



Natural Resources Access Regulator Embedding ethics in NRAR's DNA

NRAR Ethics Framework

Published by NSW Department of Planning, Industry and Environment

Embedding Ethics in NRAR's DNA

First published July 2018

More information

Natural Resources Access Regulator

industry.nsw.gov.au/nrar

PUB18/440

© State of New South Wales through Department of Planning, Industry and Environment 2019. You may copy, distribute, display, download and otherwise freely deal with this publication for any purpose, provided that you attribute the Department of Planning, Industry and Environment as the owner. However, you must obtain permission if you wish to charge others for access to the publication (other than at cost); include the publication in advertising or a product for sale; modify the publication; or republish the publication on a website. You may freely link to the publication on a departmental website.

Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (October 2019) and may not be accurate, current or complete. The State of New South Wales (including the NSW Department of Planning, Industry and Environment), the author and the publisher take no responsibility, and will accept no liability, for the accuracy, currency, reliability or correctness of any information included in the document (including material provided by third parties). Readers should make their own inquiries and rely on their own advice when making decisions related to material contained in this publication.

'...[T]he leadership and management challenge will be to embed ethical thinking into the "DNA" of the organisation.'

Ken Matthews AO, 2017

Independent investigation into NSW water management and compliance—final report¹

¹ Available from industry.nsw.gov.au/water/what-we-do/how-water-is-managed/independent-review-water-management-and-compliance

Foreword

Water is a scarce resource that is essential for businesses, communities and the environment.

The Natural Resources Access Regulator (NRAR) plays a vital role in ensuring access to NSW's river and groundwater occurs in a fair and balanced way, now and for the future.

NRAR does this by supporting and enforcing compliance with the NSW water management rules.

Specifically, NRAR's role is to provide effective, efficient, transparent and accountable compliance and enforcement of access to water, regulate dam safety, and maintain public confidence in this regulation.

Providing compliance and enforcement is inherently complex work. It involves addressing ethical dilemmas, managing conflicts of interest, and balancing integrity, service, trust and accountability to the NSW Government and the public.

This is why one of the first actions we took, as the independent NRAR Board, was to develop and publish our Code of Conduct to identify the standards of conduct the public can expect of board members.

This statement, *Embedding Ethics in NRAR's DNA* (Embedding Ethics), will be used by NRAR and its employees to ensure NRAR operates in ways that are ethical, legal and transparent, and that build public trust.

These values and principles will guide the development of NRAR's policies and practices, and set the standards of conduct expected of all NRAR employees.

Embedding Ethics is also important because it shows the public how NRAR intends to operate and the principles of behavior the public can expect from NRAR and its employees.

This statement is a first step in addressing the challenge set by Ken Matthews: to embed ethical thinking into the DNA of NRAR and everything it does.

The NRAR Board and I know Embedding Ethics sets a very high ethical standard for NRAR and its employees—but this is the standard that we, the government and the public rightly expect of a world-class regulator.

I commend *Embedding Ethics in NRAR's DNA* to all NRAR executives, managers and staff.

Following discussion with my fellow NRAR Board members, I also commit the board to overseeing the performance of NRAR and the conduct of its employees against the values and principles in the NRAR Ethics Framework, and have asked the Chief Regulatory Officer to provide the board with a formal report on NRAR's ethics performance at least once per year.

Craig Knowles
Chair, Board
Natural Resources Access Regulator

Contents

Foreword.....	4
Introduction	1
NRAR Ethics Framework	2
Preamble	2
The framework.....	2
Integrity	2
Trust	2
Service	2
Accountability	2
Wellbeing.....	2
Responsibilities.....	3
Implementation	4
The approach.....	4
Immediate actions.....	4
Measurement	5
Introduction.....	5
Indicators.....	5
Ethical performance baseline data.....	6
Governance.....	6
Leadership.....	8
HR and other systems	9
Team practices.....	10
Employee conduct.....	10
Conclusion	11

Introduction

One of the most important but rarely mentioned insights of the Matthews' reviews of 2017 was that the overwhelming majority of the people in the water regulation unit were good, hardworking public servants who were let down by the bad behaviour of a few of their leaders.

These good, hardworking professionals now make up the core of NRAR, and along with our new leadership team and independent board, put NRAR in a very strong position to develop into an ethical, world-class regulator.

The next step in becoming such a regulator is to affirm the values and principles of behaviour we seek to uphold, and to show how we will embed these values into NRAR's leadership, policies, programs and practices, and into employee conduct.

This statement, *Embedding Ethics in NRAR's DNA*, is foundational for NRAR.

It identifies the core values that apply to all government sector employees (integrity, trust, service and accountability) and a fifth core value (well-being), identified by staff and supported by us all because of the value NRAR places on the health, safety and welfare of our people.

Embedding Ethics also shows how we will institutionalise these values and their principles into all we do, and how we will measure and report our performance against these standards.

The directors of NRAR and I are committed to continuing to work with staff to put these values into practice.

This commitment to ethical leadership includes:

- demonstrating ethical decisions and practice in our conduct
- making ethics a key priority in NRAR's strategic plan
- building an ethical culture
- using the values to design NRAR's policies, systems, programs and practices
- supporting managers and staff to act ethically
- vigorously addressing any unethical conduct that arises
- reporting transparently to the public and the NSW Government on our performance.

Similarly, I expect NRAR managers and staff to continue to act ethically and to talk with your directors or me when ethical issues arise so we can carry out NRAR's statutory objects of compliance, enforcement, dams safety and public confidence in ethical, legal and transparent ways.

Finally, *Embedding Ethics in NRAR's DNA* identifies immediate ethics-promoting actions (such as the development of an NRAR Code of Ethics and Conduct) and notes that a longer-term Culture Plan will be developed with initiatives to strengthen the ethics capacities of NRAR.

Your thoughts on how to strengthen the ethics performance of NRAR and the ethics conduct of NRAR staff are very welcome, and I invite you to send me suggestions on how to make NRAR an ethical, best-practice regulator. These will be considered in the development of NRAR's Culture Plan.

Grant Barnes
Chief Regulatory Officer
Natural Resources Access Regulator

NRAR Ethics Framework

Preamble

NRAR Ethics Framework establishes the values and principles of behaviour to be applied in the design and operation of NRAR policies and programs, and in the conduct of employees, when implementing the *Water Management Act 2000*, *Natural Resources Access Regulator Act 2017*, *Dams Safety Act 2015* and other relevant legislation.

Note that any reference to NRAR 'customers' is a reference to a regulated entity or group of regulated entities, as described in NRAR's [Regulatory Policy](#).²

The framework

The Ethics Framework:

- Recognises the role of NRAR in preserving the public interest, defending public value and adding professional quality and value to the commitments of the NSW Government of the day
- Establishes an ethical framework for a merit-based, apolitical and professional government agency that implements the decisions of the government of the day.

The core values of NRAR and the principles that guide their implementation are:

Integrity

- Consider people equally, without prejudice or favour.
- Act professionally with honesty, consistency and impartiality.
- Take responsibility for situations, showing leadership and courage.
- Place the public interest over personal interest.

Trust

- Appreciate difference and welcome learning from others.
- Build relationships based on mutual respect.
- Uphold the law, institutions of government and democratic principles.
- Communicate intentions clearly and invite teamwork and collaboration.
- Provide apolitical and non-partisan advice.

Service

- Provide services fairly with a focus on customer needs.
- Be flexible, innovative and reliable in service delivery.
- Engage with the non-for-profit and business sectors to develop and implement solutions.
- Focus on quality while maximising service delivery.

Accountability

- Recruit and promote employees on merit.
- Take responsibility for decisions and actions.
- Provide transparency to enable public scrutiny.
- Observe standards for safety.
- Be fiscally responsible and focus on efficient, effective and prudent use of resources.

Wellbeing

- Provide role clarity and flexible work practices to meet business and personal needs.
- Build positive and productive tea cultures and practices, and workforce diversity.

² https://www.industry.nsw.gov.au/data/assets/pdf_file/0003/144039/NRAR-Regulatory-policy.pdf

- Act promptly to address improper or unsafe behavior.
- Be effective, efficient, transparent and accountable in the exercise of compliance and enforcement.
- Sensitively and confidentially lead, manage and support employees with work stress or personal issues.

There is no hierarchy among the core values and each is of equal importance.

Responsibilities

NRAR employees are responsible for applying the values and behaviours in their decisions and conduct.

Managers are also responsible for fostering positive and productive workplaces and team practices.

Directors are also responsible for designing, establishing and reporting on the culture, systems and procedures needed to support ethical behavior and to vigorously address any unethical conduct that arises.

The Chief Regulatory Officer is also responsible for the general conduct and management of NRAR in accordance with the NRAR Ethics Framework.³

The NRAR Board will oversight the performance of NRAR and the conduct of its employees against the standards set in the NRAR Ethics Framework, and has asked the Chief Regulatory Officer to provide the board with a formal report on NRAR's ethics performance at least once per year.

³ Heads of public service agencies are responsible for the general conduct and management of their organisations in accordance with the government sector core values of the *Ethical framework* (section 30, *Government Sector Employment Act 2013*).

Implementation

The approach

NRAR has a strong commitment implement its compliance and enforcement responsibilities in ways that are ethical, legal and transparent, and that build public trust. Even before its commencement on 30 April 2018, in meetings across the state, the NRAR Board, executive, managers and staff all agreed on the need for NRAR to be ethical, transparent and effective.

In April and May 2018, NRAR staff, managers and directors participated in workshops to identify the values and workplace behaviours expected of the professional public servants working for NRAR. The NRAR CRO, directors, managers and supervisors also completed specialist leadership workshops led by the Ethics Centre. These discussions, workshops and reflections were the basis of the NRAR Ethics Framework.

NRAR is systematically embedding the values and principles of the Ethics Framework into NRAR's culture, policies, procedures, programs and performance measurement, and into employee conduct. The immediate actions planned are listed below; and longer-term actions are to be identified in NRAR's Culture Plan.

Immediate actions

See Table 1 for immediate ethics actions, and the responsible officer for delivering these actions.

Table 1 Immediate initiatives (and responsible officer)

Governance	Leadership	HR & other systems	Team practices	Employee conduct
<p><i>Embedding Ethics in NRAR's DNA</i> strategy published (CRO)</p> <p>NRAR Culture Plan developed (CRO)*</p> <p>Ethics-specific role identified in NRAR organisational structure (Director, Capability and Coordination)</p>	<p>NRAR Code of Ethics and Conduct published (CRO)</p> <p>Annual Declaration of Private Interests provided to the CRO (directors and A/directors).</p> <p>NRAR executives participate in an Ethical Leadership workshop (Deputy Secretary, Land and Water)</p>	<p>NRAR-specific induction developed (with emphasis on the required standards of ethical conduct) (Director, C&C)</p>	<p>Information provided to teams on the Westminster system, and the difference between unethical conduct, unsatisfactory performance, misconduct and serious conduct. (directors)</p> <p>The <i>Behaving Ethically</i> guide⁴ is a discussion item in each team meeting (directors)</p>	<p>NRAR's People Matter Employee Survey published (CRO)</p>

*The NRAR *Culture Plan* will identify actions to embed ethics into the performance of NRAR and the conduct of employees.

⁴ See <https://www.psc.nsw.gov.au/workplace-culture---diversity/workplace-culture/behaving-ethically/behaving-ethically>

Measurement

Introduction

The NRAR Ethics Framework establishes the values and principles of behaviour NRAR employees will apply to the design and operation of NRAR and its programs, and their own conduct.

This section identifies how the ethical performance of NRAR and the conduct of its employees, consistent with the NRAR Ethics Framework, will be measured.

Indicators

The following indicators of the ethical performance of NRAR and its employees come from the annual People Matter Employee Survey (PMES), where public sector employees answer questions about the ethical performance of their senior managers, managers, teams and colleagues. The indicators refer to the ethical characteristics of NRAR's governance, leadership, HR and other systems, team practices and employee conduct.

A small number of additional indicators of ethical performance come from the NSW Department of Planning, Industry and Environment's workforce records.

The following tables also provide records of the ethical performance of Water Regulation, the (then) NSW Department of Industry unit that carried out water regulation prior to the formation of NRAR on 30 April 2018. These data provide a baseline to measure the future progress of NRAR in implementing the Ethics Framework.

As well as monitoring NRAR's ethical performance over time, many of these indicators are lead indicators that point to the possible emergence of issues that NRAR can address proactively.

As its data collection systems develop, NRAR may add more indicators to this baseline.

Ethical performance baseline data

Governance

The extent to which the Ethics Framework values and principles are demonstrated in NRAR's governance.

Table 2 People Matter Employee Survey findings—Governance

Governance	Pre-NRAR	2018	2019	2020
I would recommend my organisation as a great place to work	43%	55%	69%	
I am proud to tell others I work for my organisation	51%	55%	75%	
My organisation motivates me to help it achieve its objectives	39%	58%	65%	
My organisation is making the necessary improvements to meet our future challenges	49%	66%	71%	
I feel change is managed well in my organisation	17%	31%	49%	
My organisation focusses on improving the work we do	55%	74%	81%	
There is good cooperation between teams across our organisation	42%	44%	53%	
I am provided with the support I need to do my best at work	51%	41%	69%	
My organisation respects individual differences	64%	78%	90%	
My organisation is committed to developing its employees	39%	52%	74%	
I have confidence in the way my organisation resolves grievances	30%	29%	52%	
In the past 12 months I have witnessed misconduct/wrongdoing at work—Yes	12%	9%	16%	
If yes, I reported it	N/A*	57%	64%	
I am able to speak up and share a different view to my colleagues and manager	N/A*	77%	82%	
In the past 12 months I have witnessed bullying at work—Yes	22%	9%	19%	
In the past 12 months I have been subjected to bullying at work	16%	9%	8%	

*N/A – data not available

Workforce profile data	Pre- NRAR	At 30 June 2019	At 30 June 2020
FTE (including casuals)	64.1	135.99	
Headcount (including casuals)	68	148	
Casual workforce (percentage headcount of total headcount)	5.9%	5%	
Proportion women in the workforce	26.5%	48%	
Proportion women in people leadership roles	N/A*	46%	
Proportion women executives	0%	29%	
Aboriginal and/or Torres Strait Islander origin (source: 2019 PMES)	r	r	
Language other than English spoken at home (source: 2019 PMES)	28%	18%	
People with a disability	0%	r	
Proportion staff with excess recreation leave (incl booked leave)	5.9%	10%	
Workforce annual turnover rate	9.9%	N/A*	
Number of reported WHS incidents	N/A*	25	
Sick leave hours w/o medical certificate	298 (<5hrs pp)	1643 (>11hrs pp)	
Sick leave hours with medical certificate	872 (>13hrs pp)	3079 (>20hrs pp)	
Unpaid sick leave	N/A*	1396	

*N/A – data not available

r – to safeguard privacy, small response numbers are not published

Leadership

The extent to which the Ethics Framework values and principles are demonstrated by NRAR's leadership.

Table 3 People Matter Employee Survey findings—Leadership

Leadership	Pre-NRAR	2018	2019	2020
I feel that senior managers model the values of my organisation	32%	58%	73%	
I believe senior managers provide clear direction for the future of the organisation	30%	47%	62%	
I feel that senior managers effectively lead and manage change	19%	38%	55%	
I feel that senior managers listen to employees	32%	52%	63%	
I feel that senior managers keep employees informed about what's going on	45%	51%	63%	
Senior managers in my organisation support the career advancement of women	51%	65%	75%	
Of those people subjected to bullying, the role of the person who has been the source of the most serious bullying you have been subjected to was a senior manager	8%	17%	45%	
My senior manager encourages my team to reflect and learn when things don't go as expected	47%	58%	65%	
Senior managers encourage innovation by employees	42%	61%	74%	
Senior managers communicate the importance of customers/clients in achieving our business objectives	57%	66%	72%	
Other				
Proportion directors (and acting directors) who made their annual Declaration of Private Interests to the CRO	N/A*	100%	67%	

*N/A – data not available

HR and other systems

The extent to which the Ethics Framework values and principles are demonstrated in NRAR's HR and other systems.

Table 4 People Matter Employee Survey findings—HR and other systems

HR and other systems	Pre-NRAR	2018	2019	2020
I have received appropriate training and development to do my job well	45%	46%	60%	
My organisation generally selects capable people to do the job	54%	57%	64%	
How satisfied are you with your ability to access and use flexible working arrangements?	90%	83%	91%	
I have confidence in the way recruitment decisions are made	42%	36%	53%	
My performance is assessed against clear criteria	32%	29%	55%	
I am satisfied with the opportunities for career development in my organisation	37%	47%	63%	
In the last 12 months I received useful feedback on my work to enable me to deliver required results	47%	60%	72%	
I am aware of our safety and wellbeing strategy	74%	78%	95%	
The rationale for change initiatives is communicated well	23%	47%	67%	

Other	Pre- NRAR	At 30 June 2019	At 30 June 2020
In the last 12 months, proportion of directors completing at least one formal ethics-specific course	N/A*	100%	
In the last 12 months, proportion of managers and supervisors completing at least one formal ethics-specific course	N/A*	58%	
In the last 12 months, proportion of staff completing at least one formal ethics-specific course	N/A*	56%	
Percentage NRAR job descriptions that include at least one of the ethics-specific capabilities (Act with integrity; Value diversity; and/or Demonstrate accountability)	N/A*	100%	

*N/A – data not available

Team practices

The extent to which the Ethics Framework values and principles are demonstrated in NRAR's team practices.

Table 5 People Matter Employee Survey findings—Team practices

Teams	Pre-NRAR	2018	2019	2020
My manager communicates effectively with me	67%	59%	83%	
My manager involves my workgroup in decisions about our work	59%	66%	84%	
I am able to speak up and share a different view to my colleagues and manager	70%	77%	82%	
My workgroup works collaboratively to achieve its objectives	65%	72%	85%	
People in my workgroup treat each other with respect	74%	86%	92%	
I receive help and support from other members of my workgroup	78%	82%	91%	
My manager listens to what I have to say	73%	73%	89%	
My manager appropriately deals with employees who perform poorly	30%	37%	56%	
There is good team spirit in my workgroup	56%	72%	82%	
I am provided with the support I need to do my best at work	51%	41%	69%	
I am regularly consulted on matters affecting safety in my workplace	49%	64%	83%	

Employee conduct

The extent to which the Ethics Framework values and principles are demonstrated in employee conduct.

Table 6 People Matter Employee Survey findings—Employee conduct

Employee conduct	Pre-NRAR	2018	2019	2020
I understand what is expected of me to do well in my role	72%	65%	81%	
I am able to keep my work stress at an acceptable level	45%	64%	66%	
I am satisfied with my job	55%	60%	71%	
If you had been subjected to bullying at work, the source of the most serious bullying was a fellow worker	42%	N/A*	9%	

*N/A – data not available

Conclusion

Embedding Ethics in NRAR's DNA is the foundational statement of NRAR's ethical intent. It provides the basis for NRAR and its employees to:

- carry out NRAR's statutory objects in an ethical way
- develop and maintain an ethical culture, leadership, policies, programs and practices, and employee conduct
- monitor and publically report on NRAR's ethics performance.

It also identifies the principles of behaviour the public can expect from NRAR.

A more detailed NRAR Culture Plan will outline specific initiatives we will take to further embed ethics into the operations and practices of NRAR.