



Professions and the Ecosystem of professions

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Partner, Deloitte: Integrity

'Independence', ethical distancing and blaming the system

The '*Not our problem*'
problem

OR
Resolving the
excuse of
**Ethical
Distancing**

For too long we
have satisfied
ourselves with a
view that ethical
issues sit in the
**distribution of
products**, rather
than their
manufacture

Ethical
Principle

Freedom of
Choice and
unlimited
access to
Products

Gun
ownership is
an inalienable
right

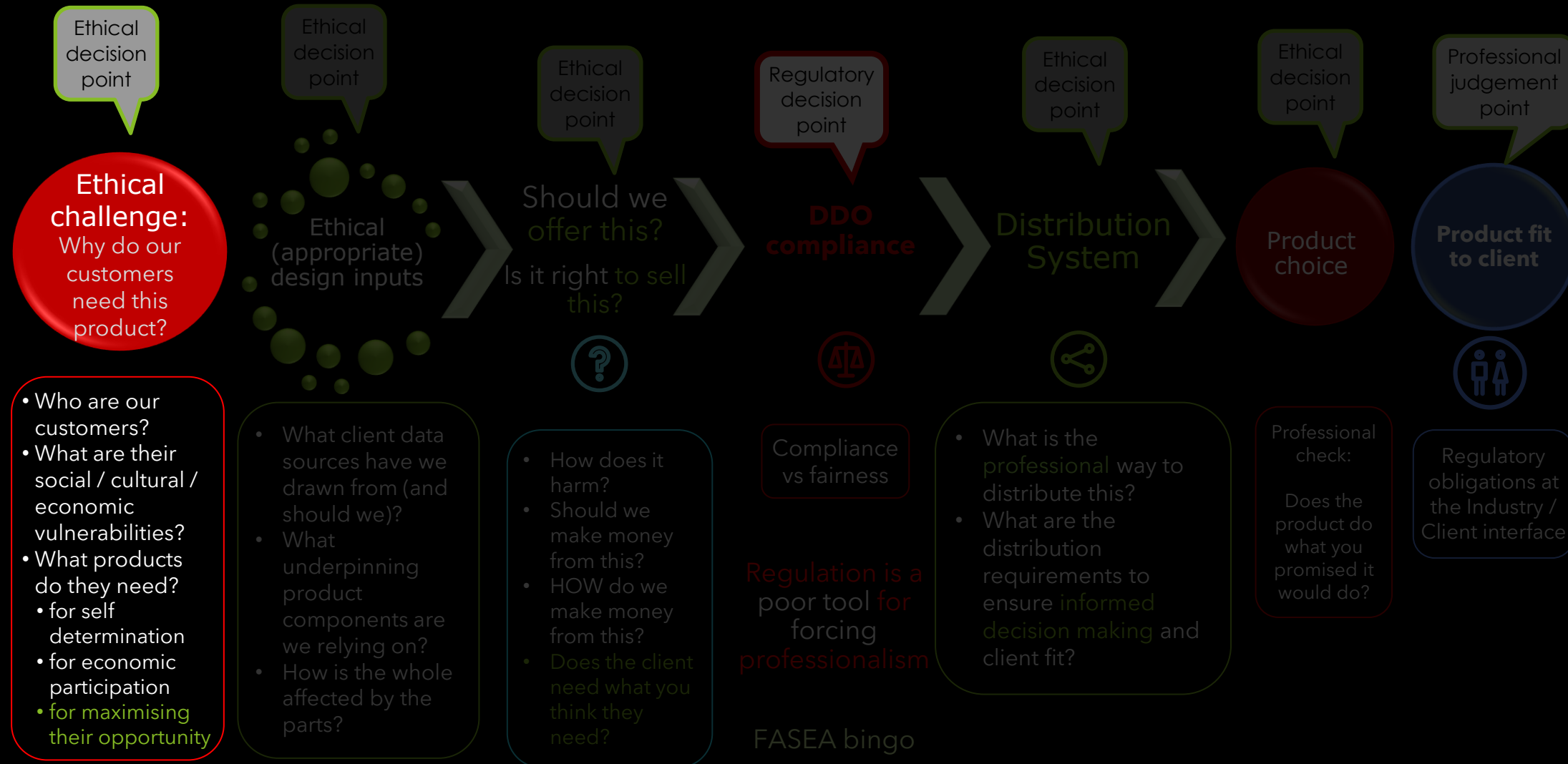
Regulatory
insertion

A product
cannot be at
fault - it's just
not the right
product for this
customer

**DDO
compliance**
Guns don't kill
people. It's
people that are
the problem

The **system** of professional obligation in the Product value chain

Professional obligations(**ethical challenge**) in product design are all along the chain



The actuarial castle



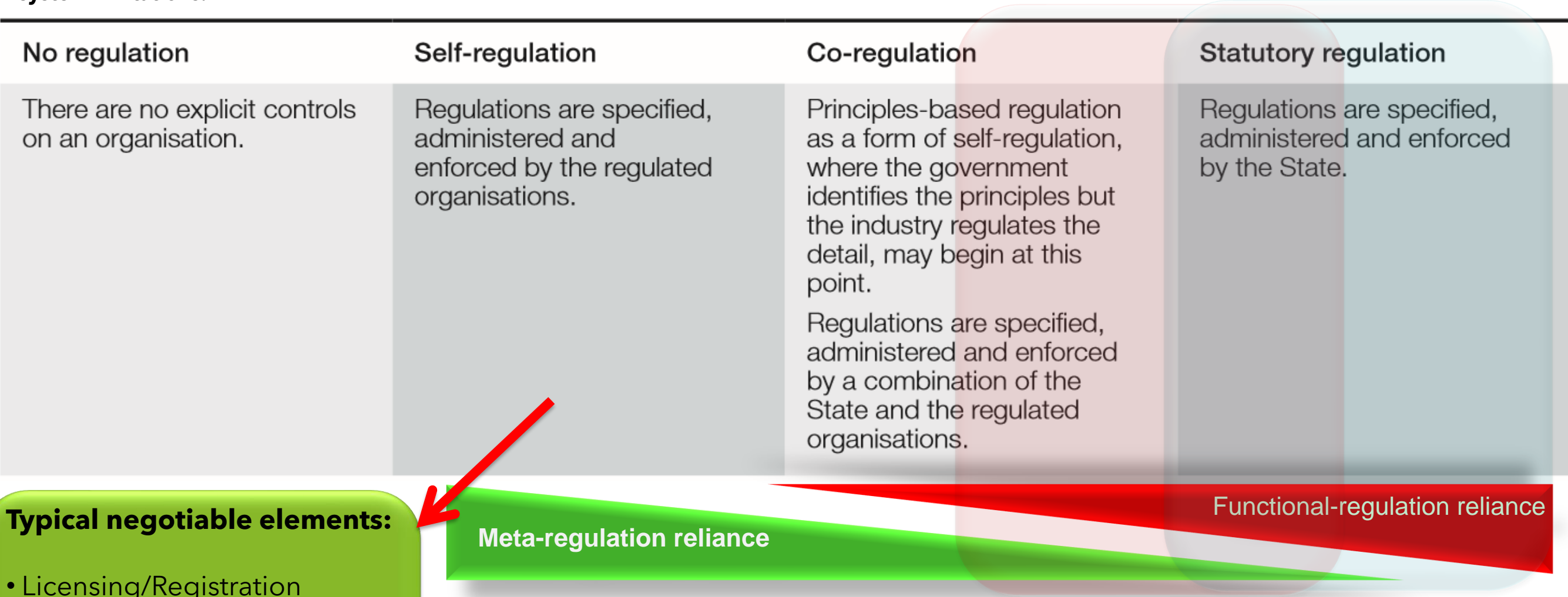
Why does professional regulation matter

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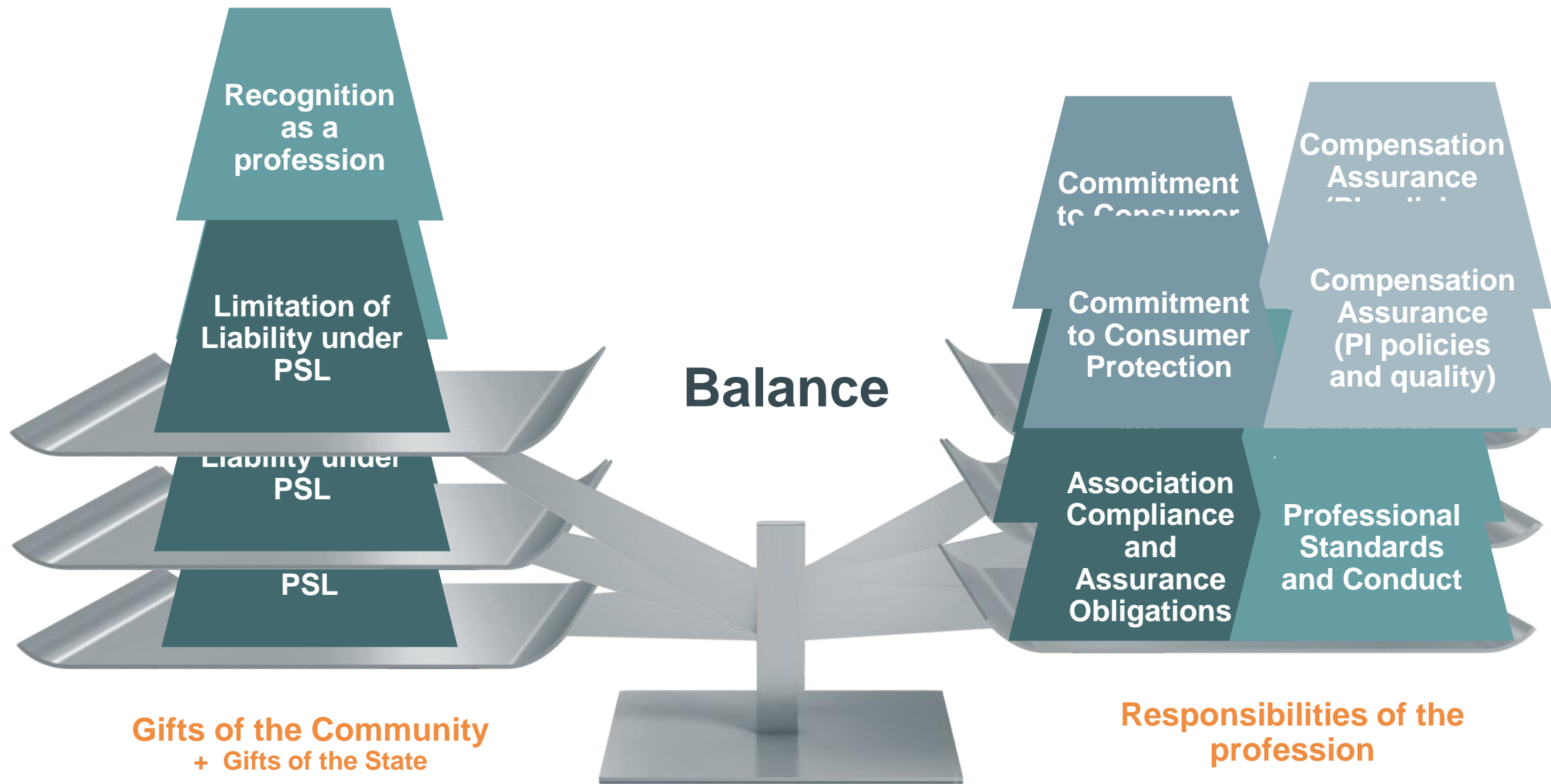
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Regulatory spectrum

The Regulatory Spectrum is influenced by numerous factors (community expectations, appetite & capacity, heightened public attentions and current system limitations).



Source: Bartle & Vass, *Self-regulation and the regulatory state: A survey of policy and practice*, Research Report 17, University of Bath, Centre for the study of Regulated Industries, October 2005.



Gifts of the Community
+ Gifts of the State

Consumer Protection

Responsibilities of the profession

Preference should be for a regulatory system that emerges from the profession rather than legislation



The ethical advantage:
the economic and social
benefits of ethics to Australia

Just how ethical is Australia?



Proportion of Australians who think most people can be trusted



Average assessment of the degree to which others make agreements honestly, keep their word or succeed by not stepping on other people



The Governance Institute rates Australia +37 on a scale of -100 to 100. The health care sector is seen as the most ethical.



Individuals

By improving their mental health and wages.

A **10%** improvements in ethical behaviour is associated with a **1%** improvement in mental health and a **2.7%** increase in wages.



Businesses

Improving a business' ethical reputation can improve its relationships with customers and suppliers and can lead to a 7% increase in return on assets.



The economy

Improving trust and social capital allows for the smoother functioning of markets and reduces the cost of regulation and compliance.



The bottom line

Lifting Australia's trust levels to that of the global leaders would increase GDP by:

\$ 45 billion

How do we build a more ethical Australia?



Systems Thinking (relationality/complexity) approach will likely get us further than a structural/componentry approach - but are we ready for it?

