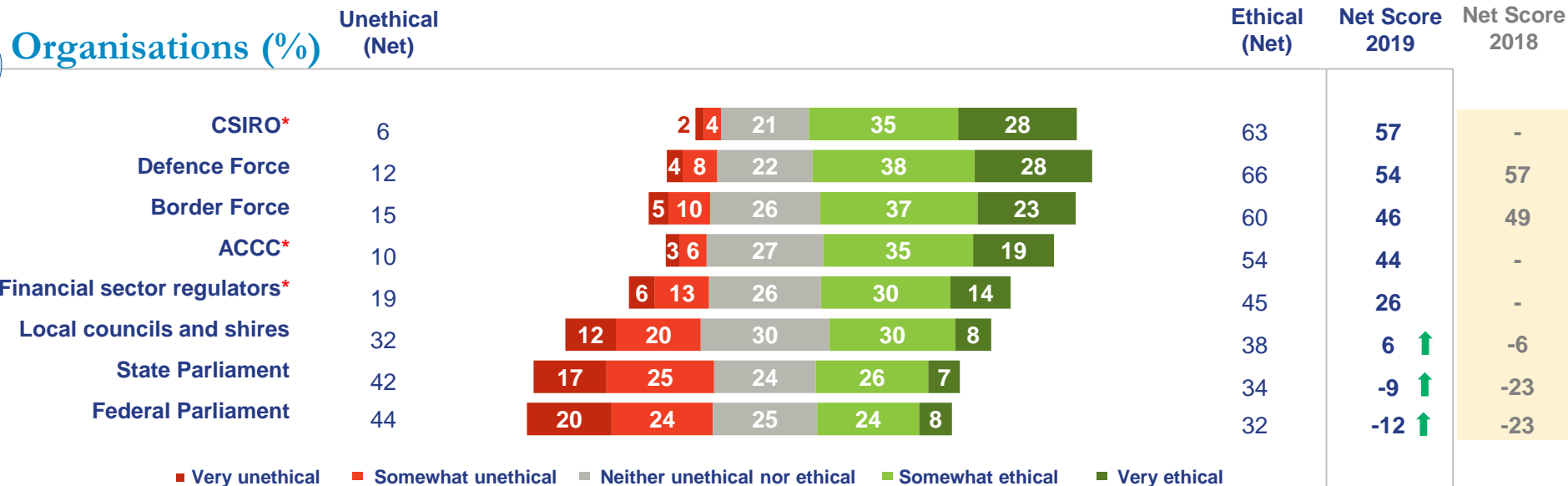
*Judges added in 2019.



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

(Ethics Index: 42)

CSIRO, defence and border forces are rated as the most ethical organisations within the public sector (60% or above ethical score). The net ethics score of local councils and shires, federal and state parliaments have improved since 2018.



*Note new groups added in 2019



Member associations ethical behaviour

(Ethics Index: 42)

Choice, included for the first time in 2019, is seen as the most ethical organisation in the member associations sector. The Australian Medical Association, National Farmers Federation, Engineers Australia and Certified Practising Accountant Australia follow with ethical scores of 60% and above; albeit the Australian Medical Association saw a decrease in its net ethics score (from 62% to 54%). Other associations that saw an uplift in their net scores this year include HSU, Australian Hotels Association, Business Council of Australia, AWU, MWU and CFMMEU.



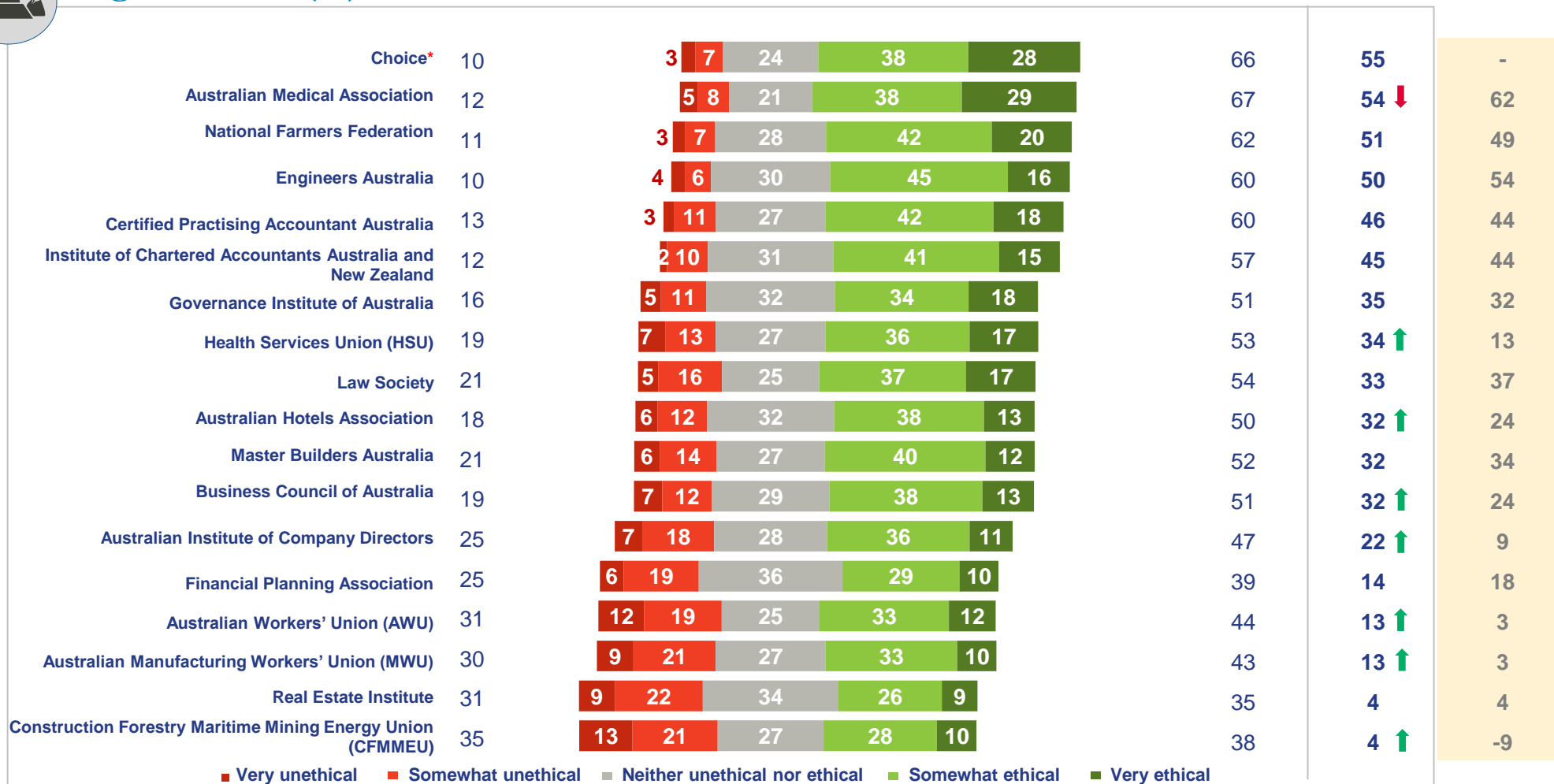
Organisations (%)

Unethical
(Net)

Ethical
(Net)

Net Score
2019

Net Score
2018

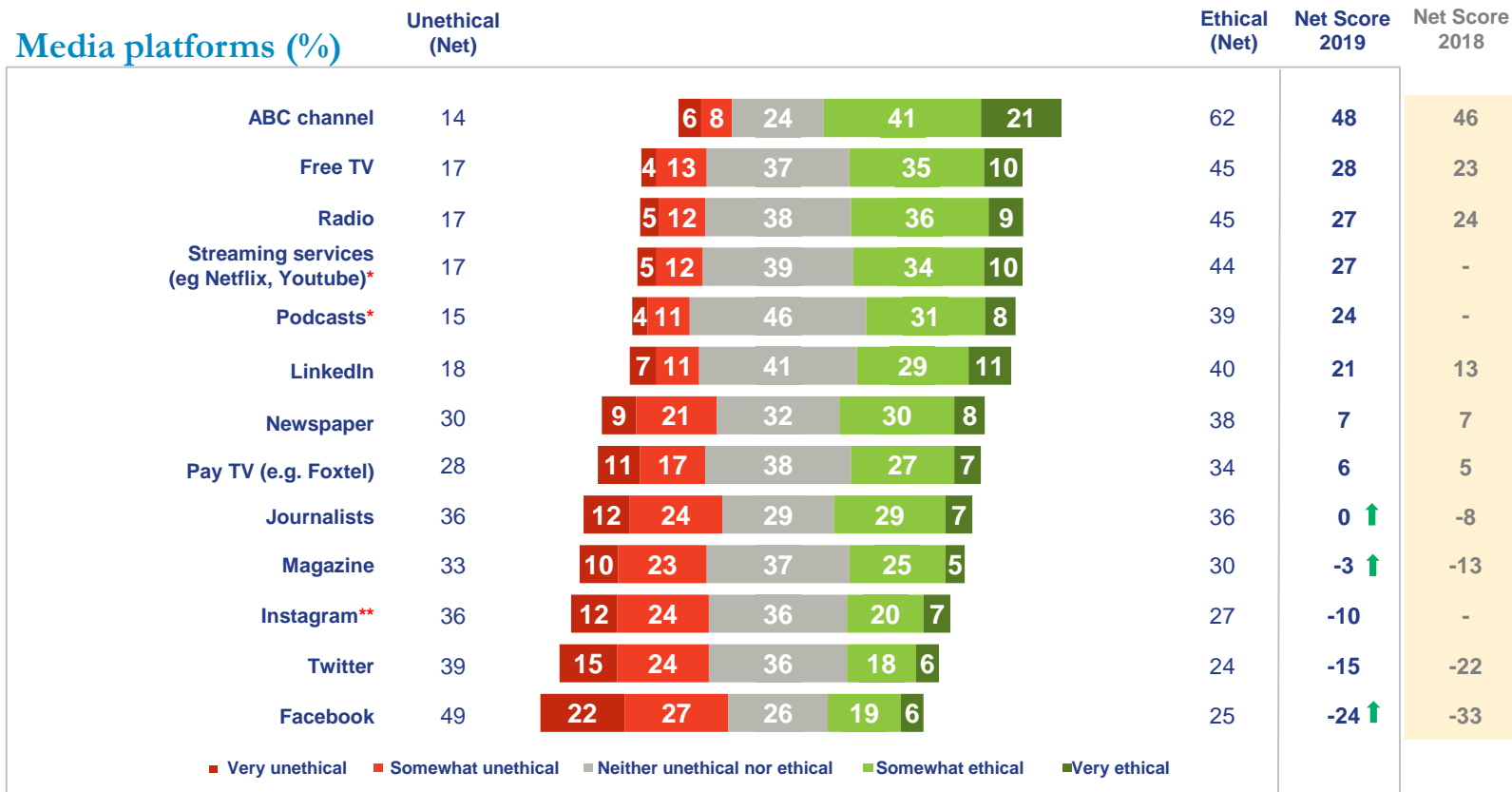




Media sector ethical behaviour

(Ethics Index: 7)

Australians continue to rate the ABC as the most ethical media platform (62% ethical score). Social media platforms, Facebook, Twitter and Instagram, have the lowest ethical scores within the sector (less than 30%). Perceptions of Facebook, magazines and journalists have improved compared to 2018.



*Note new groups added in 2019. **Changed from online media (blogs, websites)



QE12: 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 Oct 2019 (n=1000) (excludes No Opinion and DK for each statement)



Aged care sector ethical behaviour

(Ethics Index: 4)

Within the aged care sector, workers have the highest ethical score of 54%. Aged-care organisations are polarising with 36% rating them as ethical versus 38% as unethical. 42% of Australians perceive aged-care Directors/Executive management to be unethical.



Occupations (%)

Unethical
(Net)

Ethical
(Net)

Net Score
2019

Occupations (%)	Unethical (Net)						Ethical (Net)	Net Score 2019
Aged-care workers	22	6	16	24	39	15	54	32
Aged-care organisations	38	15	24	25	27	10	36	-2
Aged-care Directors/ Executive management	42	17	25	27	23	8	31	-11

■ Very unethical
 ■ Somewhat unethical
 ■ Neither unethical nor ethical
 ■ Somewhat ethical
 ■ Very ethical

**Aged-care sector added in 2019.*



Corporate sector ethical behaviour

(Ethics Index: -1)

Occupations in the corporate sector scored fairly neutral. Consistent with results in 2018, company secretaries scored the highest in ethical behaviour and directors of foreign companies scored the lowest. Between 30-38% of Australians scored these occupations as neither unethical nor ethical. Directors of foreign companies continue to have the worst unethical score (45%), aligning with the poor result seen for the companies they work for (43% unethical score).



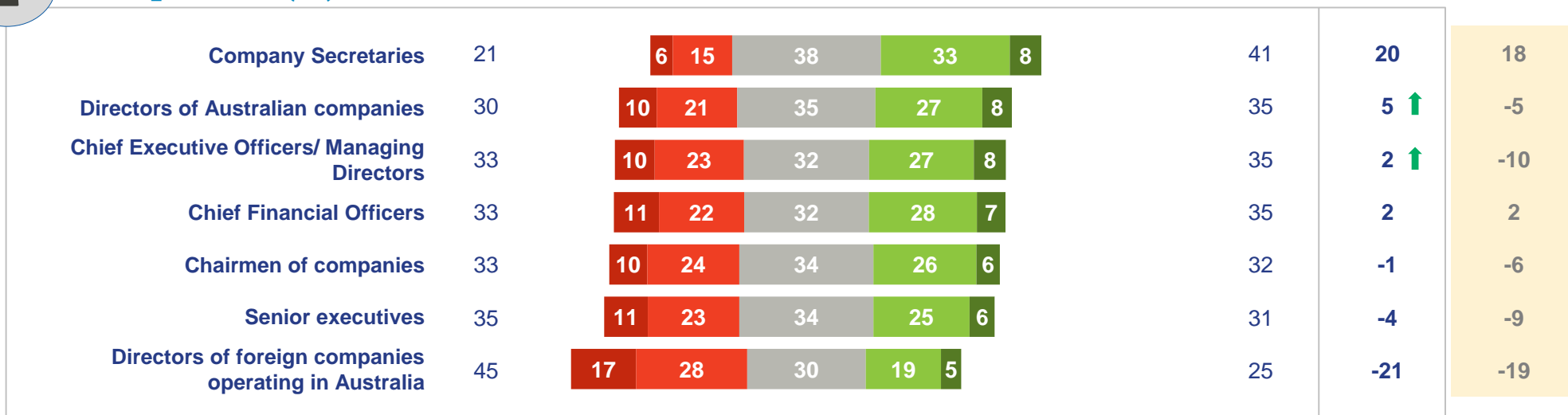
Occupations (%)

Unethical
(Net)

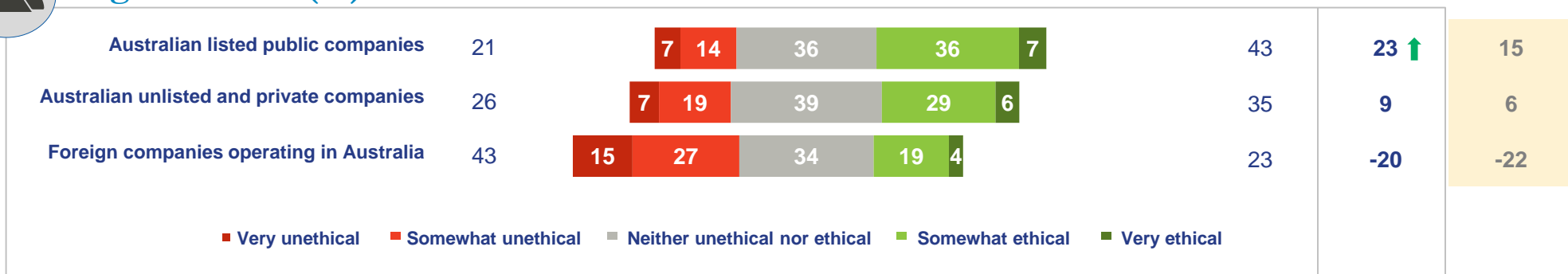
Ethical
(Net)

Net Score
2019

Net Score
2018



Organisations (%)





Business sector ethical behaviour

Within key business sectors, real estate agents continue to have the lowest ethical score (25%), and the highest unethical score (46%). Lawyers are perceived as slightly more ethical (36%). By industry, there continues to be high regard for farmers and agricultural businesses who are perceived as the most ethical (63%). In second place are cafes and restaurants (60% ethical score). Telecommunication companies continue to be seen as the least ethical among the industries (37% unethical score).



Occupations (%)

Unethical
(Net)

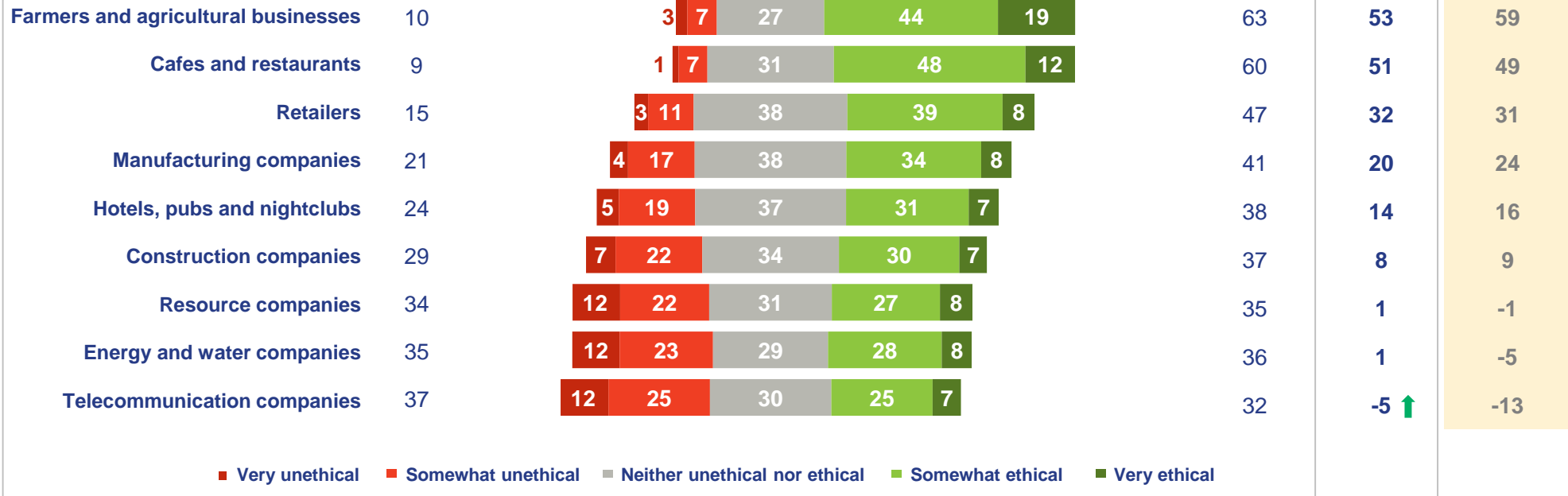
Ethical
(Net)

Net Score
2019

Net Score
2018



Sectors (%)





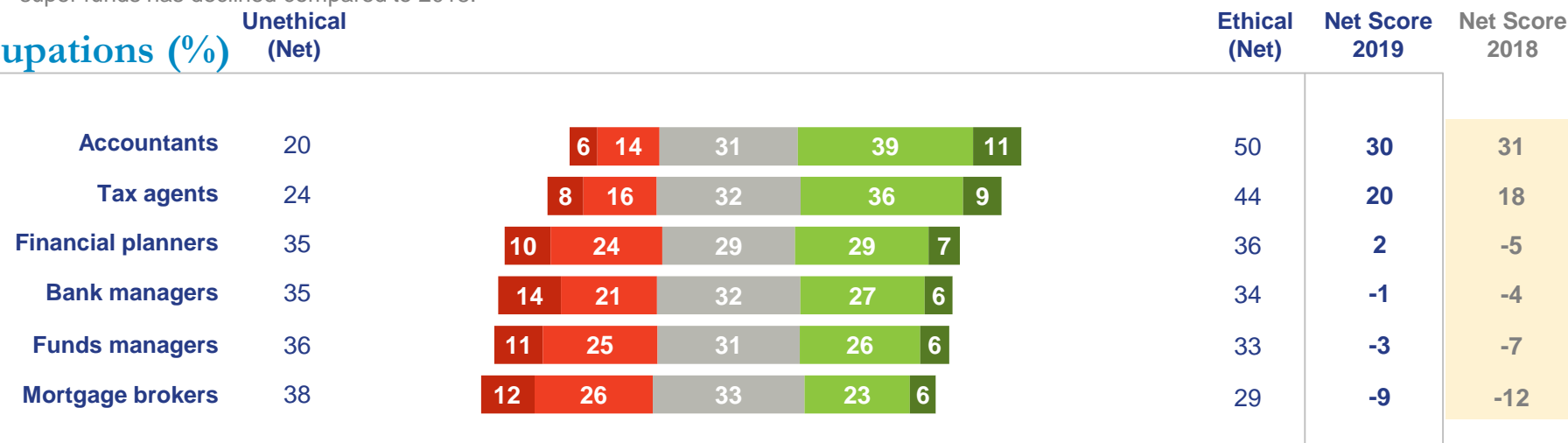
Banking, finance and insurance sector ethical behaviour

(Ethics Index: -11)

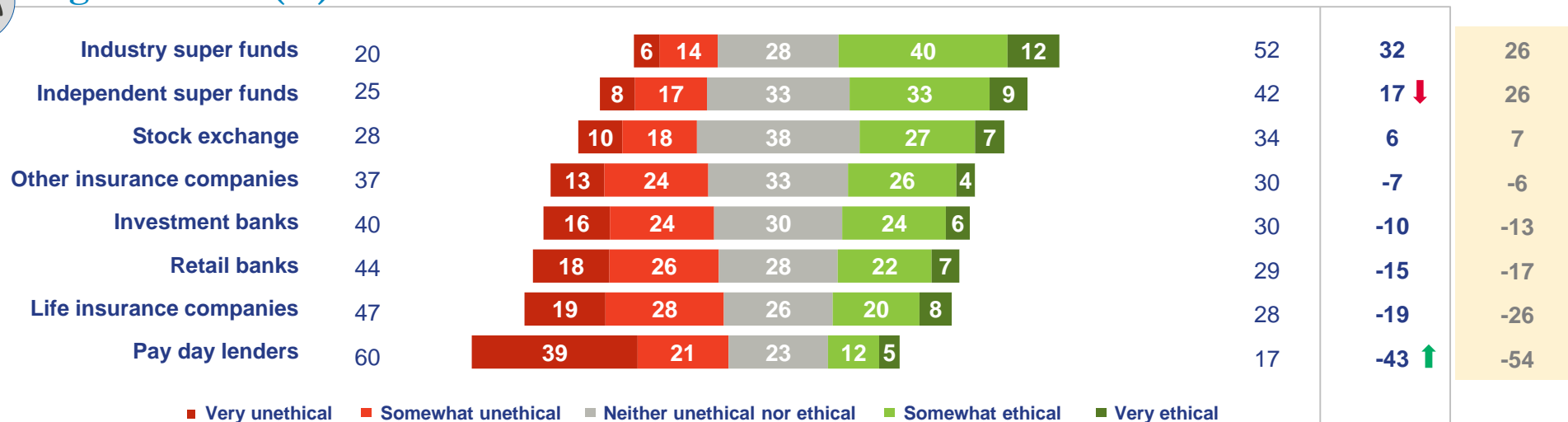
The banking, finance and insurance sector continues to have the lowest Ethics Index score of all sectors. Within the sector, accountants scored the highest in ethical behaviour (50% ethical score). Industry super funds remains as the most ethical among organisations in the sector. Pay-day lenders have improved their net score ratings compared to 2018, albeit still seen as unethical by 60% of Australians; while the net score rating for independent super funds has declined compared to 2018.



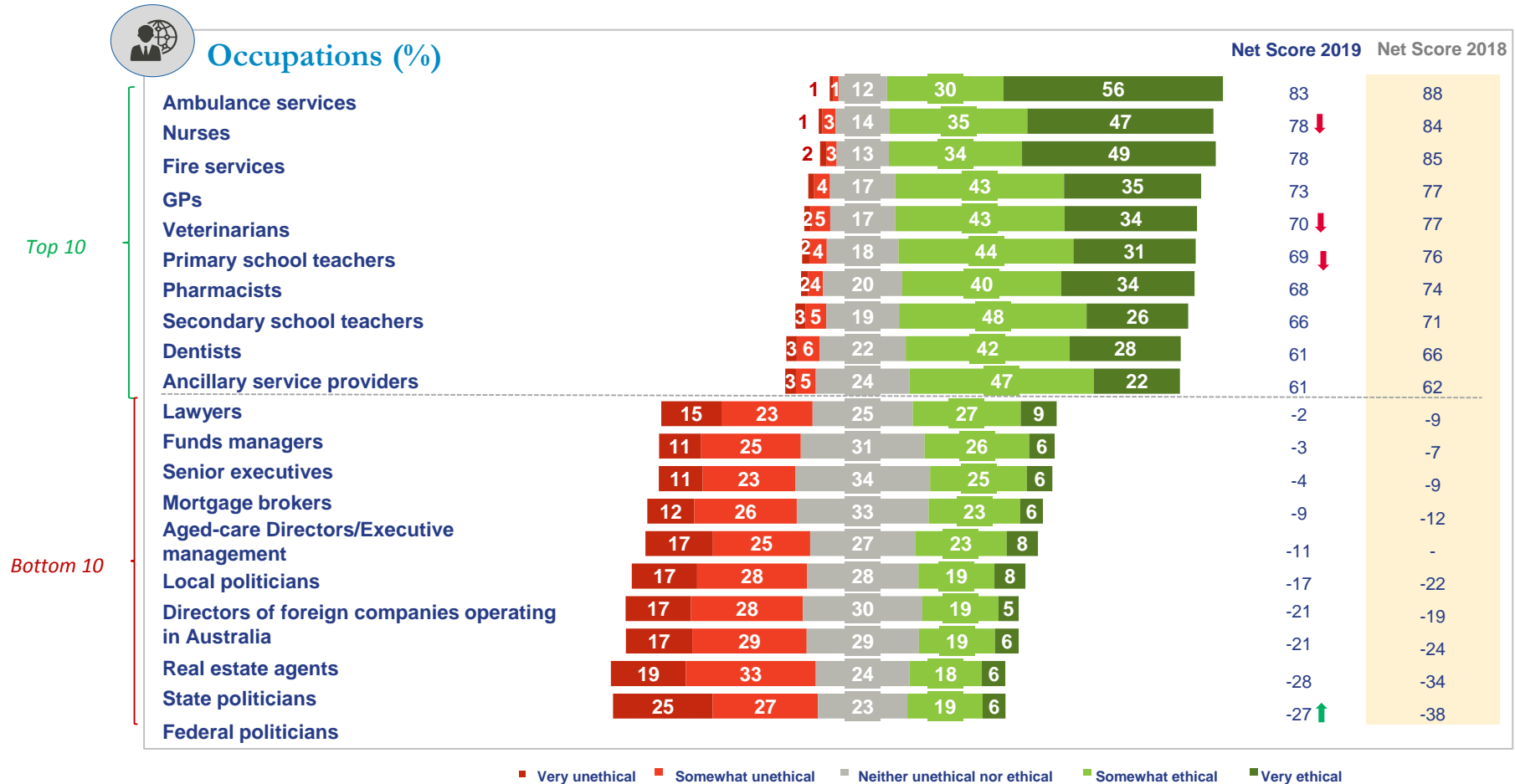
Occupations (%)



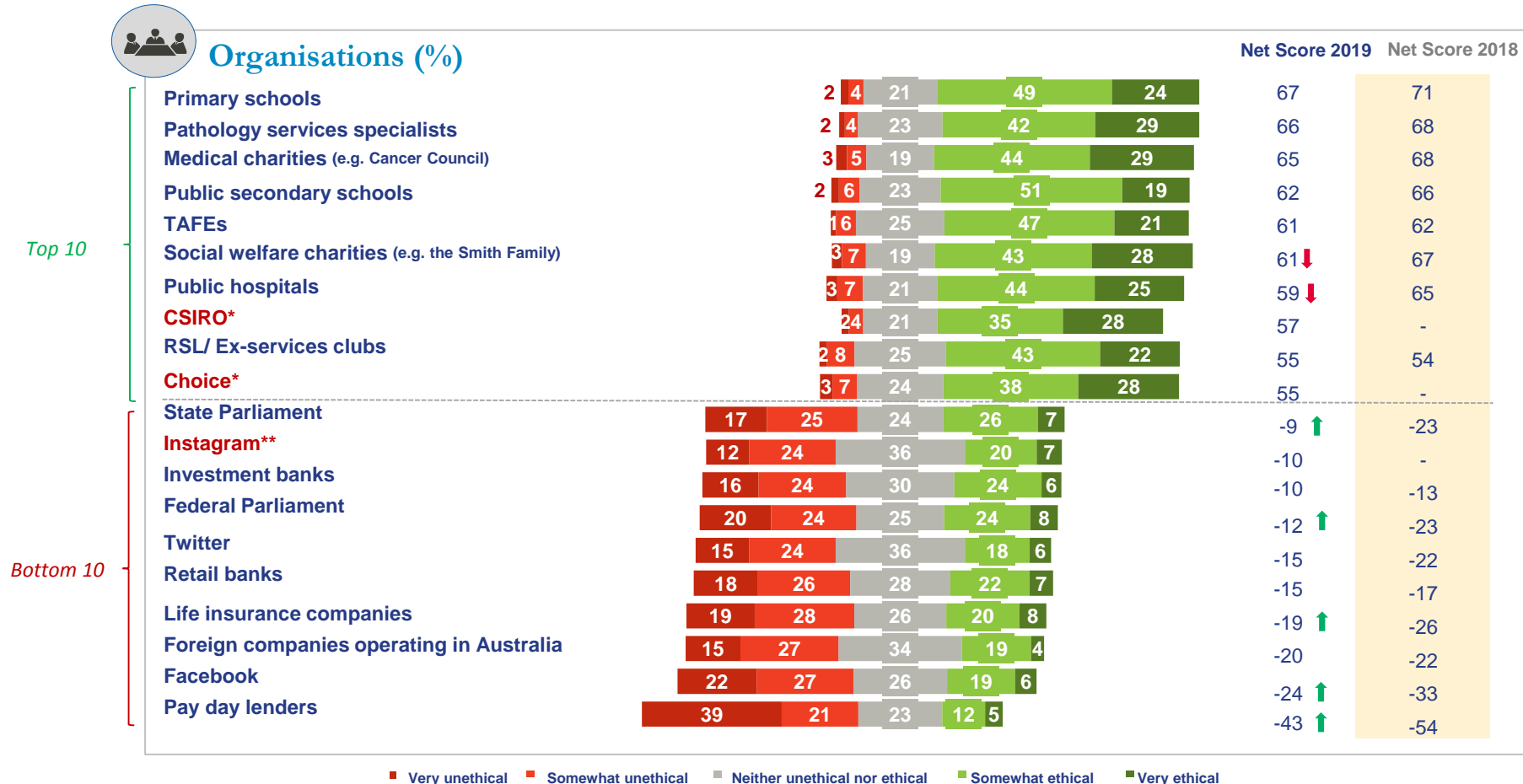
Organisations (%)



Occupations — ethical behaviour



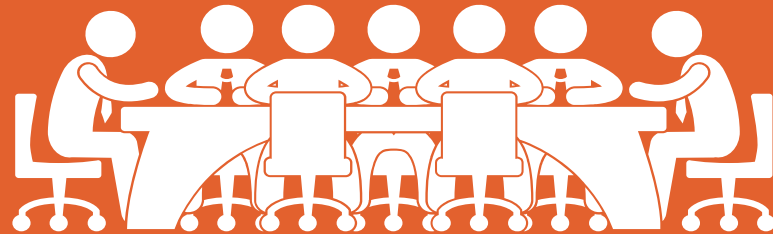
Organisations — ethical behaviour



*Note new groups added in 2019. **Changed from online media (blogs, websites)



Issues and influences



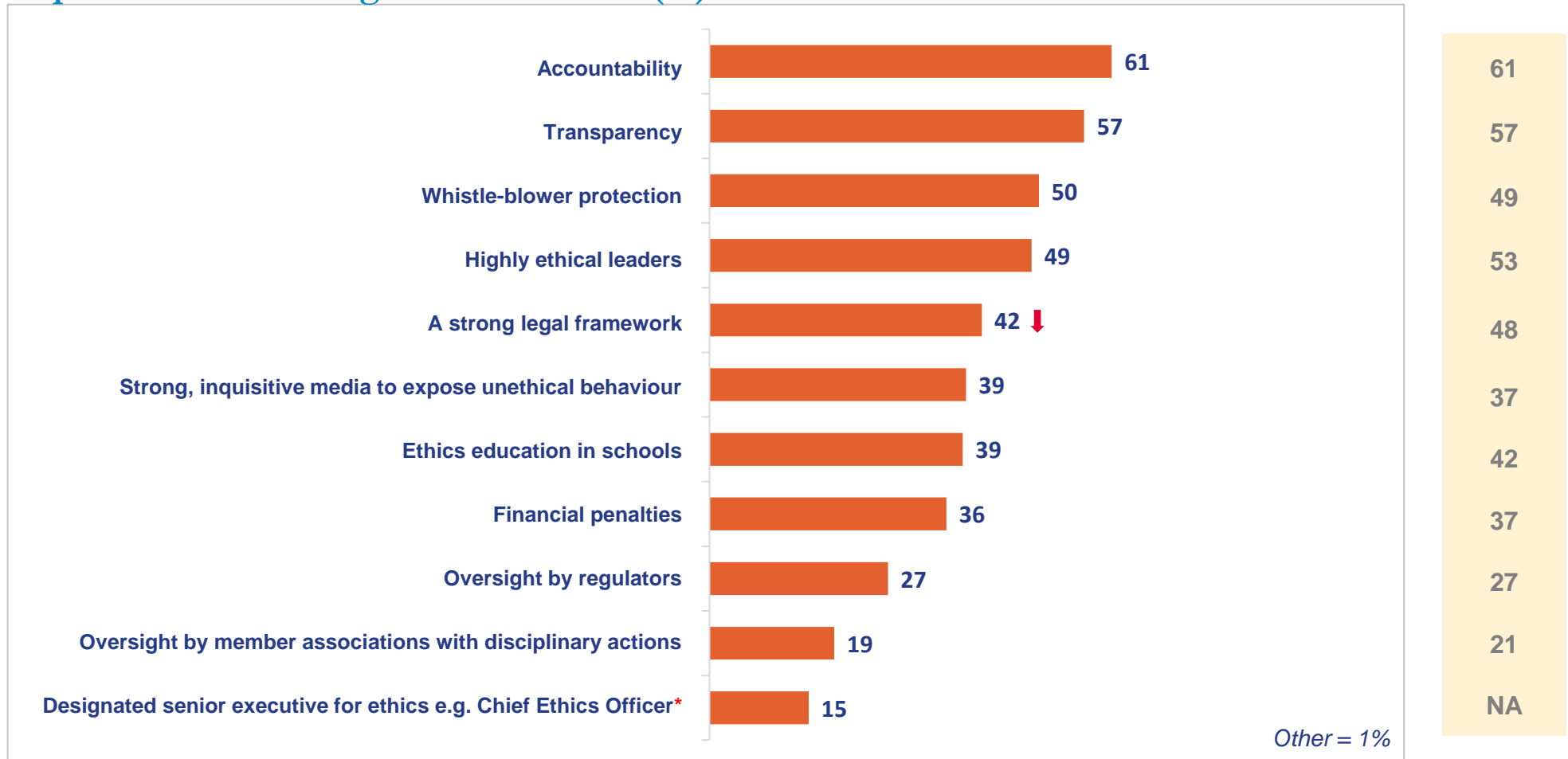
Unweighted scores/results



Ethical conduct in society

Accountability (61%) continues to be the top element of importance to ensure ethical conduct in society, with no change compared to 2018. This is followed by transparency (57%), whistle-blower protection (50%), and highly ethical leaders (49%).

Top elements ensuring ethical conduct (%)



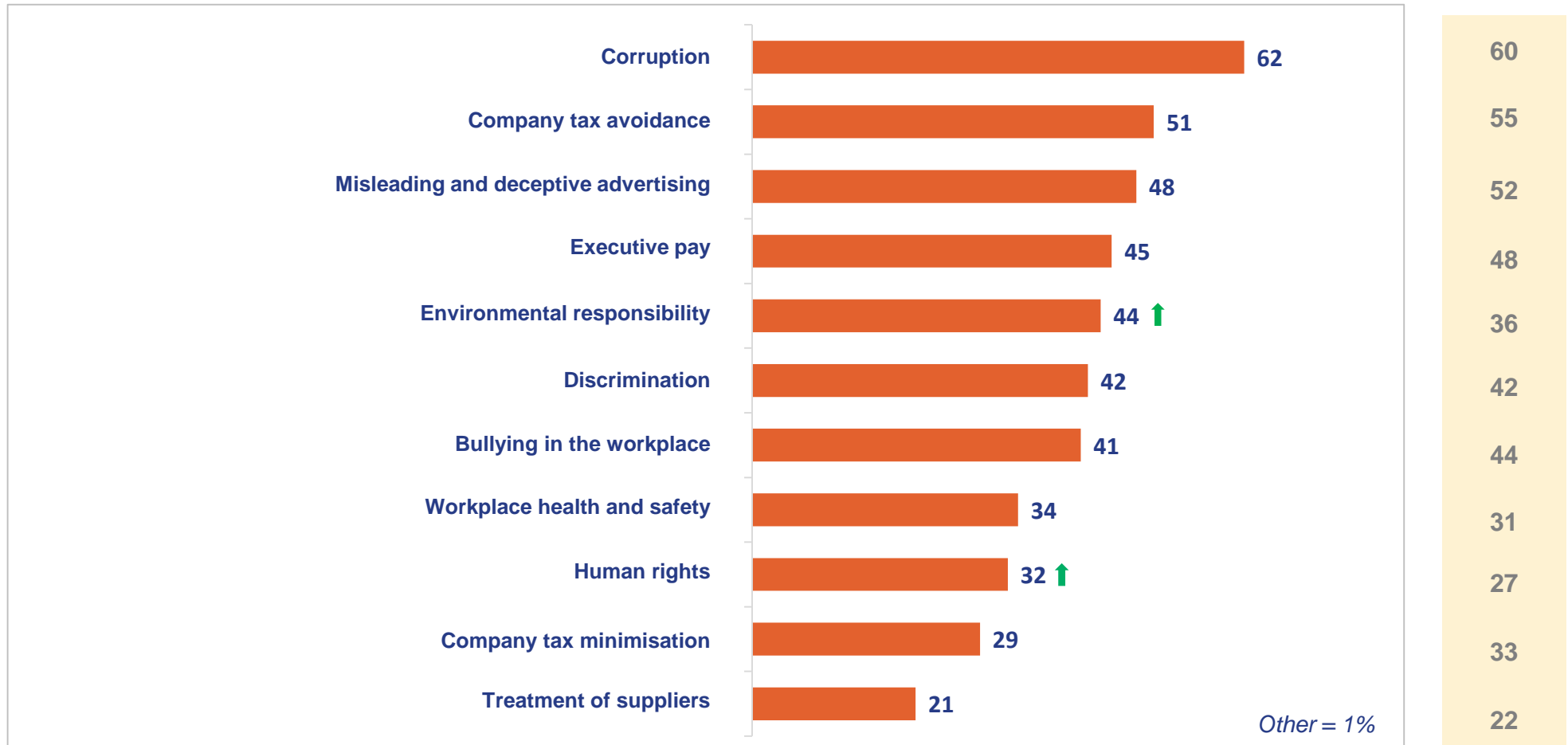
*Note new statement added in 2019



Ethical issues in business

The top issues relating to unethical behaviour in business continue to follow the same order. Corruption remains in the top position (62%), followed by company tax avoidance (51%), misleading and deceptive advertising (48%), executive pay (45%), and bullying in the workplace (41%). Environmental responsibility and human rights are mentioned more often in 2019 (from 36% to 44% and 27% to 32% respectively).

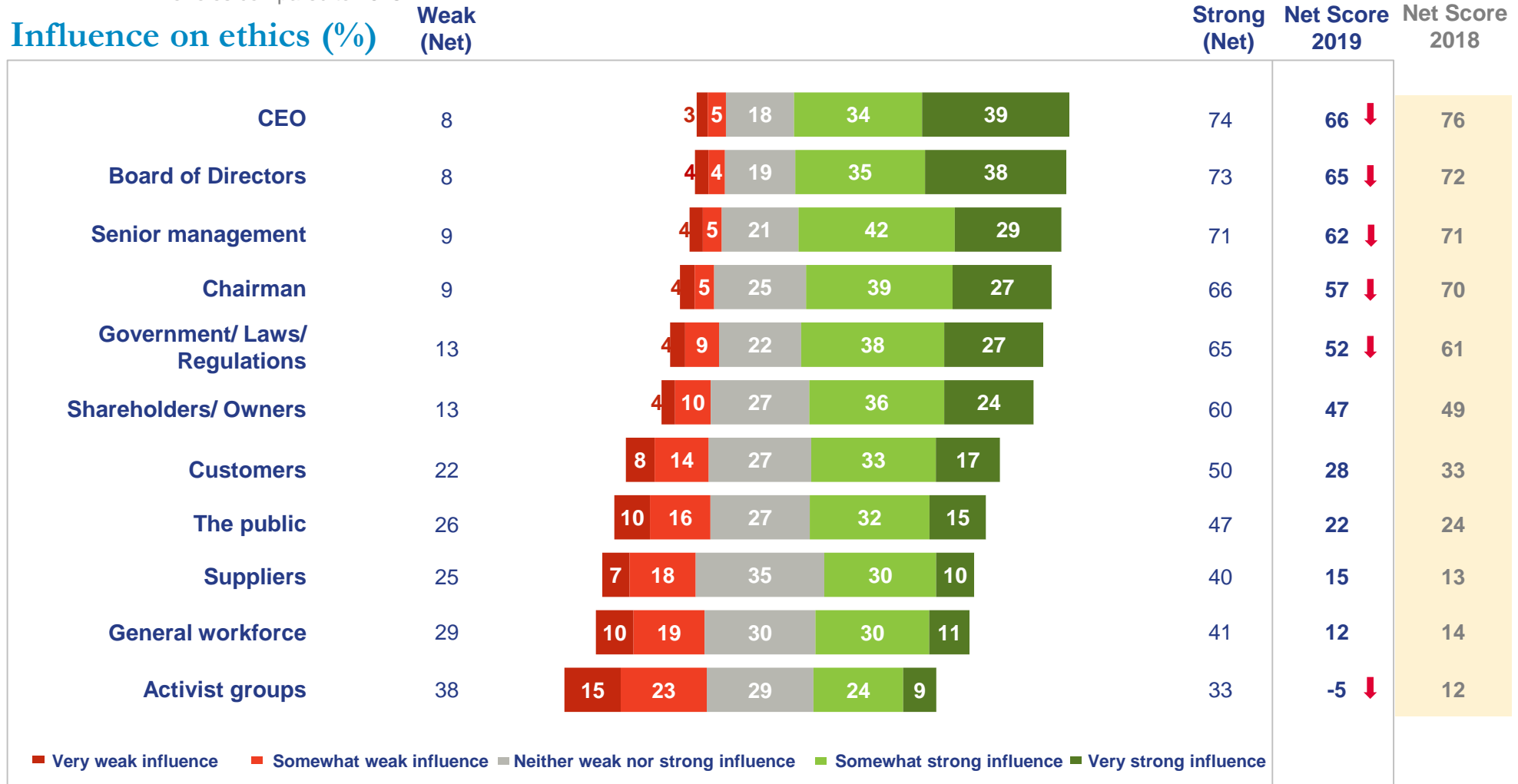
Top issues relating to unethical behaviour (%)





Influence of roles on organisational ethics

Those who work within organisations at the most senior level continue to be seen as having the most influence on the overall ethical practices and outcomes, with the CEO, board of directors, and senior management unsurprisingly seen as the most influential (70%+ 'Strong influence'). With regard to external influence, government/ laws/ regulations remain most influential (65% 'Strong influence'). Net scores have decreased for the top five roles compared to 2018.

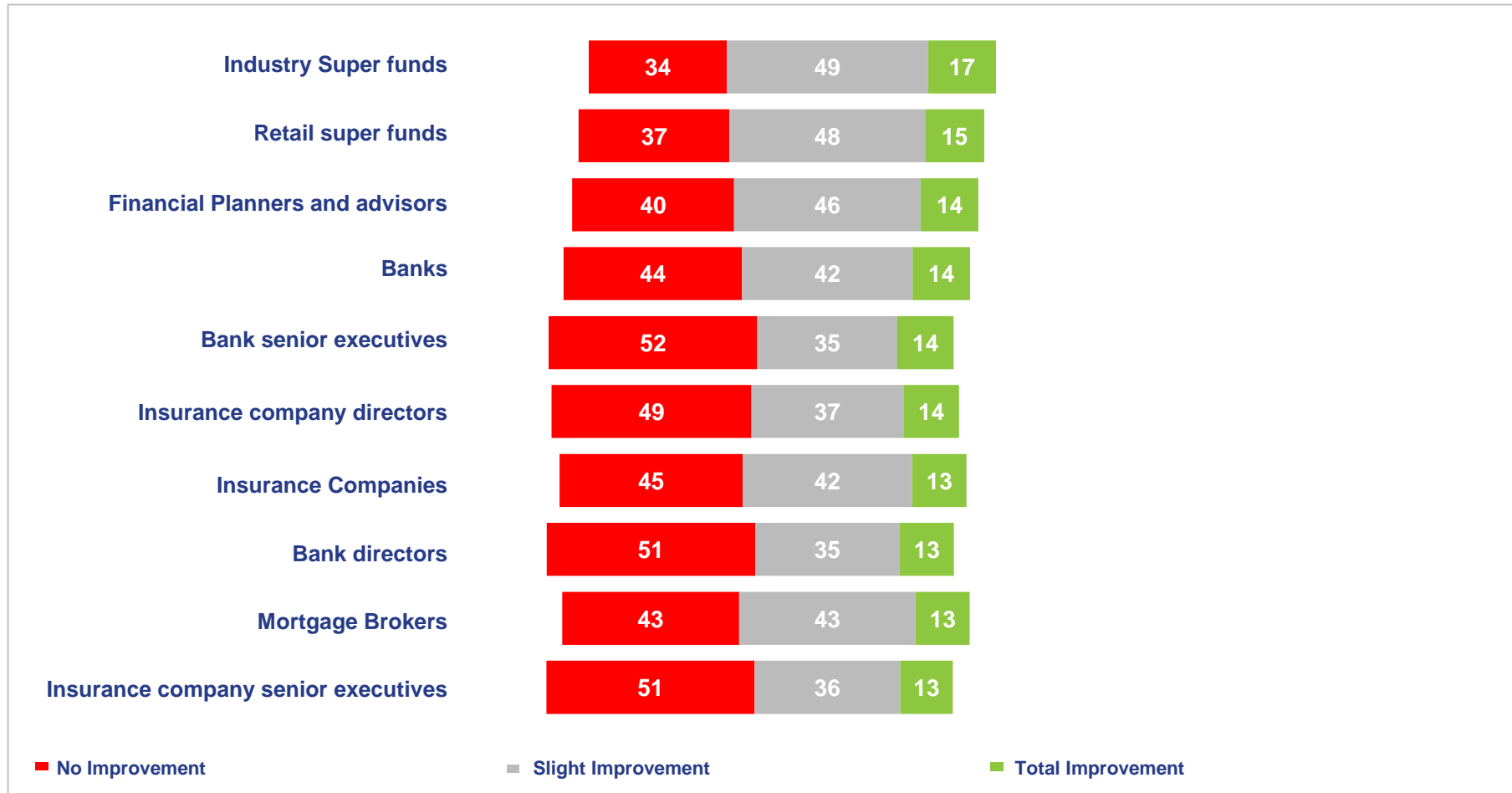




Topical Questions

Less than one in five Australians expect 'total improvement' in ethical behaviour by boards and executives across various financial services institutions to actually occur.

Expected improvement in ethical behaviour (%)





Issues and influences in banking and finance sector

The top ethically important issue within the banking and finance sector continues to be executive salaries (51%). Bribery and corruption issues remain in second place (50%), while insufficient regulation ranks third (49%) in ethical importance. This is followed by executive bonuses (48%), lack of government action (48%) and treatment of customers (47%). Lack of government action is mentioned more often in 2019 (from 42% to 48%).

Top issues and influences relating to unethical behaviour in banking and finance sector (%)





Topical questions

For Australians, the more the CEO is paid, the more unethical they think it is. The majority of Australians (74%) perceive that it is unethical if the CEO of a company with up to 5,000 employees is paid \$3 million per annum (i.e. 35x the average Australian's yearly income); a similar situation is seen for the CEO of company with up to 15,000 employees (72% of Australians perceiving it to be unethical).



Ethicality of CEO pay levels (%), companies up to 5,000 employees

Unethical
(Net)

Ethical
(Net)

Net
Score

\$300,000 per annum

37

21

17

28

23

12

35

-2

\$600,000 per annum

58

34

24

22

15

6

20

-37

\$3 million per annum

74

58

17

15

7

4

11

-63

Very unethical

Somewhat unethical

Neither unethical nor ethical

Somewhat ethical

Very ethical

Companies up to 15,000 employees

\$300,000 per annum

38

20

18

28

22

13

34

-4

\$600,000 per annum

54

33

21

22

15

8

23

-31

\$3 million per annum

72

53

19

14

9

5

14

-58

Very unethical

Somewhat unethical

Neither unethical nor ethical

Somewhat ethical

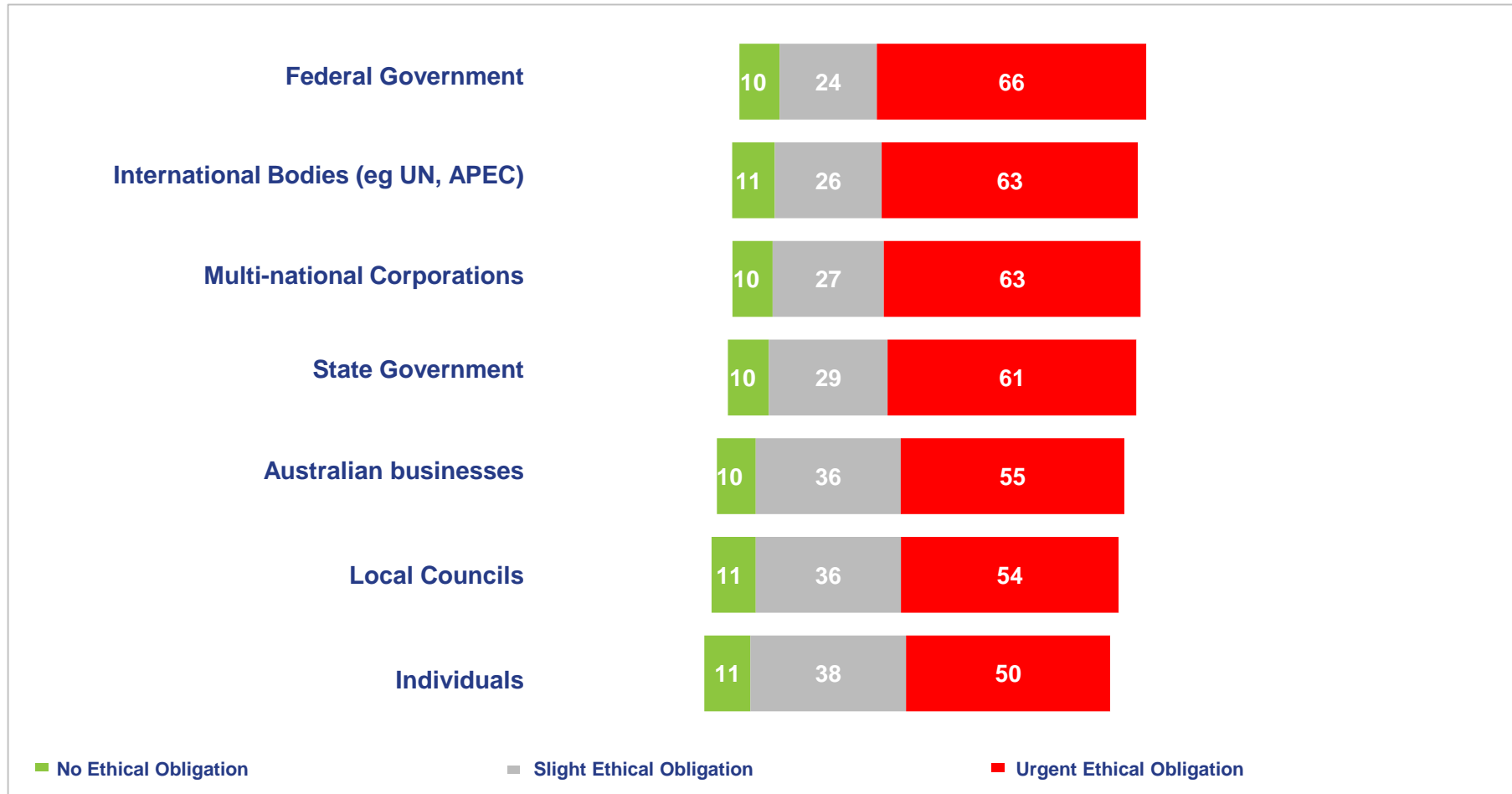
Very ethical



Topical Questions

The majority of Australians (60%+) believe that the federal and state governments, international bodies and multi-national corporations have an urgent ethical obligation to take action on climate change. At least one in two Australians believe that individuals, local councils and Australian businesses also have an urgent ethical obligation to take on climate change.

Ethical obligation to take on climate change(%)

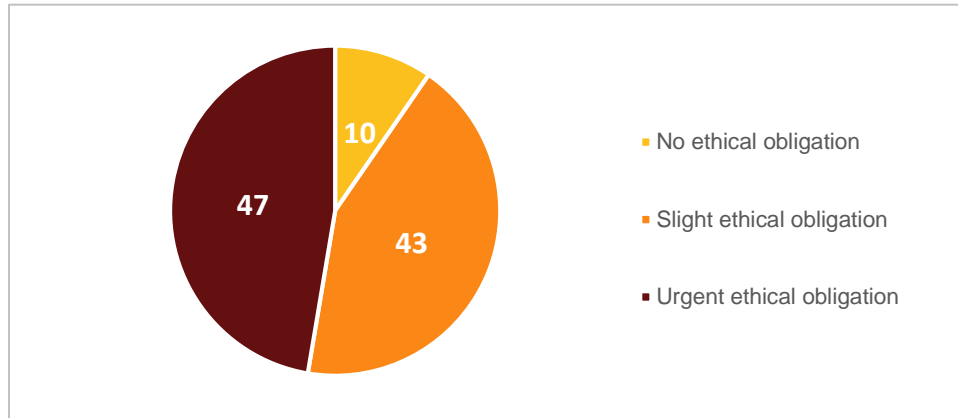




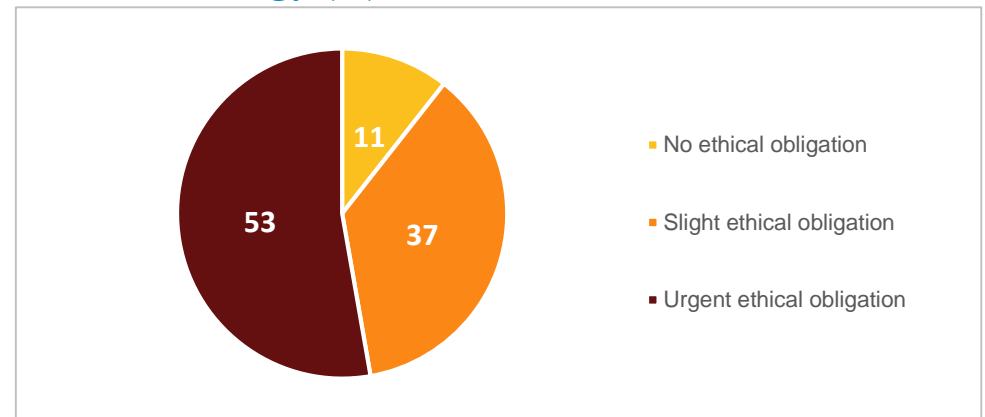
Topical questions

Nine in ten Australians purport there is at least some obligation for organisations to take action on climate change, even if it impacts on profits and job losses. A similar proportion (90%) also believe there is an obligation for Australia to fully transition to renewable energy.

Ethical obligation for Organisations to take action on climate change (%)



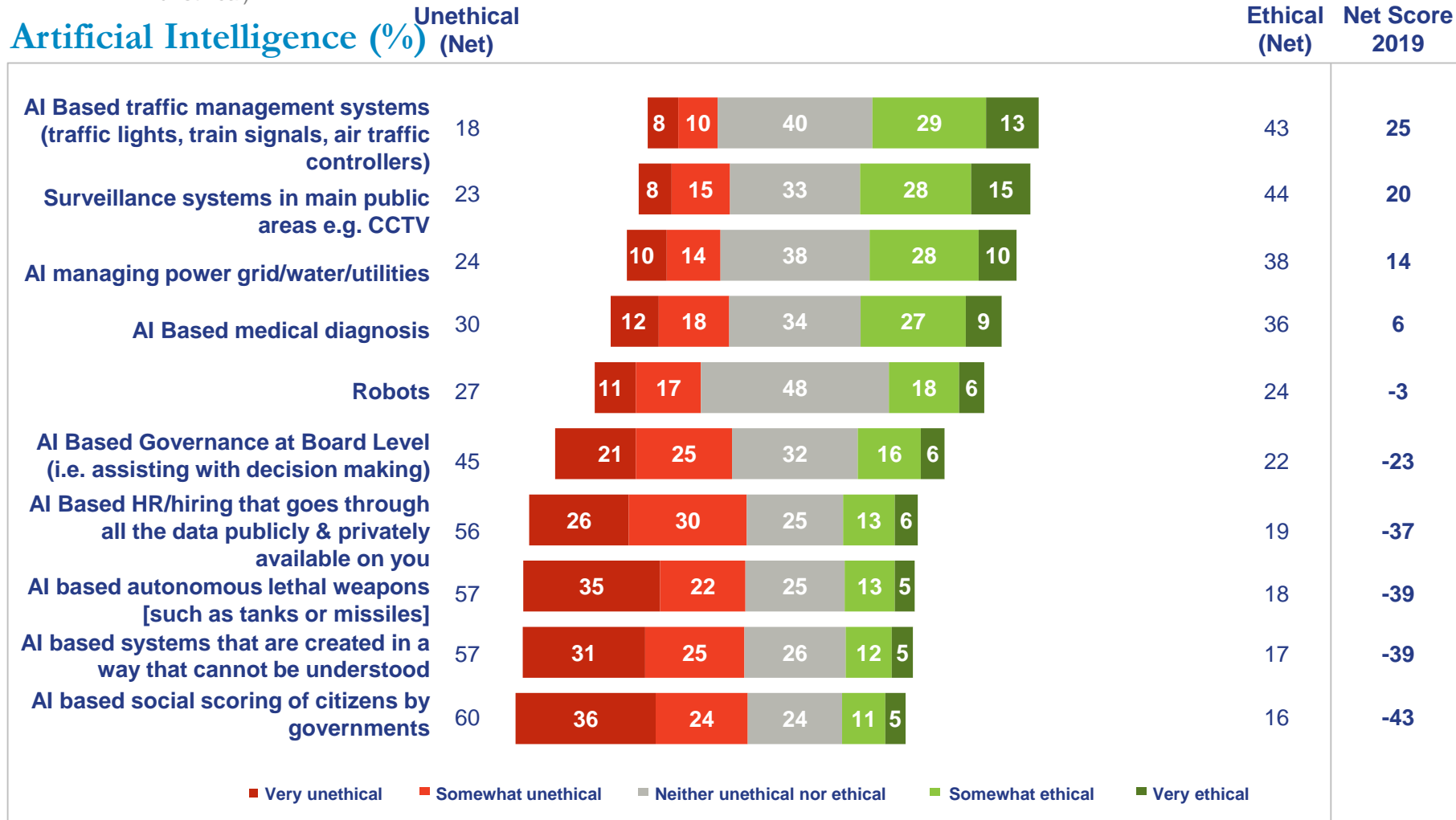
Ethical obligation for Australia to fully transition to renewable energy (%)





Topical Questions

AI based traffic management and public surveillance are seen as the most ethical uses of AI systems (40%+ ethical), while AI based social scoring of citizens are seen as the least ethical (60% unethical). Other issues seen as unethical by the majority of Australians include AI based hiring using private and public data, AI based autonomous lethal weapons, and AI systems created in ways that cannot be understood (50%+ unethical).



Areas of ethical consideration



Unweighted scores/results



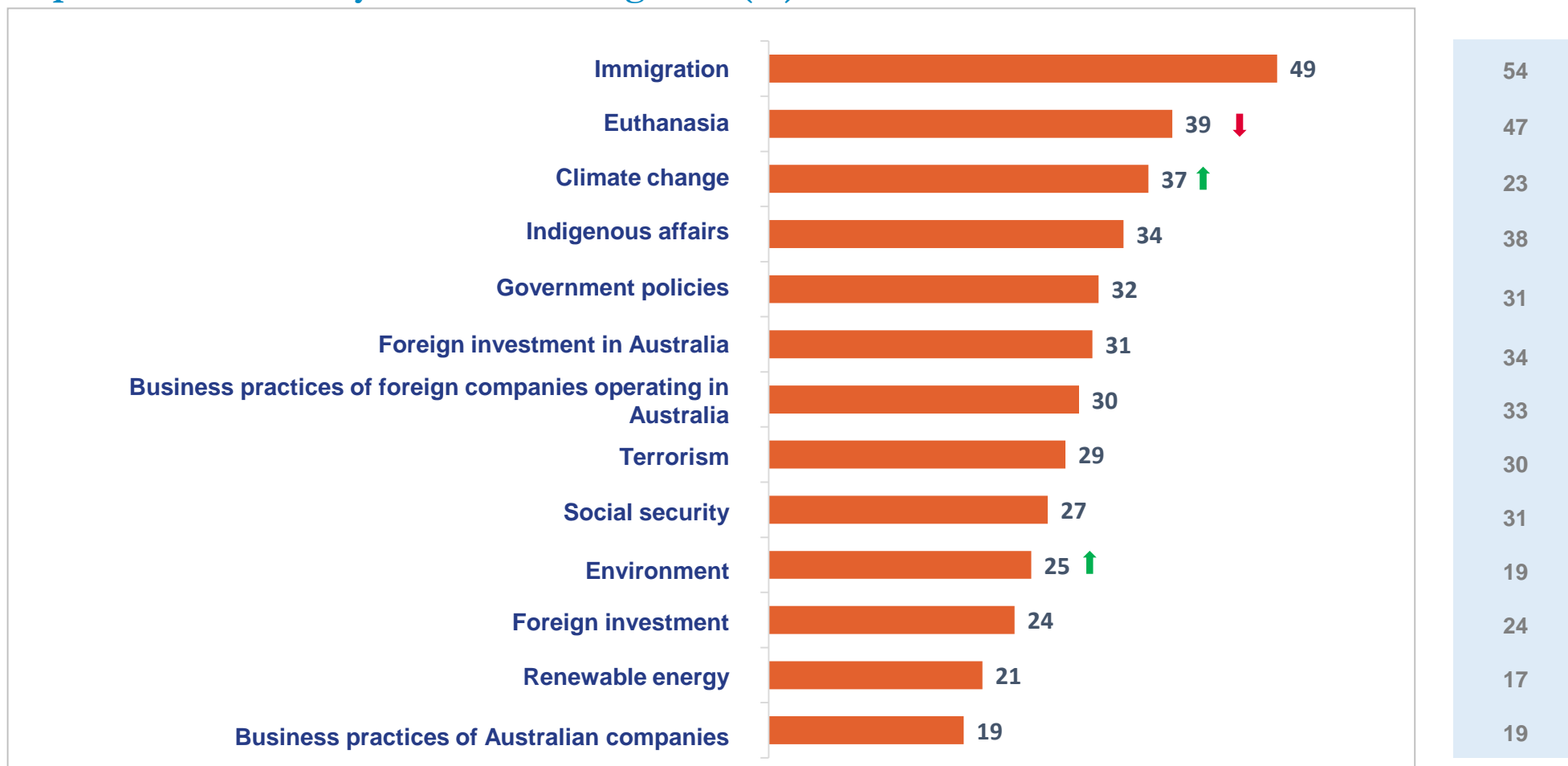
Navigating ethics in specific areas

Ipsos Connect

One in two Australians continue to feel that immigration is the most difficult area to navigate ethically (49%), followed by euthanasia (39%, down from 47% in 2018). In 2019, climate change has moved to third position (23% to 37%).

Top areas of difficulty for ethical navigation (%)

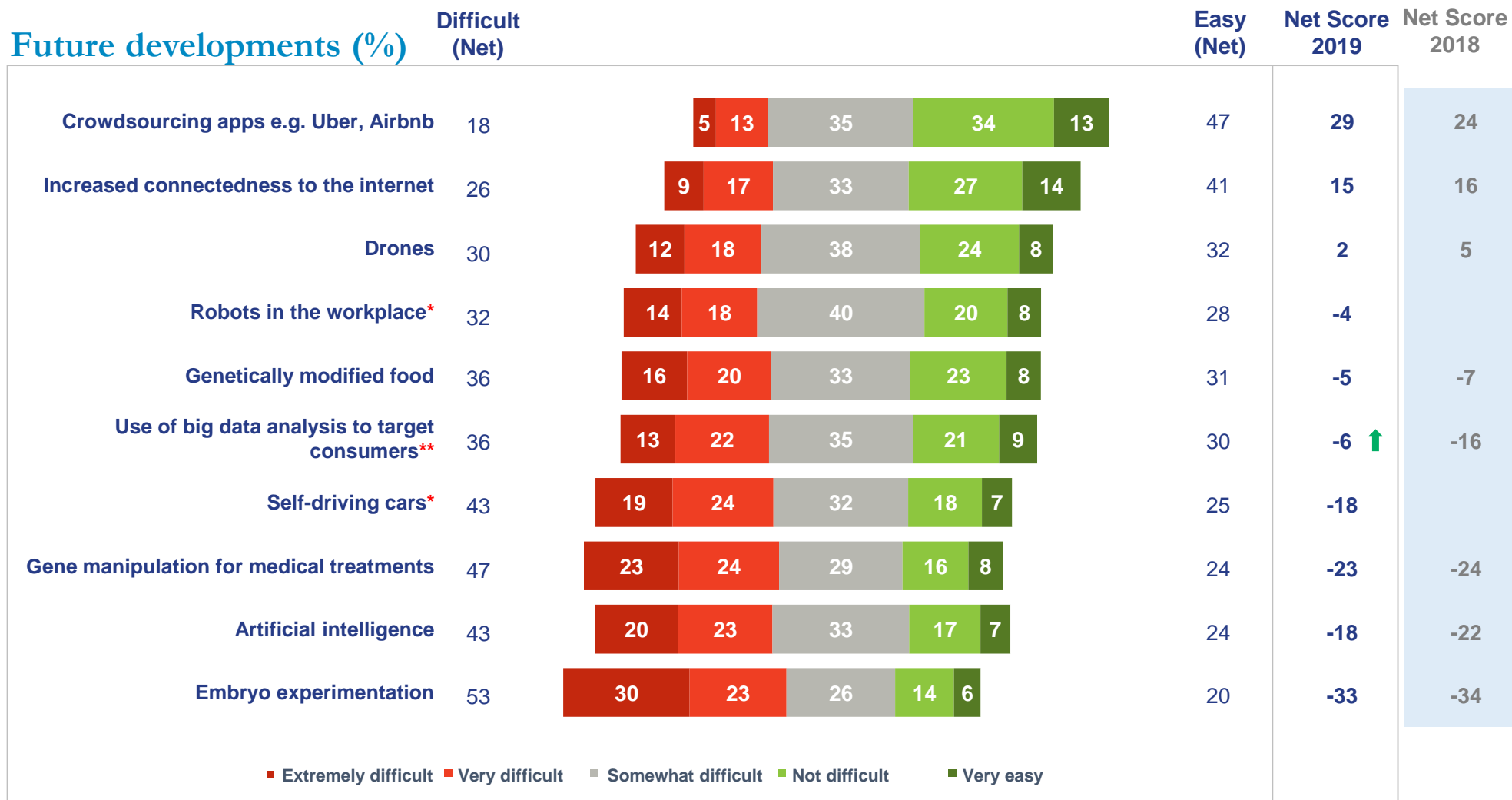
2018





Ethical difficulty of future developments

Australians continue to be most concerned ethically with future developments that involve humans interfering with nature's natural course, from embryo experimentation, to gene manipulation for medical treatments and artificial intelligence (40%+ for ethical difficulty). In addition, Australians are concerned with the ethics of self-driving cars (43% ethical difficulty). Fewer Australians in 2019 are concerned by the use of big data to target consumers. (-16 to -6).

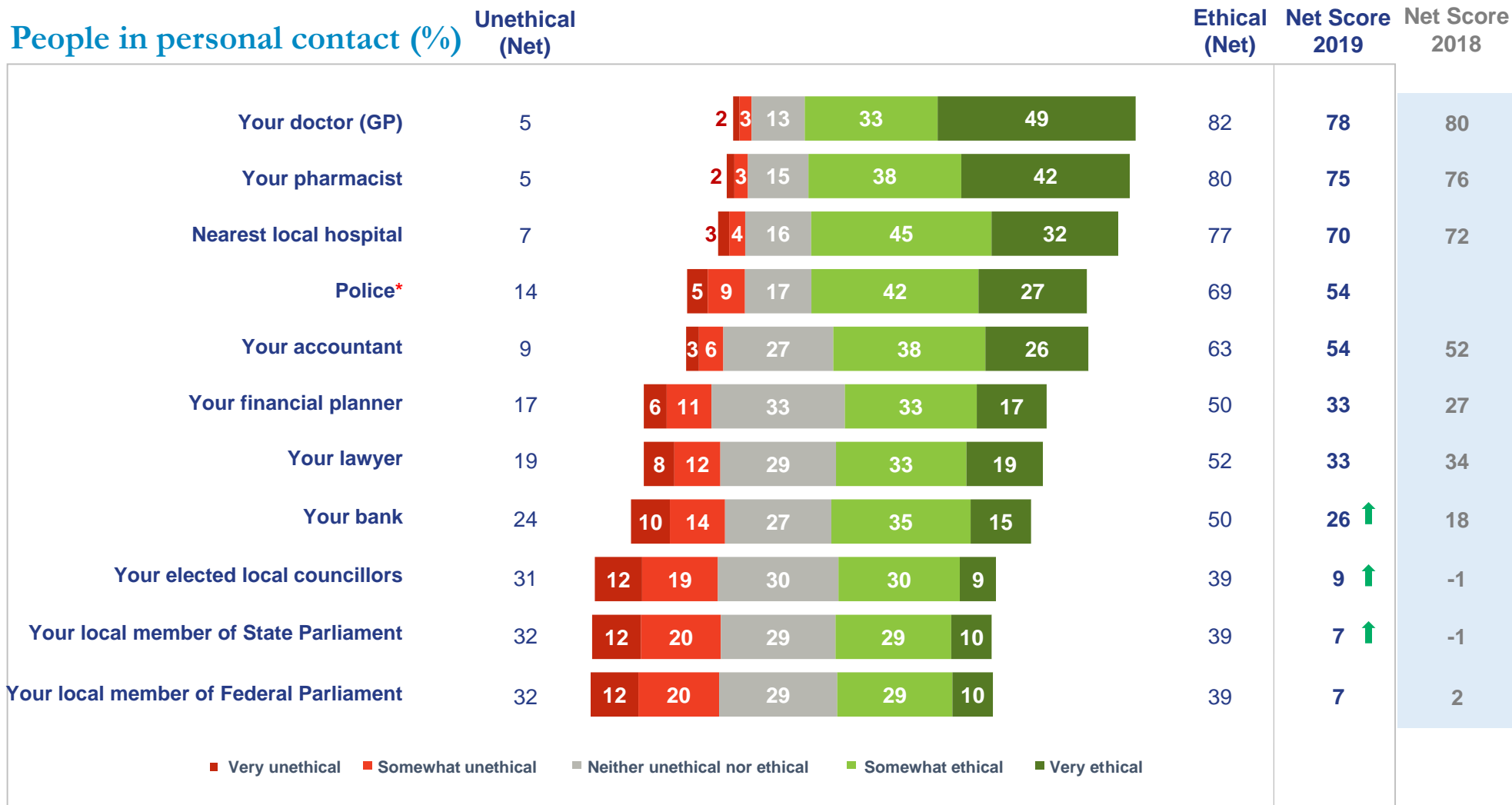


*Note new groups added in 2019. **Question wording slightly changed in 2019



Ethical behaviour of people in personal contact with

Overall, the ethical behaviour of people we are in personal contact with has remained mostly consistent with 2018, with the exception of banks, which has improved its net score. Healthcare professionals with whom Australians have had personal contact are perceived as most ethical (70%+ ethical score). The ethical net scores of local members of state parliament and elected local councillors have also improved in 2019.

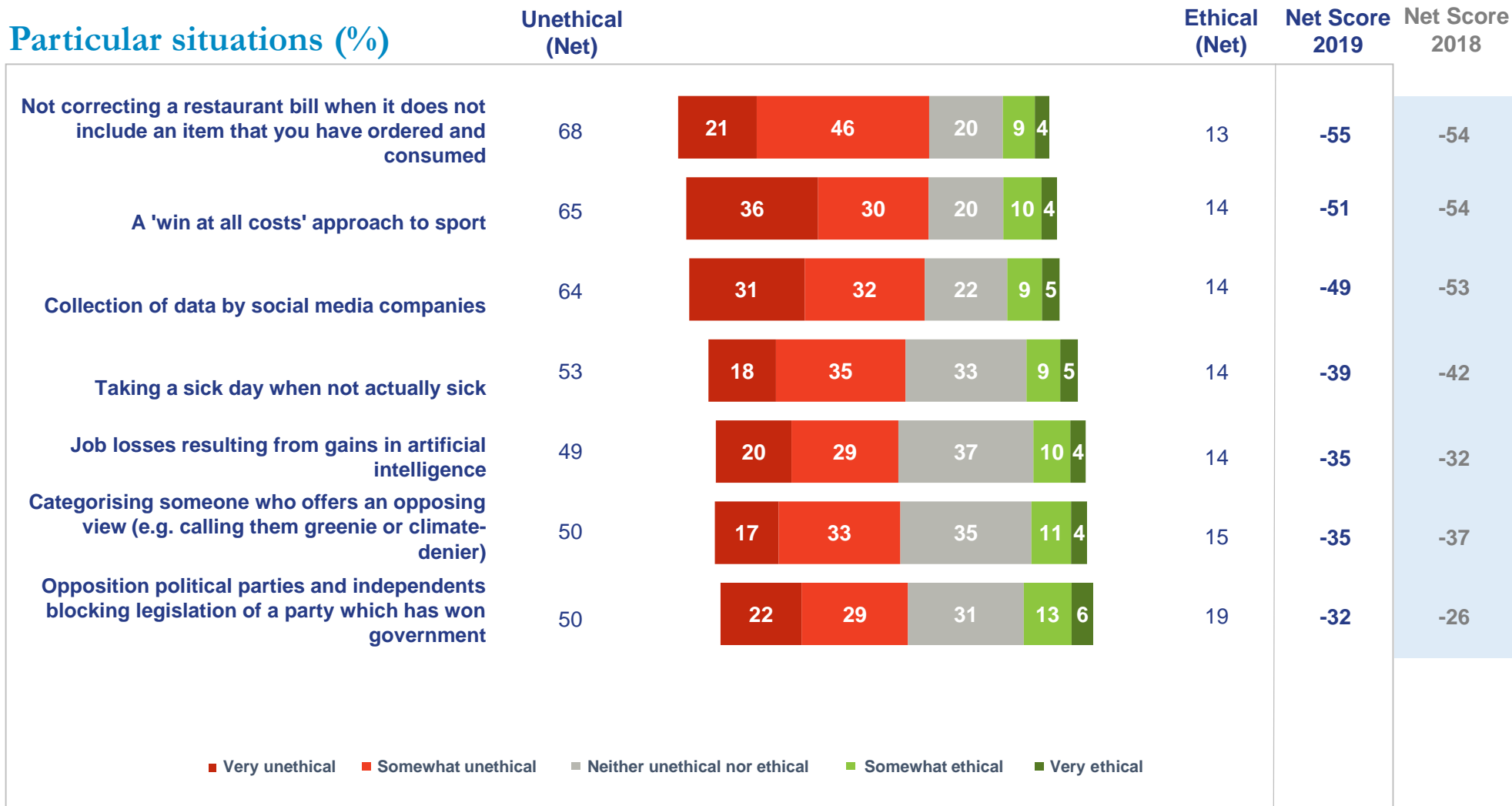


*Note Police was added in 2019



Ethical behaviour in particular situations

The majority of Australians rate each of the situations as more unethical versus ethical, eliciting strong responses for the collection of data by social media companies (64%), 'win at all costs' approach to sport (65%) and not correcting a restaurant bill when it doesn't include an ordered item (68%).



*Note the following responses were removed in 2019 'Personal verbal attacks ('sledging') against sporting opponents'.



Other ethical concerns

Some key ethical concerns facing Australians include (but are not limited to)...

Highlights of some key ethical concerns expressed

Misuse of power and inequality e.g.

- *Politicians are view as leaders in our society but yet a large number of them behave like little children and do unethical actions... They should work together for the benefit of the nation and society.*

Those decision makers for policies/laws being made by people that have never worked in the area or had any personal experience in the area

...disparity of wealth within the community... the politicians aren't listening

... raising Newstart...

Distrust of media and experts e.g.

- *Mainstream media not being straight up or forming a false narrative to advance their ideological agenda or make money...*

Media/educators espousing their personal beliefs as facts to public/students...

...Fake or real news....

Immigration and refugee treatment e.g.

- *Why should taxpayers fund illegal immigrants who came here by boat to stay while legitimate requests for legal immigration are denied*

Government reducing the number of seats for immigrants. Point system is sucking

Seeking refuge is a human right, especially when there is no safe option to remain in their own countries due to war, human rights violations and/or famine.

Action on climate change e.g.

- *...Allowing the extinction of the environment, animals & people because 'it's all about the money (economy)' being more important than actual be able to live safely...*

...Climate change deniers...

...Maintaining our standard of living while destroying the environment...

Appendix

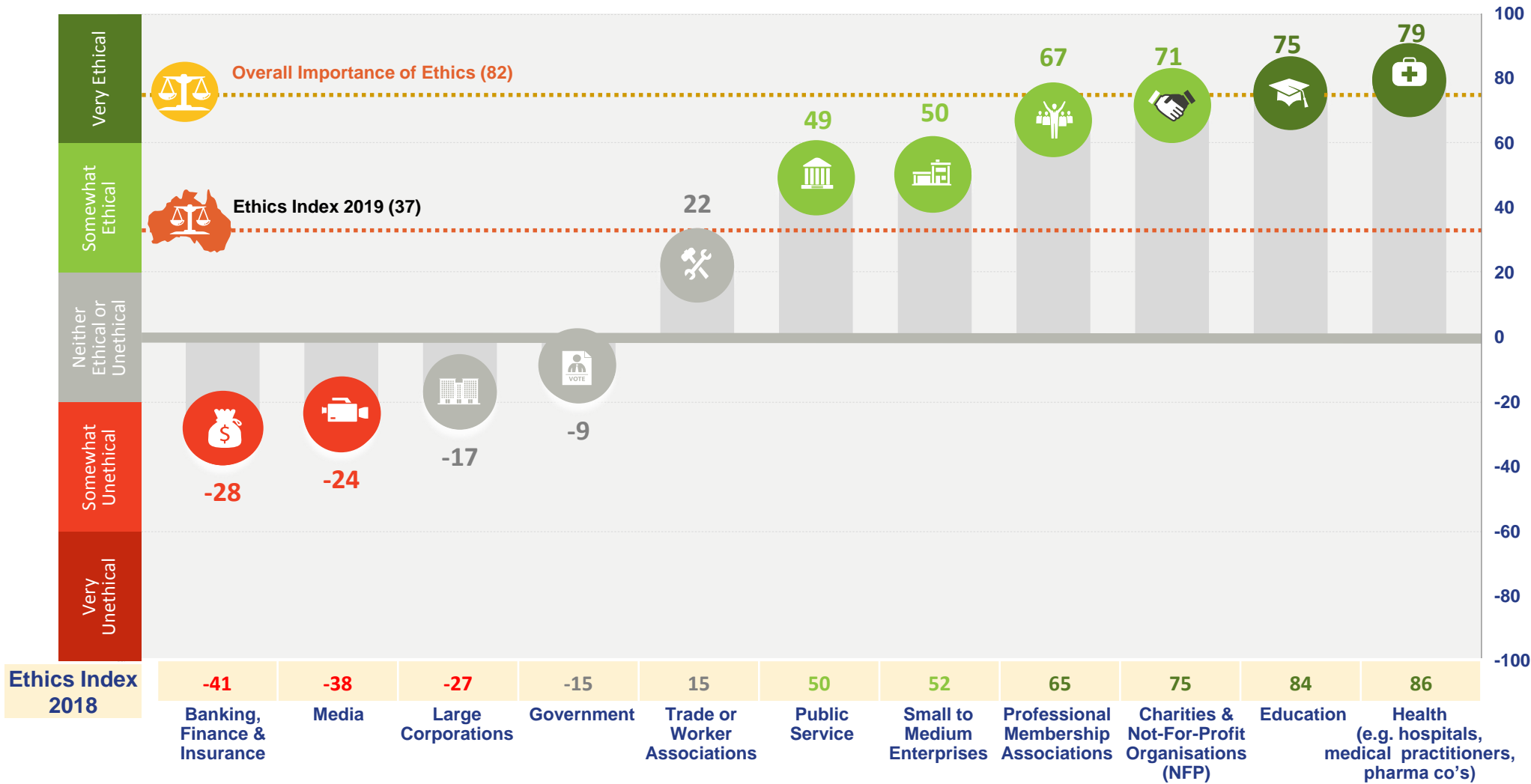




Ethics Index 2019

(Overall Ethics Index 2019: 37)

Whilst the Ethics Index comprise ethics scores of key sectors in society, taking into account organisations and professions within them, this chart plots the scores that Australians nominated for each sector at an overall level. Health, education, charities / NFP and professional membership associations are perceived as 'Very Ethical', while Government is seen as neither ethical nor unethical. Media, and banking, finance & insurance are still regarded as 'Somewhat unethical', however large corporations saw an increase in its ethic score, from -27 to -17.



Governance Institute

Ethics Index 2019



END

