

INDEPENDENT BROAD-BASED ANTI-CORRUPTION COMMISSION COMMITTEE

Review of protected disclosures

Melbourne — 6 February 2017

Members

Mr Kim Wells — Chair

Ms Marsha Thomson — Deputy Chair

Mr Sam Hibbins

Mr Danny O'Brien

Mr Simon Ramsay

Mr Tim Richardson

Ms Jaclyn Symes

Witness

Mr Brian Hood.

The CHAIR — Brian, welcome to the closed hearing of the Independent Broad-based Anti-corruption Commission Committee. All evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and is further subject to the provisions of the Parliamentary Committees Act 2003, the Defamation Act 2005 and where applicable the provisions of the reciprocal legislation in other states and territories. This hearing is closed to the public; however, it is transcribed by Hansard and the transcripts will be published when the committee tables its report to Parliament. However, it is important that you note that any comment that you make outside the hearing, including effective repetition of what you have said in evidence, may not be afforded such privilege. Have you received and read the guide for witnesses presenting evidence to parliamentary committees?

Mr HOOD — Yes, I have.

The CHAIR — It is also important to note that any action which seeks to impede or hinder a witness or threaten a witness for the evidence that they would give or have given may constitute and be punishable as contempt of Parliament. We are recording the evidence, and we will provide a proof version of the Hansard transcript at the earliest opportunity so you can correct it as appropriate. I would like to invite you to make a verbal submission, and we will ask you questions as appropriate. I might also make the point that there are matters before the court at the moment, so we will not discuss those.

Mr HOOD — Sure. Absolutely. Thanks, Chairman, and thank you, committee, for the chance to help you in your deliberations and make some sort of input from a whistleblowing perspective. I did provide some notes late last week, so I am going to assume that members have read those and I will not go over all of that again now. Just some random points that I would like to make just to expand on those notes — obviously I am coming from a whistleblower perspective. I look at this case as a case study, therefore I see it as an opportunity for everybody, including committees like this, to learn the lessons that come out of it, and I think there are many lessons in this particular case study that have affected a number of parties.

On the downside, polymer banknotes are a brilliant Melbourne invention, but because of this case study obviously there has been an adverse impact on Note Printing Australia, the company, and on its people. There are some brilliant people working there doing some great work, and broadly on the perception of business ethics it has had a bad effect there.

In terms of reforms, I encourage this committee and others with whatever you do to put in place an environment that encourages and protects whistleblowers. I say that because whistleblowing is still, and I think it will be, a major source of finding wrongdoing. By definition whistleblowers are very well placed to know what is going on in an organisation. You see and observe things in a day-to-day sense that perhaps auditors and others do not pick up on. Given that the vast majority of people are honest and want to do the right thing, whistleblowers, if they do have a safe environment, will come forward and will nip things in the bud. I think the introduction of IBAC in Victoria is a brilliant start. It appears from the outside to be an effective organisation.

Another point I would make is that with whatever reforms that are put in place, I do not think there should be a differentiation between the public and private sectors. If I am working at a business and it is publicly listed or it is a private firm, then shareholder funds are at risk if there is wrongdoing. If I am in the public sector, then it is taxpayer funds that are at risk. But in every case it is Australia's business reputation that suffers if there is wrongdoing.

I use the example of Note Printing Australia — it is a 100 per cent-owned subsidiary of the Reserve Bank. Does that mean it is in the public or private sector? Where is it? The potential whistleblower needs to have very clear peace of mind — knowing, 'Who do I turn to?' — and that is why I do not think there needs to be a differentiation. In the case of Note Printing, it is a 100 per cent-owned subsidiary of the Reserve Bank, so the tens of millions of dollars that were being paid in bribes — that was taxpayers money at the end of the day.

I mentioned in the paper one aspect that may be a little controversial, and that is to do with rewarding whistleblowers. I would not make too much of a big deal of it. I did say in the words that I do not think the amounts in question should be anything like the, what seems to be, very excessive amounts in the US, but if there is to be a cultural change — and I think a cultural change is needed in that whistleblowing is still frowned upon. It is not really well regarded, and in my own experience a lot of people will stay silent. They hear and see what happens to some whistleblowers. They need some encouragement to step forward.

In my case there were a lot of good, honest people doing their jobs properly, not doing anything wrong, but they turned a blind eye to what was going on because they just could not take the personal risk. They were very uncomfortable with that — it went against their own personal beliefs and values — but they said, ‘Well, look, it’s not my area of responsibility’. So I think there needs to be something to encourage people, at least, to come forward. There certainly, I think, should be. There must be compensation. If there is some sort of retaliatory action taken by an employer or others against someone for whistleblowing, then there should be some sort of compensation to at least take them back to a neutral position where they are not out of pocket. Whether or not there is a reward for coming forward — as I say, that might be a bit controversial. I think it might help encourage people to come forward, but as I said, the American amounts seem to be quite excessive.

Another observation: when there is an instance of whistleblowing, I see that there are three parties involved. There is the whistleblower; there is whoever may be an offender allegedly offending and doing something wrong; and the third party is the hearer who is hearing the claim, the disclosure. I think there should be obligations — and perhaps this might balance up some controversy on rewards — on all three parties. The whistleblower should report and raise issues in a proper manner. The organisation — I guess in this case IBAC if they are hearing the claim — there are obligations on them to treat it confidentially and treat it seriously. At least investigate it, at least work out what is going on and if there is any substance to it. So I think there are obligations on all parties.

Another observation I make with what is in place: there always seems to be an assumption that there is one whistleblower, that everything is singular — that there is one whistleblower and one event. I look in my case — well, okay, there was one whistleblower, but there were multiple events. It is plural. Things happen over time. I think quite rarely is there some one incident or big bang event of wrongdoing. It can be cumulative over a period of time, and there may be — again, if people come forward — more than one person then willing to speak up. Do not always assume that everything is singular.

I am happy to take questions and discuss, obviously, what I put in the paper in summarising the case. I did outline the notes from a whistleblowing perspective and what some of the presumably unintended consequences have been along the way. Obviously in my field I am well aware of the existence of IBAC. I have got a pretty good idea of what they do, and I do have an impression that so far they have done things pretty well. But having said that, I think there needs to be a lot more training and awareness. I think in, say, professional organisations, like the CPA, the chartered accountants — those sorts of organisations — there needs to be lots more training and awareness so that when something does happen, the potential whistleblower knows, ‘Who do I go to?’. That is the big thing. ‘Who do I trust? Who is going to take this seriously and investigate it?’. That is all you really ask for, that it gets taken seriously, because again, if there are obligations on every party, including the whistleblower, if the claim is frivolous or without any sort of substance, then there should be repercussions there. Again, everybody is innocent until proven guilty.

Hindsight is a wonderful thing. Obviously at the time, back in 2008 and 2007, there was no IBAC unfortunately. Would I do these things differently now, with IBAC being in place? Yes, I would. At least I would know that having gone internally I could go to IBAC. I do emphasise that all of my reporting was internal — within Note Printing and within the Reserve Bank. I did not actually go to the media; I just reported everything internally. Later on, in 2012, along with other people, I gave evidence in court in the committal hearings, and then much later on I got interviewed in the media for a program. So I did not go to the media. I think if there are the correct channels in place, you want whistleblowers to go to those correct channels. You do not want them just running off to the media as the first port of call. I do not think they should be.

My point is, I would contrast it with what happened with ASIC, and I would hope that the experience that I had there would not be replicated if I went to IBAC, where they did not take things seriously, they did not want to know about things. I met with them. I followed up in writing. I gave them instances of breaches of corporate law and all sorts of weaknesses that were going on that allowed these things to continue for years. These things happened over years. I pointed that out to them — breaches of corporate law and other weaknesses — and it went nowhere. Now I would hope that would not happen if someone in an equivalent position today went to IBAC. I do not think it would. They are my opening comments.

The CHAIR — Brian, we sent you some questions. We might go through the questions, but before we do that, can I just ask you what impact on your life has this experience had. The obvious question is: having

thought about it and having experienced what you have experienced, would you do it all again under the same circumstances? I guess, before we get into the questions, what impact has this had on your life?

Mr HOOD — It has had a big impact, a very big impact and not good, to state the obvious. I was out of work for a long time after I was made redundant, got pushed out. I was out for 15 months and, as I said in the paper, I then eventually got another job at a significantly lower level and remuneration — everything. But it turned out fine.

Going through the court process is fairly harrowing in a way. When you are faced with your ex-colleagues who you have not seen for years and you are giving evidence in court, that is stressful. The effect on career was hugely damaging. As I said in the paper, I have not worked for over three years and I have had 30-odd job applications in the meantime, through that period. I do not even get to interviews. The irony is that the lack of transparency — nothing in the media, suppression orders — means everybody thinks it has all gone away and nothing happened. ‘Hang on, he was the whistleblower and he was there. He was the CFO, he had a corporate governance role and all this allegedly happened’. You are left in no man’s land, because nobody knows what the real outcome was. [REDACTED]

You get very, very prominent people getting up and saying, ‘Oh no, we didn’t know anything about any of this. Nobody told us. They are all a bunch of crooks. There was nobody honest there; nobody blew the whistle’, when it is not right. Again, prospective employers look at Medcraft, at ASIC saying, ‘Well, we’re not even going to look it. We’re not even question directors or the parent organisation, RBA people’. That weighs heavily. That forms the view that it is a storm in a teacup and nothing ever happened. It knocks your career around, therefore you are financially hit very hard. It does not do your health much good. It does not do your confidence and that sort of thing much good at all, because there were people there I trusted and people at the Reserve Bank at very senior levels who I worked with on a day-to-day basis who I trusted. But when the crunch came, they were nowhere to be seen. It is a harrowing process, and it does not have a full stop at the end of it — it is still going but you do not know what is going on.

You asked if I knew all that was going to happen, would I have blown the whistle, would I have done what I did back then. You agonise over that, but yes, I still would have because I could not live with myself if I just turned a blind eye and just said, ‘Oh, no. It’s tens of millions of dollars getting paid in bribes. It is going to the wrong place. It is all being recovered in the price’. That is why there is the huge penalty under the Proceeds of Crime Act because it was all then being fully recovered by the bank note price. I would have wrestled with my own conscience if I had have just said, ‘Oh, no. I’ll just pretend I don’t know anything about it’.

It did not enter my mind at the time, but I would have got myself into strife as an accountant, as a CFO, as the company secretary. I was a member of the board. If I did not do anything about it and then it came out some other way, I would have been in strife. No, I still would have reported it. I think I said in the paper that it is only much later that external parties like the media put the tag of whistleblower on you. I never ever thought at the time that I am a whistleblower; I was just doing my job. In a financial job, a company secretary’s job, I was just reporting what was going on.

Yes, I would, but you would not want to go through it again. You are in no man’s land. You do not have a voice; others do have a voice or a platform. It just leaves you totally exposed.

The CHAIR — All right. There are two ways of doing this. We have a set list of questions that we need to go through or we can open it up generally. What do you want to do? Go through the questions?

Ms THOMSON — I am happy to open it up.

The CHAIR — Open it up?

Ms THOMSON — Yes. You mentioned in the document you sent us about not having any supports along the way that you could go to given the opposition you were getting from the company. What kind of support, beyond legal support, would you see as necessary to support you through the process of reporting as you went through up the ladder and sideways and who you reported to? What kind of support did you actually think you needed beyond just having legal advice available to you?

Mr HOOD — I think that is where IBAC would come into it, that if I was making a report today, and obviously I do not know the details of how IBAC operates, but that I would go to a person in IBAC, that they would step me through the process of, ‘Okay, here’s how we want you to report the issue. Here’s the correct format and everything to do it in. Here’s what not to do and who not to speak to’. Somebody to step you through the process where you would get confidence that okay, they are listening. I am going through the right channels, I am not doing the wrong thing, it is being investigated and that you get some sort of feedback along the way. That has to be appropriate feedback, but at least you know —

Ms THOMSON — It is progressing.

Mr HOOD — that yes, they are investigating it and where they are at. I use the example in the paper that Freehills came in, they did an investigation. We were never ever shown or told what their brief was — what their scope was — and we were never ever shown their conclusions or their report. But we were told, ‘No, there are no problems. You can all get back to work’. So you are totally blind and you end up then thinking, ‘How did they conclude that nothing was wrong?’. To answer your question, you do not want to be in the dark. You just want to know that you are being supported through the process and that it has been taken seriously.

Ms THOMSON — What about the organisation itself? How do you think the regulation around how the organisation should treat these matters should go?

Mr HOOD — I think all organisations ought to have some sort of internal process where they have somebody who is designated to receive whatever the report is and that people know what the process is — what the forms are, who the person internally is — and who they go to. That sort of transparency is needed — that everybody should have some sort of policy and procedures to handle these things. And well defined so that the issues that are being raised are not trivial or something that should be handled in a day-to-day sense.

Mr D. O’BRIEN — Brian, you raised a really interesting point when you said it was not until later that you were even termed or considered yourself a whistleblower. One of the things that we have been grappling with a bit is if you are in a position such as you were in, particularly in the public sector, where do you go? What would you google if you did it? But in your case, as you say, you were just doing your job. At any stage did you go, ‘Hmm, should I do anything other than just report it to my immediate superior?’

Mr HOOD — When it got to September 2008, when we were told that Freehills had concluded that no laws had been broken and we were literally told, ‘Now get back to work, the whole issue has gone’, as I said in the paper, that did not sit comfortably with me. It does cross your mind that, ‘Well, this has not really ended. I don’t accept that conclusion, but where do I go? Who do I turn to?’, because, as I said before, I do not know what Freehills looked at, what their scope was. I do not know what their findings were, I do not know how they reached that conclusion. Then you get pushed pretty heavily by senior people to just get back to work, concentrate on your day-to-day job, and you are left with that uneasy feeling. It does cross your mind, ‘Well, I don’t accept this’, but then you think, ‘Well, who do I go to?’, so I did not go — —

Mr D. O’BRIEN — You did not go looking as such?

Mr HOOD — I did not go to ASIC at that point in time. I did not go to the AFP or anyone like that because I was flying blind. These very, very senior people — assistant governors at the Reserve Bank — were saying, ‘Now, Brian, thanks for raising the issue. We have handled it, get back to work’.

Mr D. O’BRIEN — Just to follow up on that, and I do not know the circumstances of how the *Age* got on to the story — I am just trying to refresh myself after Christmas — I think it is in our act that if you go to the media your protections are effectively removed — —

The CHAIR — That is actually one of the questions that I wanted to follow up.

Mr D. O’BRIEN — Oh, okay.

The CHAIR — You are going to do it.

Mr D. O’BRIEN — Yes. From that perspective, particularly when you find you have been told, ‘Get on with it. We’ve fixed it’, do you think that if you then go to the media, any protection you might have as a whistleblower should be maintained?

Mr HOOD — Should it be maintained? If you have gone through all the right internal processes and that sort of thing first, then I think you have still got a right to probably go to the media and expose something and have it investigated. As I said, I never went to the media. When the *Age* first started doing all of their stories, it was purely on Securrency, the sister company next door. It was much later that, through the investigative journalist's work that they have gone, 'Hang on, Note Printing, the sister company, are involved in all of this' and they started mentioning Note Printing. But I never ever went to them. They latched on to the evidence I gave in court, an aspect of that.

As I said before, I do not think the media should be the first port of call — the last. I think there should be obligations on whistleblowers to follow the right procedures, go to the right people and the right organisations — do the right thing internally, do the right thing externally — so that whatever the matter is gets investigated properly. I think there has got to be due process.

The CHAIR — I guess the issue there is that for the whistleblower following the guidelines, the guidelines are very clear.

Mr HOOD — Yes.

The CHAIR — As Danny mentioned earlier in his question, if you go to google something, is it going to give you the information that these are the guidelines that are very clear so you know what to follow. At the moment we talk about protected disclosure. Now someone out in the suburbs is not going to have a clue what protected disclosure is compared to what googling 'whistleblower' may be.

Mr HOOD — I urge you to keep things simple, because whistleblowers can be at many different levels in an organisation. If you just keep it simple with, 'Here's who you go to and what you do and what you don't do' so that it is very clear. That is why, from my personal opinion, there should be no differentiation between public and private sector, big, large, whatever — just 'Here's where you go' with some definition. Perhaps on some offences or issues, then you go here. On other issues that are far more serious — lots more money or life and death situations — here is where you go.

Mr RICHARDSON — Brian, thank you for your presentation and coming in today. It is fascinating, and I am quite interested in the ledger being squared back not so much towards the individual who might uncover criminality or misconduct but the fact that there is so much obligation upon a whistleblower who knows of criminal conduct that could find a 10-year sentence served is quite significant. I think the fact that you had colleagues also sitting there who were not able to take that step either for whatever reason shows that the system has some issues.

I am interested in the impact and how you square that ledger back for someone like yourself, who has then lost the ability of income, then super and career development over a time when you are at a stage of life when you are gaining a significant amount of ground quickly. Rather than taking it away from an award conversation, it becomes compensation and what does that look like. Reading through this, where does that lie for someone who has really done their career harm by doing what should have been done as the right thing in the first instance?

Mr HOOD — What should the compensation look like?

Mr RICHARDSON — Yes, how do you square that ledger back for impact? Those that are committing the crime are off scot-free until someone brings that forward. The obligation on the whistleblower to bring that forward is huge, and it seems to be a complete imbalance in our legal system. How do you square that back, and what does compensation from that sense look like?

The CHAIR — And to follow on from that one question, and to make it more personal: you spoke about bringing it back to a neutral position so, following on from Tim's question, how would it bring it back to a neutral position in your personal situation?

Mr HOOD — I think it comes down to lost earnings. If you are looking at purely financial terms, that is measurable. It is lost earnings. It is, 'What has the impact been there?', and squaring the ledger there.

Mr RICHARDSON — Yes. The career damage in terms of the legal system — suppression orders — is hugely damaging as well. How do you factor that in and that delay and the assumption that nothing has happened? And then who is going to remember in 2020, after appeals and everything happens, what on earth

that was about some 15 years ago? So I think that is a challenge for us. We know where that ledger should be, but legally how do we structure that and the obligations we put forward? If you have got any insight into that as well — have you thought about that?

Mr HOOD — I have only really thought about and experienced the impact of it — just the financial impact, just lost earnings. I have not given a lot of thought to what should the formula be or how do you rectify it, other than I do not think someone should be disadvantaged for having done the right thing.

Ms THOMSON — Can I just ask a follow-up question to that?

The CHAIR — This question is taking a lot of time.

Ms THOMSON — It is really teasing this out. The other aspect too is how do we prevent a whistleblower being detrimentally affected in the first place so that even the question of compensation does not have to occur. So you were both ostracised by your colleagues and by senior management and effectively pushed out; I guess that is probably the best way of putting it. So what are the protective mechanisms? You might not want to answer this straightaway, Brian, and if you want to think about it and come back to Sandy with a response later, that is fine. But give some thought to what kind of mechanisms you need in an organisation to protect that from occurring in the first place, so the whistleblower is actually protected within their place of employment and can continue the path that they might be going on. Do not think you are obligated now, but if you can give it some thought, because in the public sector we can affect that in a way that we cannot affect it in the private sector. We can kind of affect it in the public sector, so I am a bit interested if there are any mechanisms that you think might help in that instance.

Mr HOOD — You are absolutely right in saying that prevention is better than trying to cure it and stopping organisations taking retaliatory action. Then compensation does not even have to come into the equation. But how do you stop an organisation then disempowering someone, literally taking their role apart, completely disempowering them, just allowing all the harassment and isolation and everything to continue on to a point then when you do speak up and say something about that, they then turn around and say, ‘Clearly your position is untenable. You’d better go. Here is a redundancy. Off you go’. How do you stop an organisation doing that unless there is some sort of law or penalty against them preventing them from doing that? I thought there was.

After a bit of a break and really taking some deep breaths, I thought 9.4AAA of the Corporations Act says it is illegal to take adverse action against a whistleblower. I sort of took a real deep breath and thought, ‘I’ll have a go at them over this. They pushed me out. It says it is illegal’, but you do not want whistleblowers having to take legal action against a former employer. It is absolutely daunting. It is even more stressful, or as stressful, as the whole original episode. You cannot afford it — it is hugely expensive — and they give you a hell of a time. They get super-aggressive then. You do not need that stress on top of the original experience. Look, I am not sure how you stop an organisation behaving that way, other than — —

That is one of the reasons I was seriously unimpressed with ASIC, because they do not enforce 9.4AAA.

The CHAIR — Tim, has your question been fully answered?

Mr RICHARDSON — Yes, I think so.

The CHAIR — Simon, I am going to come to you. Can I ask, what reason did they give you for the redundancy when it actually happened?

Mr HOOD — When I originally left there under redundancy? The phrase was used ‘Your position is untenable’. It was about seven or eight months after the end of the Freehills investigation. It got to the end of the financial year. I wrote a note to the chairman, who was an RBA assistant governor and our chairman, saying, ‘The performance appraisal I have been given does not take into account all sorts of things I have achieved during the year’. And the pay rise that I had been offered for the coming financial year was substantially different to all of my colleagues — way under. I had always performed well and got my bonuses and did the job well. I raised it with the chairman, and that was like putting petrol on the fire. I raised the issue that all sorts of isolation and things were still continuing.

I was always unpopular, but I was even more unpopular after Freehills and everyone said, ‘Right! Back to work. There’s no problems here’. Because the agents had been sacked and things were different, that was all my fault,

and that just added to everything. I raised those sorts of issues with the chairman, and in a discussion in the office — he came down from Sydney — he said, ‘Look, your position is untenable. You can’t keep on going. We’ll give you a redundancy’, and that is how it happened.

The CHAIR — Even though it was in breach?

Mr HOOD — In my view it was clearly in breach, but I had nowhere to go. I had no power. I thought it was completely unfair, but by then — that was September 2008; I had been there since April 2004 — I was bugged. I had had enough. I was exhausted. They gave a redundancy, so off I went.

Mr RAMSAY — Thanks very much, Brian. It is a very raw look at the impact that it has had to your life. I appreciate you telling us your story. I feel you have been let down by a number of people and organisations through that journey. The CPA, I would be interested to know what sort of support given you are a member of the CPA and Australian Institute of Company Directors, of which I am a member also — whether they are able to provide some support given what you have been through and potentially loss of employment.

Also, I am just unclear of the time frame in relation to where your name was actually disclosed as a whistleblower. Was it through the court action by Freehills, or was it through the media — through the *Age* investigation? Where did the protection of your name and your reputation get lost in the journey to publication of the whistleblowing as it was?

Mr HOOD — I first got mentioned by name in the media when I had given evidence in court.

Mr RAMSAY — Could you ask for that evidence to be closed evidence? In camera?

Mr HOOD — No.

Ms THOMSON — You would not think to.

Mr HOOD — That was never offered or never considered, and it was a very substantial hearing in the County Court. Lots of people there, lots of media, public. It was quite big, and I was one of, I guess, several witnesses. I only attended on the days when I had to give evidence.

Before that I had given the AFP a statement, because they approached me through the course of their investigation and said, ‘Look, we know that you work there. We have seen your name on lots of documents. We have already done a lot of work, but we think that you can give us some context to things we have already found and add some info’. So I did all of that. I gave evidence in court, and I am sure that is when I first got mentioned in the media then as ‘The company secretary/CFO has given evidence in court’. Then it came out that, ‘Hang on! He gave them a report and did things in 2007, but federal Parliament is being told that nothing happened and that people were not aware of things until 2009’. There was a contradiction in evidence, so that started to get some airplay.

Ms THOMSON — Kim and I were having a little bit of a conversation about the term whistleblower. We were talking about the Google search of where you would go to look to get the assistance and support you might require when you got information. Given that you did not see yourself necessarily as a whistleblower in that sense, and it has a negative connotation I think to the broader community — the word ‘whistleblower’ — and I do not know how many decades it is going to take to change that, if you really were looking for a place to go for help and could not really use the words ‘whistleblower’ or ‘protective disclosures’, because no-one knows what that means anyway, what kind of words would you see as being the triggers, if you were googling, as to how you might source your support?

Mr HOOD — ‘Corruption’ is one word. Now that IBAC is in place and people are aware of it I would like to think that most people now and certainly at certain levels in organisations know of IBAC’s existence, know of its role and could turn to it. But I again emphasise that if there is lots of training and lots of awareness to tell people, ‘That’s where you go. That’s their role’ — keeping it simple, using simple terms. You know: ‘Have you found corruption? Are you aware of conflicts of interest, wrongdoing?’. I would not use terribly strong legal terms, but just keep it simple.

The CHAIR — Brian, can we get clarification. You have mentioned IBAC a few times. Would your situation have allowed you to go to IBAC if it is a federal department, or are you suggesting a federal IBAC equivalent to the Victorian one?

Mr HOOD — Yes, and I said that in the paper. Again I applaud that IBAC is in place and what it does, but I think there does need to be something federal — definitely. That is why I used the example before of: I'm sitting out at Craigieburn on the Hume Highway. I'm working for NPA Ltd. I'm a Melburnian, but hang on, the parent organisation is the Reserve Bank, head office is in Sydney. Am I public or private sector? Do I go to Victoria, do I go national? If something serious is happening, you do not want a whistleblower having to grapple with all that 'Who do I go to?'. Just make it simple that if it is these issues, you go there; if it is these issues, you go there. Even if it is a checklist — who do you work for, that sort of thing.

Ms THOMSON — Given that ASIC regulates the private sector, you would expect that the feds would pick it up and cover it properly through their mechanisms.

[REDACTED]

Mr HOOD — No. I just read some stuff that they have put policies and procedures in place; they have done that sort of thing. It was in my time that they stopped using foreign agents. I assume they have done the right thing since then.

Ms THOMSON — I think Danny might be referring to how they deal with whistleblowers.

Mr D. O'BRIEN — Yes, sorry, that is specifically it.

Mr HOOD — No. I do not really know. I assume they have put processes in place, but you expect they would have after that. I have not stayed in contact with them.

Mr D. O'BRIEN — Just a question on the culture, and this might get into a sensitive area, but did you get the hostility because you felt everyone was in on it, or in the sense of the foreign bribery was it just sort of what you had to do to get business, 'This is what we do in these countries'? What was the culture that led to that?

Mr HOOD — The culture of an organisation is hugely important. I mean, it always is — stating the obvious. But when you think: how can something like this happen, especially in a business that is making Australia's banknotes and passports and banknotes for 20-odd other countries around the world, part of the Reserve Bank? How does it happen? Because of the culture. If there are lots of weaknesses in policies and procedures, very weak leadership — you know, the tone at the top — it is a cliché but geez it works. If the culture is there, if there is lots of informality, that adds to it, so informal communications with people overseas, lack of transparency, not the proper reports — that sort of thing. That is what enables these sorts of things to happen. If you are in a business sense operating in a global market, as banknotes are — very, very competitive industry, you are competing against other organisations that make polymer banknotes, you are also competing against the traditional paper banknote producers — it is cut and thrust. Therefore it is, 'Oh well, anything goes. Everyone else is doing it'.

Ms THOMSON — Yes. Everyone else is paying it. We better pay it too.

Mr HOOD — ‘It’s the done thing in that part of the world’ — Asia, whatever. People, I suspect, rationalise in their own minds. People may well be in their own personal life quite honest and upright, but they get to work, they are faced with a tough situation, got to seal the deal, and they cross the boundary. And the culture is hugely important. It is what enables these things to go on for too long.

Mr RICHARDSON — Just a couple of follow-ups, Brian. What were the outcomes of the Senate economics committee that you presented to before? I think in your evidence you talk about presenting and then Governor Stevens acknowledging that correspondence had been received. Were there recommendations in this space that the Senate economics committee came up with that were relevant to whistleblowers or people in your circumstance?

Mr HOOD — No, I do not think there were. That dragged on for some time, because the Reserve Bank initially had said, ‘We weren’t aware of this, we didn’t know anything about it, we only learnt of it when it came out in the media’. Then of course that was proven to be wrong; that I had told them about it. That is what elongated all that process at that level. I am not aware of any outcomes that they put in place in terms of whistleblowers. In the ACLEI report it did touch more on whistleblowing aspects and protections and that, yes.

[REDACTED]

[REDACTED]

Mr RAMSAY — I am just interested in your reputation and the impact that your disclosure has had to it. I just looked you up on LinkedIn and they have got ‘CFO’ and they have got ‘whistleblower’ next to it, so you have been tagged in that respect, and no doubt you have said that has created problems with further employment. But to me ‘whistleblower’ means honesty and integrity, and I am sure there must be someone out there that wants your skills where they know you have demonstrated both honesty and integrity. I cannot believe, as I referred to in my first question, that organisations like you belong to — CPA and the institute of directors — cannot help overcome some of the sort of prejudice that obviously is in the marketplace in relation to what you have done.

Mr HOOD — After the event I approached both the company directors and CPA and said, ‘Look, because I’ve got the view that there needs to be more training and awareness on that and I’m assuming people like CPA train accountants’ — well, I know they do — ‘I’m happy to contribute and participate in that and help in that process’. They politely declined that offer, but I made it. As I said, I have had 30-odd other job applications along the way.

Ms THOMSON — You went to Stonnington.

Mr HOOD — Yes.

Ms THOMSON — What position was it at Stonnington?

Mr HOOD — Finance manager.

Ms THOMSON — Finance manager. When did you leave Stonnington?

Mr HOOD — I was there a couple of years. When was that? It would have been about 2012, and that is when I went to Parks Victoria and I was there a couple of years.

The CHAIR — Okay. Brian, can we thank you for an incredible submission and at great personal cost, and obviously that is one of the issues that we are concerned about. I think you must have raised 20 points that have been of great discussion between us as a committee over the last few months, so we are extremely grateful for your time and presentation.

Just to clarify one point, we sent you a list of questions and you have given us a confidential submission. Is it possible that you could talk to Sandy about getting your views on some of those questions that we can actually use? Brian, can you speak to Sandy over the next couple of days and see what you could submit to us that we can use in a public forum to form part of our report to the Parliament? Maybe if you and Sandy can talk about that to work out what we can do.

Mr HOOD — I will do that. I would imagine that all of the written answers I have given there for those questions the committee can use. I will double-check that.

The CHAIR — Yes, just take a couple of days, double-check, talk to Sandy about what can and cannot go in as part of a report that we can use, because I mean it is obviously coalface information that we would love to be able to use but you need to feel comfortable that we can use it in a public format.

Mr HOOD — Sandy and I had that conversation. I was mindful that I want my input to be in a usable format for the committee because, as I said at the start, I just hope that the lessons are learned out of this episode and that things improve. So I will make sure that it is usable.

The CHAIR — All right. I will leave it at that. Thanks again.

Committee adjourned.