



OPEN LETTER TO TREASURER MAKES ECONOMIC CASE FOR ETHICS, TO DELIVER \$45 BILLION PER YEAR

Today, a remarkable cross-section of Australian society has backed a submission to the Albanese Government to fund the establishment of the *Australian Institute of Applied Ethics* (the 'Ethics Institute') in the May Budget.

The joint proposal from The Ethics Centre, the University of New South Wales and the University of Sydney has brought together a wonderfully diverse range of supporters – including those who rarely make common cause. This includes politicians from across the Federal Parliament and institutions as varied as ACOSS, the ACTU and BCA. A concern to restore the nation's ethical infrastructure has united them all.

The open letter to Treasurer, Jim Chalmers, is based on representations made to the Government by Senator David Pocock and key backers of the proposal. It makes the economic case for investing in Australia's ethical infrastructure. It argues that a one-off investment of \$33.3million would deliver a \$45 billion annual dividend in improved GDP. Deloitte Access Economics estimates that the benefits will flow across the entire economy – with the resultant increase in trust boosting the profitability of businesses (large and small) and the rewards flowing to individuals.

The research estimates that a 10% improvement in Australia's ethical standards would increase Australia's GDP by \$45 billion per annum, and is linked to a 2.7–6.6% increase in wages and a 7% increase in return on investment.

The call for funding for the *Australian Institute of Applied Ethics* follows successive, recent Royal Commissions and the notable decline of Australia's international rankings for ethics.

In the 2021 Governance Institute of Australia Ethics Index, Australia achieved an overall index score of +45 (somewhat ethical) – a steep fall from the 2020 score of +52. This ranks Australia below OECD nations such as Finland and the Netherlands, and below a number of our Pacific neighbours, including New Zealand and China.

The *Australian Institute of Applied Ethics* would be a world first and, as the research makes clear, would deliver better results for Australians into the future.

For more information see: ethicsinstitute.au

QUOTES ATTRIBUTABLE TO DR SIMON LONGSTAFF AO, EXECUTIVE DIRECTOR OF THE ETHICS CENTRE

“Stronger ethical infrastructure means a stronger economy – a more prosperous and equitable Australia”.

“This would be an investment in Australians and our institutions. We have everything to gain”.

“Australia has never been more distrustful – and it costs us all more than we can know. The Australian Institute of Applied Ethics will help bring back trust to all aspects of our society”.

QUOTES ATTRIBUTABLE TO SENATOR JACQUI LAMBIE, SENATOR FOR TASMANIA

"The unethical treatment of Australian Veterans, by the Department of Veteran affairs, is what made me want to run for Parliament. Just last week the DVA admitted they misled the Information Commissioner about the extent of data transfers in the MATES program that shared the personal medical details of 300,000 service men, women and their families without their express consent. Australians are losing faith in their politicians and our institutions - that's a problem that needs to be fixed."

QUOTES ATTRIBUTABLE TO DR SOPHIE SCAMPS, INDEPENDENT MP FOR MACKELLAR

“In the face of issues like climate change and the rise of artificial intelligence Australia is facing a period of enormous transition, and new and ever-growing ethical questions and dilemmas.”

“Smooth social and economic transition depends on trust, and social cohesion depends on trust. Yet with recurrent breaches of ethical behaviour that have been revealed with the Royal Commissions into Robodebt and the banking sector for example – it is no wonder there has been a steep decline in the Australian public's trust in our leadership and institutions.”

“Which is why I so strongly support the establishment of the Australian Institute of Applied Ethics as a way of addressing this trust deficit. A world first, the AIAE would play a leadership role in addressing ethical dilemmas of our time, in educating leaders in ethical decision-making, and importantly the Institute's strong grounding in deliberative democracy would give citizens a greater opportunity to be involved in these important decisions – the best way possible to rebuild trust in our society.”

QUOTE ATTRIBUTABLE TO PROFESSOR ATTILA BRUNGS, VICE CHANCELLOR, UNSW

“Ethics sits at the heart of good business practice, good governance, education, and politics. Rather than viewing ethics as an ambiguous discipline, we must reinvigorate it as critical to solving the intractable problems of our time – from improving productivity, to climate change, to closing equity gaps”.

QUOTE ATTRIBUTABLE TO PROFESSOR MARK SCOTT AO, VICE CHANCELLOR AND PRESIDENT, THE UNIVERSITY OF SYDNEY

“The need to strengthen the quality of the nation’s ethical infrastructure – in the public sector, the private sector and across the professions – is urgent. This proposal allows two of our leading institutions to assist in being part of the solution.”

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The Australian Institute of Applied Ethics is a proposed partnership between
The Ethics Centre, the University of New South Wales and the University of Sydney