



Whistleblower – You need to act

Who should read this

All large private and public companies covered under the Corporations Act 2001.

A large Private company is defined as large for a financial year if it satisfies at least two of the following requirements:

- *consolidated revenue for the financial year of the company and any entities it controls is \$25 million or more*
- *the value of the consolidated gross assets at the end of the financial year of the company and any entities it controls is \$12.5 million or more, and*
- *the company and any entities it controls have 50 or more employees at the end of the financial year.*

A Public Company is defined as

- *whether a public company limited by shares or by guarantee*
- *an unlimited public company with a share capital or no liability companies (mining and resource type companies).*

What you need to know

Following a joint parliamentary report, draft legislation the Treasury Laws Amendment (Enhancing Whistle-blower Protections) Bill 2017 was introduced into the Australian Senate in December 2017. The proposed changes are designed to strengthen legislative protection measures for prospective whistleblowers and ensure compliance by affected companies in improving their whistleblower programs.

The likely effective date of the draft bill being passed into law is October 2018 allowing for a six month timeframe for affected companies to become compliant. Failure to comply will be an offence, subject to a maximum penalty of \$200,000 for individuals and \$1million for corporations.

What you need to do

If you are a large proprietary or public company covered under the Corporations Act 2001, then you must implement the required internal whistleblower policies and programs under the new legislation, or risk facing penalties.

Additionally, the whistleblower protection policy must ensure that whistleblowers who make eligible disclosures are protected from retaliation and victimisation. It will not be enough to simply pull together a whistleblower policy and circulate it within the organisation.

The clear intent of the legislative change is for companies to adopt and embed compliant processes to ensure the confidentiality and anonymity of whistleblowers, and enable related reporting for quick and effective resolution.

To ensure you are 'ahead of the curve' **now is the time to start** reviewing or developing your whistleblower policies and procedures. **Prosperity can help with our customised Whistleblower service.**

To learn more about this impending legislative compliance obligation or to confirm if your company will be affected, **contact [Michael Mahabeer](#) who leads our Ethics and Whistleblower practice on [+61 7 3839 1755](#) or your principal adviser.**