



## our logo

The Centre's logo, developed in 1996 and redesigned in 2002, comprises four alchemic signs.

In popular memory alchemists were proto-chemists who sought to uncover the secrets of nature such as how base metals could be transmuted into gold and how to distil the elixir of life.

Yet the alchemists' quest was both more complex and refined. They were not solely concerned with the material world.

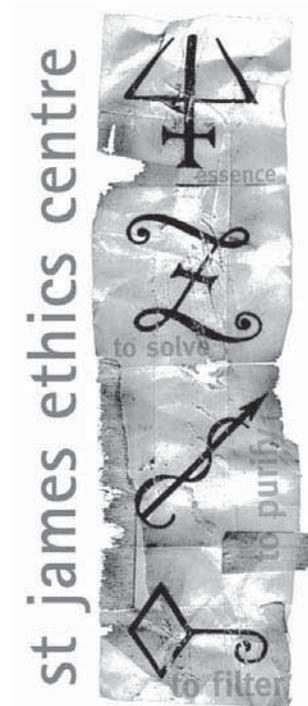
This touches the Centre's conception of its role, which includes fostering and supporting practical change while not losing touch with the deeper springs of human consciousness and identity.

The alchemist's approach reflects the Centre's understanding that there is a universal ethical sense and, properly understood, there is a shared set of values which informs most people most of the time. At the same time, the focus on process is important. Only an appropriate process offers the possibility that a transformation in thinking and understanding might occur.

Each alchemic sign is set on a piece of slightly woven parchment that, paradoxically, bears the sign's meaning in modern typescript. Each sign relates to a process, and together these encapsulate the Centre's core characteristics:

- > an appreciation of the past combined with an orientation to the future
- > practical assistance based on sound theoretical principles
- > an approach which is gentle in nature
- > an approach which is non-judgemental

The strength of a good symbol is that many meanings lie hidden for future discovery. We believe our logo has this quality.



This is the Twelfth Annual Report of St James Ethics Centre.

The Centre is incorporated under the Associations Incorporation Act 1984 (NSW).

St James Ethics Centre has been granted Public Benevolent Status and as such donations in amounts exceeding \$2.00 are tax deductible in Australia and is also eligible to receive donations from trusts and foundations based in the United States.

The Centre holds a NSW authority to fundraise - CFN 14556.

This report was presented at the Centre's Twelfth Annual General Meeting held in the boardroom of St James Ethics Centre, Level 2, 140 Sussex Street, Sydney on Monday 9 December 2002.

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ARBN 094 609 015

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Ethi-Call - 1800 672 303  
(ethics counselling service)

# st james ethics centre

## > our vision ...

we seek to bring about a world in which people feel free to include the ethical dimension in their daily lives

> > >

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## the centre at a glance

St James Ethics Centre is a not-for-profit organisation that provides a forum for the promotion and exploration of ethics. The Centre is recognised by many as a leader in its areas of expertise and is independent of any religious or political affiliations.

The Centre provides guidance to people and organisations seeking resolution of ethical challenges. We assist individuals and organisations develop the ethical dimension within themselves as well as help them discover the freedom they have to integrate ethics into their decision-making.

We attempt to do this by stimulating debate about issues of significance to our community and providing a secure and non-judgemental forum for the discussion and exploration of such matters. We also encourage greater use of the language and practice of ethics so that core values and principles can find expression in daily life.

We work with individuals, groups and organisations through:

> **advocacy ...**

allowing us to encourage active discussion on the ethical dimension of life and how it relates to specific issues of immediate interest and concern.

> **consulting ...**

assisting organisations be they private or public, for profit or not-for-profit, to identify and address the ethical dimension of what they do.

> **counselling ...**

providing a space for reflection and the exploration of ethical dilemmas, challenges and issues. The Ethi-Call counselling service – 1800 672 303 – is free, confidential and as anonymous as the client wishes it to be.

> **leadership development ...**

providing opportunities for those involved in leadership to develop practices for addressing the question of “what ought one to do?” in their decision-making processes. An important platform in this regard is the Vincent Fairfax Fellowship.

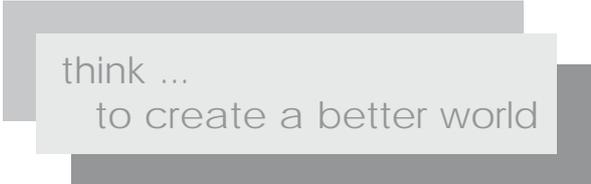
> **training ...**

offering programs in the areas of ethical intelligence, ethical decision-making, integrity coaching, integrity workshops and training for prospective ethics officers and in-house ethics counsellors. We also offer sessions designed to ‘train-the-trainer’ in our processes.

As an independent organisation, the Centre receives no government funding and relies very heavily upon memberships, donations and other forms of support in order to continue its work. The Centre generates additional income by undertaking consulting, training and speaking engagements.

The Centre is incorporated as an association under New South Wales’ law and has public benevolent institution status. If you would like to support the work of the Centre, please consider becoming a member or making a donation. All donations over \$2 are tax deductible in Australia and for trusts and foundations in the United States of America.

> > >



think ...  
to create a better world

## report from the chair

At the time of writing the Twelfth Annual Report of St James Ethics Centre I am reminded of the hope I expressed last year that as world leaders face the dilemmas associated with combating terrorism they might amongst other things "think ... to create a better world". Following the Bali atrocities the discernment process has become even more complex and demanding. It seems more necessary than ever to endure the pain of the process if a civilized response is to be found.

I remarked in my address at the Graduation Dinner for the Fellows of Group Seven of the Vincent Fairfax Fellowship anyone who over a reasonable period of time has ever tried to make a difference knows that leadership is not something that can be immediately quantified. The development of leadership is a necessarily complex and lengthy process. The most superficial reading of history makes that clear. Perhaps this is a time for increased reflection and patience.

In the past we have offered an expanded range of opportunities for members of the Centre to engage in discussion about ethical issues of significance. However, in recent years, our members have indicated that the most important thing to be done with their funds is to apply them to the core work of the Centre. Given this and the harsh realities of funding for the Centre, over the past year or so we have scaled back our activities in relation to membership to a more sustainable level.

Membership of the Centre has always been, at its heart, an opportunity to support our work for the benefit of wider society. As such, it is primarily a contribution in service of the ideal of helping to create a more ethical world.

It is worth noting that the Centre has received, from a wide range of visitors to [www.ethics.org.au](http://www.ethics.org.au) compliments on the new design as well as positive feedback for its comprehensive content, ease of navigation and access to both the forum and the poll. Knowledge of the Centre and its work has expanded exponentially, both nationally and internationally as a result of increased numbers of visitors to the site. It is our best (and cheapest!) platform to gain 'scale' for the work of the Centre.

Early in March we vacated the premises in Phillip Street and moved to interim accommodation on the ground floor at 60 Carrington Street where the Centre continued to benefit from the generosity of Westpac Banking Corporation. The Board acknowledges the Bank's significant commitment and the continued support of the Centre and its work. In addition we acknowledge the significant

financial support received from Westpac to assist us with moving costs. The Bank has made a difference, not only physically but also financially. The lift in our spirits from this timely encouragement was considerable.

The necessity to move occasioned an increased effort to find a more permanent home for the Centre - with serendipitous results. We welcomed the positive response from the Chairman of St. George Bank Limited to a proposal for a possible return to the space previously occupied by the Centre at 140 Sussex Street. Thus with a feeling of *déjà vu* we returned to Level 2, 140 Sussex Street on 26 April 2002 to the very same space we had vacated only fifteen months earlier.

All those associated with the Centre join me in acknowledging this renewed and significant commitment by St. George Bank Limited for this in-kind support and welcome the fact that this generous arrangement will continue until January 2005.

In the area of Leadership Development the Centre continues to provide opportunities for those involved in leadership to develop practices for addressing the question of "what ought one to do?" in their decision-making processes. An important platform in this regard is the Vincent Fairfax Fellowship.

Sir Vincent Fairfax embodied the persistent pursuit of decency. He stood for that great Australian value, fair play. He wanted every Australian to have a fair go and then to make the most of that opportunity. His vision of ethical leadership at all levels of Australian society continues to encourage and inspire young leaders to act with humility, compassion and integrity. It is a legacy we are all privileged to be part of.

During the year under review the Consulting area underwent some significant changes. Following the resignation of Meg Hart, the Centre's Director of Counselling, Suzanne Ross, added to her existing responsibilities and took on the role of Director of Consulting. Part of the change included the extraction of the training component of the work done in both Consulting and Counselling. Thus in November 2001 Suzanne became the Centre's inaugural Director of Consulting, Counselling and Training.

In February 2002, after a period of seven years, the Centre's Project Director, Cynthia Nadai retired from her management role. Cynthia moves on to new opportunities with our thanks and appreciation for her dedication and commitment.

The United Nations designated 2001 as the International Year of Volunteers. To mark this worldwide milestone and to recognise the commitment and contribution made by its volunteers, both past and present, the Centre organised a celebration on 30 November 2001.

To my dedicated colleagues on the Board of St James Ethics Centre, all of whom are volunteers, I offer my thanks and in so doing acknowledge the commitment shown by them to the Centre, its people and its work.

There have been some changes to the Board since 30 June 2002 with the resignation of Rob Ferguson and the appointment, to fill casual vacancies, of two new directors Rabbi Raymond Apple AM and John O'Neill.

We acknowledge the significant contribution of Rob Ferguson who retired in August 2002. After seven years on the Board, including serving, for a time, as the Centre's treasurer, Rob, played an active role on the Board – constructively testing many of the basic assumptions on which the success of the Centre has been built. His deep regard for the well-being of the Centre and his actions to demonstrate that regard will never be forgotten.

On behalf of the Centre's members I welcome the appointment of Rabbi Raymond Apple AM to the Board. He has been senior rabbi of the Great Synagogue, Sydney, since December 1972. Born and educated in Melbourne, he qualified as a Rabbi in London and held historic London pulpits at Bayswater and then Hampstead before returning to Australia to assume his present post.

Similarly we welcome the appointment of John O'Neill to the Board. In October 1995 John was appointed managing director and executive officer of Australian Rugby Union, the governing body of rugby in Australia. John's appointment coincided with the historic decision for rugby to become a professional sport. Therefore his task has been to manage this transition and the emergence of rugby as a successful mass entertainment sport. Prior to his current role, John was managing director and chief executive officer of State Bank of New South Wales, a position he held for over eight years. During that period the State Bank gave considerable support to the Centre. John has been a member of the Centre for eight years.

The combined wisdom and life experience of these newly-appointed directors will be of great benefit to both the Board and the Centre.

In February 2002 Hugh Mackay resigned from his role as Consulting Fellow to the Centre. As one of the Founding Members of the Board of St James Ethics Centre and its inaugural Consulting Fellow we are indebted to Hugh for his long-term involvement and commitment to the Centre. Hugh was the instigator of the Centre's quarterly newsletters – *City Ethics* resulting in the publication of the first issue in 1990. At the end of 2002, although under the newly named masthead *Living Ethics*, the Centre will publish Issue 50.

My report would not be complete without due acknowledgement of the Centre's greatest asset – its people and their leader, Dr Simon Longstaff. Whether their involvement has been as a staff member, professional associate or volunteer I join the Board in expressing appreciation for their combined effort. With Simon's leadership of a wonderful team of dedicated professionals and volunteers we are truly blessed. The Centre has probably never been in better shape in its heart and in its head!

The pages of this annual report provide further details of the initiatives undertaken in the past twelve months to realise our objectives. On behalf of the Board of the Centre I recommend this the Twelfth Annual Report of St James Ethics Centre for your consideration. Thank you for your support.



Peter Joseph OAM  
Chair

## ... the still, quiet voice of conscience

Members of the Federal Parliament are currently engaging in a marathon debate about legislation that will allow the use of 'surplus embryos', created as part of the process of in-vitro fertilisation (IVF), as a source of stem cells for research. The issue of embryonic stem cell research raises a number of old and thorny questions about the ethical status of the human embryo – from the point of conception through to the birth of a child. Given the significance of such questions and the fundamental importance of the answers to which they give rise, it is unsurprising that the major political parties have allowed their parliamentary members a 'conscience vote' – a vote that can be made free from direction by the party 'whip' and where dissent from the majority of one's colleagues attracts no penalty.

Traditionally, 'conscience votes' have been allowed whenever contentious issues, touching on the sanctity of life, have arisen for debate. For example, legislation relating to matters such as abortion, the death penalty and so on are considered to be clear examples of policy arenas in which the consciences of elected representatives, should be given free rein. This is all well and good. However, it is difficult to avoid wondering why there has to be a special class of 'conscience votes' in the first place. After all, what are all of the other votes that take place on the floors of our nation's parliaments? Are we being asked to accept that Members of Parliament may be asked routinely to vote against the dictates of their well-informed consciences? The answer to this question is a plain and simple, 'yes'. However, the explanation for this state of affairs is as complex as the foundations of our political system and culture.

All that is needed for a democracy to exist is that the constitutional arrangements recognise that the ultimate source of authority is derived from the people – or more precisely, the 'governed'. So, there are many models of governance that could, in principle, be justified as examples of democracy. However, I want to mention just three. The first model of democracy has the people directly involved in each and every decision – voting *en masse* on questions of public policy in a series of referenda. Participatory democracy, of this kind, requires citizens to take up direct responsibility for deciding the policies and practices of their state. The second model requires decision-making power to be placed into the hands of elected delegates who vote in the legislature according to the instructions issued to them by their electors. The third model is that of 'representative' democracy – in which electors send their representatives to the legislature on the understanding that they will exercise their best judgement on matters that come before them for deliberation. Australia has

theoretically embraced this third type of democracy – opting to elect representatives with a degree of wisdom and experience presumed to be sufficient for the task of discerning what is, on balance, for the public good.

The theory of 'representative' democracy therefore requires elected representatives to vote on issues in a way that conforms with their judgement – even if this is at odds with what most people in the electorate (or the nation at large) happen to want from time-to-time. If people are unhappy about the judgements made by their representatives – then they can turf them out at the next election. An example of how the judgement of elected representatives can be at odds with 'what most people want' can be seen in the way parliaments repealed the death penalty in all parts of Australia – even at a time when a majority of citizens probably supported its retention. In that matter, as in others, citizens were prepared to accept the leadership shown by their elected representatives.

Australia's system of democracy is based on the basic premise that elected representatives will vote on each and every matter as they see fit – always bearing in mind the fundamental obligation to promote the public 'good' (whatever that may happen to be). It is against this background that the idea of a special class of 'conscience votes' is troubling. Should not every vote be a conscience vote? Of course the theory of representative democracy doesn't take account of the practical reality of political parties and in particular, the party 'whip' (doesn't the name say it all!).

Political parties are part of the reality of Australian politics. At least one party, the Australian Democrats, say that they allow their elected Members of Parliament to speak and vote according to their conscience on all matters. However, recent controversy, arising from the fact that some senators acted in ways that were found to be against 'party policy', would seem to have put the Democrats' claim into doubt. In fact, the reality would seem to be that all of the major Australian political parties expect their elected members to tow the line – with punishment meted out to those who do not.

Those who support the system of party discipline offer various arguments in defence of the *status quo*. The most obvious of these is an appeal to the values of 'stability' and 'predictability'. It is argued that a party without the benefit of the 'whip' will be unable to develop and advance a clearly defined program of legislation – and that this would be to the detriment of the country as a whole. The trouble with this response is that it is not at all clear that stability can only be achieved

through the application of the party whip. Other democracies seem to fare quite well without this aspect of the Australian system – not least the United States’ Congress. If there are alternative means for developing an acceptable level of stability (without the affront to conscience), then why not use them in preference to the ‘whip’?

Supporters of the current system also point out that vigorous debate is allowed within the private confines of the party room – with every member given a chance to have their say in advance of a binding vote being cast. There is the problem of matters of public interest being decided in private. However, more troubling still is the way in which the argument about party room debates fails to take into account the role of factions in predetermining the outcome of any matter. In some parties (probably in both of the largest parties) the faction system can operate to deliver effective control of the party room with a minority of the votes. Let’s suppose that there are 100 members in the party room and only two factions – one with 49 votes and the other with 51. Applying the ‘whip’ could ensure effective control of the party room with just 26 votes in the dominant faction – with party discipline doing the rest of the work to keep the other 74 people in line in order to vote on the floor of the Parliament *en bloc*.

A number of sitting Members of Parliament (perhaps a majority) may have no trouble with the current system. It is quite possible that they feel the whip only lightly – towing the party line because it is always in alignment with what their conscience dictates. However, I would be very surprised to find that there is not a significant number of people who betray their fundamental beliefs from time-to-time. Fearing the consequences of ‘ratting’, they bite their tongues and bide their time in the hope that they may, one day, have the opportunity to do some good.

Of course, it could be argued that the system ‘works well enough’. But at what cost to the integrity of our democracy and, in particular, to that of our Members of Parliament. Are we so sure that voting according to conscience on all matters before parliament would cause chaos? Are the bonds of philosophical affiliation that tie people to a particular party so weak? Why shouldn’t we expect people with a common ideological perspective to vote more often together than apart? After all, the fate of a government does not hang in the balance when people cross the floor on general questions of policy reflected in legislation. Solidarity is only critical during formal votes of confidence in the government of the day.

Representative democracy requires citizens who achieve elected office to act with moral courage on a broad range of issues where we, the electors, rely on the quality of their character and judgement. It seems odd that we accept institutional arrangements that place politicians in a position where they are expected, at least from time-to-time, to betray their sense of what is right and good.

No person should lightly set aside the demands of conscience in order to achieve popularity, wealth, fame or to satisfy the demands of the powerful. Nor should we ask them to do so in the name of a political stability that could probably be achieved using other means not tried in this country, by the major parties, for more than a century. Human beings are diminished whenever we ignore the still, quiet voice of conscience. We are wounded by such decisions – and until the scar tissue hardens our souls, we know it.

A handwritten signature in black ink, appearing to read 'Dr Simon Longstaff', written over a horizontal line.

Dr Simon Longstaff  
Executive Director

# organisational chart



## board of the centre

(as of 30 June 2002)

### chair

Peter Joseph OAM Merchant Banker and Chairman, St Vincent's Hospital Sydney  
attendance at board and sub-committee meetings 7/8

### secretary

Timothy Edwards Partner, Truman Hoyle, Solicitors  
attendance at board meetings 4/5

### treasurer

Robert MC Brown Director, Bridgeport Advisers and Asset Managers Pty Limited  
attendance at board and sub-committee meetings 10/13

### other members

Alison Crook AO Deputy Vice-Chancellor, Monash University  
attendance at board meetings 1/5

Ivan Deveson AO Former Lord Mayor of Melbourne  
Company Director and Patron - Melbourne City Mission  
attendance at board and sub-committee meetings 2/5

Geraldine Doogue Journalist and Broadcaster  
attendance at board meetings 3/5

Rob Ferguson attendance at board meetings 3/5

Michael Roux Company Director and Financial and Strategic Advisor  
attendance at board meetings 2/5

Jane Tewson CBE Director, Pilotlight Australia  
(joined the Board in September 2001)  
attendance at board meetings 3/4

Jonathan Wickham Former Headmaster, The King's School  
attendance at board meetings 3/5

John Wylie Managing Director, ING Australia Ltd  
attendance at board meetings 3/5

### sub-committees:

Executive: Robert MC Brown, Peter Joseph and Dr Simon Longstaff.

Finance and Audit: Robert MC Brown, David Cheetham (resigned August 2001), Susann Landwehr,  
Dr Simon Longstaff, Tim Potter and John van Geldermalsen.

### consulting fellow:

Hugh Mackay Chairman, Mackay Research Pty Limited  
(until February 2002)

## comment

Peter Joseph continued to serve as the Chairman. The Board of the Centre welcomed Jane Tewson amongst its number in September 2001 and has benefited from her experience in managing and overseeing the work of not-for-profit organisations in both Australia and the United Kingdom.

The Board of the Centre acknowledges the contribution of Rob Ferguson who recently retired as a Director after seven years of service. In addition to serving, for a time, as the Centre's treasurer, Rob played an active role on the Board – constructively testing many of the basic assumptions on which the success of the Centre has been built. Rob also assisted the work of the Centre through his contribution to public debate on a range of issues relevant to the Centre's work and more generally, as an example of how a corporate leader can engage with the complex terrain of the ethical landscape. The Board thanks Rob for his contribution and wishes him well for the future.

Since 30 June 2002 two new directors have been appointed to fill casual vacancies on the Board - they are Rabbi Raymond Apple AM and John O'Neil.

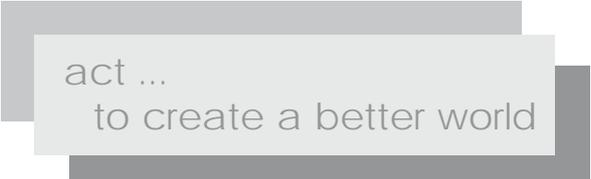
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act ...  
to create a better world

## our people

The Board is greatly appreciative of the outstanding contribution made by employees, professional associates and volunteers whose combined commitment underpins the Centre's operations and growth.

### employees

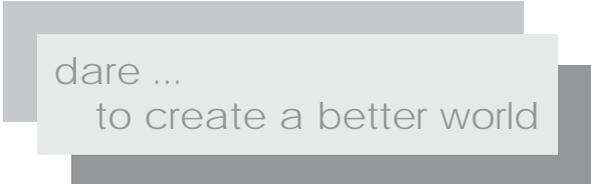
Margareta (Meg) Hart	Director of Consulting (until August 2001 when she became Staff Consultant and then resigned in November 2001 - Meg continues her involvement working as a Professional Associate of the Centre)
Therese (Tess) Howard	Membership Administrator
Susann Landwehr	Operations Manager and, since January 2002, the additional role of Assistant to the Executive Director
Simon Longstaff	Executive Director
Amy Miszalski	Consulting Project Co-ordinator (resigned December 2001)
Cynthia Nadai	Project Director (resigned February 2002)
Suzanne L Ross	Director of Counselling until November 2001 and then Director Consulting, Counselling and Training
En-En See	Personal Assistant and Co-ordinator, Consulting and Training (from April to June 2002)
Antoinette Simon	Manager, Leadership Development
John van Geldermalsen	Director, Leadership Development
Simone Walsh	Assistant to the Executive Director until January 2002 and then Communications Co-ordinator
Graham Wood	Administration Manager, Counselling until November 2001 and then Training staff member until June 2002

### professional associates

Hilary Byrne Armstrong  
Gary Cazalet  
Fr Des Dwyer SJ  
Margareta (Meg) Hart  
Carolyn Jackson

volunteers

Chelsea Corlett	counselling administration support
Shirley Crossman	counselling administration support
Jean Lowe	research of readings for Vincent Fairfax Fellowship Regional Conference
Ross McLuckie	Ethi-Call counsellor
Richard Muhs	membership support
Jane Potter	Ethi-Call counsellor
Tim Potter	Ethi-Call counsellor
Gail Rice	Ethi-Call counsellor
Andrew Small	Ethi-Call counsellor
Stevan Segal	Ethi-Call counsellor (until November 2001)
Ann Storr	one-on-one advocacy, research, <i>Living Ethics</i> , Annual Report and administration
Graham Wood	Ethi-Call counsellor (until June 2002)



dare ...  
to create a better world

## our internal processes

### 'bold arrow'

In July 2001 we instituted a weekly planning meeting to review requests for assistance received by the Centre beyond the core work we initiate. Each year we receive many more requests than we can respond to, effectively. These include requests for speakers from a diverse range of organisations and corporations with a matching diversity of topics. In addition requests are received for the print media, whether it be in newspapers, periodicals or journals. We are also asked to conduct hypotheticals and design workshops.

This planning meeting, known internally as 'bold arrow', was implemented to ensure that we considered all requests with equal thoroughness, no matter how they came to us, and to enable us to allocate our resources to the fullest possible range of requests that fit within our work. It further enables a disciplined approach to planning our activities to ensure a good mix of paid and unpaid (and points in between) work is undertaken, having regard for the varying capacity of those in our community to pay.

### fundraising

Whilst we have not engaged in any formal fundraising activities the decisions flowing from the 'bold arrow' considerations play an important role in ensuring the ongoing sustainability of the work of the Centre.

### weekly meeting

Each week a meeting is held for all staff as one way of ensuring that we are reflective together. The content of this forty-five minute meeting is a combination of reporting, discussion and, most importantly, enquiry and exploration. Any staff member is able to raise a question about an area of the Centre's work that is of interest or concern to them, or to seek input to a decision for which they have responsibility. Due to the confidential nature of much of the work that we do, not all enquiries are met with information but in this way we seek to be as open as possible with each other.

The meeting is not a decision-making forum - each manager is responsible for making the appropriate decisions within their role - however the process helps to ensure that the thinking behind the decisions, when they are made, is both better informed and broadly understood amongst the staff.

This meeting helps us to ensure we have ongoing access to the wisdom that lies within the whole group comprising our staff, at any time.

### on the move

For ten months of the period under review the Centre continued to enjoy the generous in-kind support of office accommodation offered by Westpac Banking Corporation. However the physical location of our premises changed on 11 March 2002 when we moved from Level 2, 140 Phillip Street to the ground floor of 60 Carrington Street, where we remained until 26 April 2002.

This April relocation saw us return to Level 2, 140 Sussex Street, office space we had vacated little more than fifteen months previously. We renewed our association with St. George Bank Limited and again acknowledge the significance of this generosity and the additional warm feeling that comes with the knowledge that the Centre has a home until January 2005.

### changes

Cynthia Nadai continued in her role as Project Director until February 2002 when, after a period of seven years, she retired from the Centre. Her colleagues join all those members, both individual and corporate, of the Centre with whom Cynthia had contact in acknowledging the commitment and dedication given to the Centre. We wish her well in this phase of her life as she moves on to new opportunities with our thanks and appreciation.

Susann Landwehr, the Centre's Operations Manager took on the additional role of Personal Assistant to the Executive Director in January 2002.

In conjunction with the change in assistance to the Executive Director, Simone Walsh took on the responsibilities of the Centre's inaugural Communications Co-ordinator and in so doing relinquished her role as Executive Assistant.

### international year of volunteers 2001

Volunteers of the Centre both past and present were invited to attend a morning tea in celebration of the International Year of Volunteers 2001 at the Centre's then - new premises in Phillip Street. Some thirty volunteers attended the celebration on 30 November 2001 and heard Dr Longstaff elaborate on the Centre's dependence on its volunteers since its inception, the importance of their contribution and commitment while also acknowledging and thanking them for their combined effort and support.

### melbourne

The Centre continues to maintain its office in Melbourne. The generosity of Minter Ellison in providing this office accommodation within their complex is both acknowledged and appreciated.

## financial donations over \$100

(including the Appeal)

The Board wishes to express its sincere appreciation for the generous financial contributions received by the Centre. During this financial year contributors included the following individuals and organisations

Robert Albert AM and Elizabeth Albert

Paul M Anderson

AM Corporation

Fiona L Archer

Brendan Byrne

Caledonia Investments Limited

Stephen Chivers

Professor Jeremy Davis

Timothy Edwards

Bernard Fischer

Belinda Gibson

Peter Graves

Leighton Holdings Limited

Elizabeth Hollingworth

Peter Joseph OAM

John Keating

James Layt AM

Katherine McCredie

Merck Sharp & Dohme

Alex Murphy

The Parish Church of St James

David Rothery

Andy Small

Anne T Spiteri

Westpac Banking Corporation

Westfield Holdings Ltd

Paul and Pamela Wood Foundation

Woolworths Limited

## membership

Membership of the Centre is open to individuals, corporations and students. At the end of June 2002 there were 758 members of the Centre, of whom 617 were individual, 70 corporate members, 57 student members and 14 concession members.

### membership fees

#### Individual

\$65 + \$6.50 GST = \$71.50 per annum

#### Corporate (less than 50 employees)

\$500 + \$50 GST = \$550 per annum

#### Corporate (between 50 and 99 employees)

\$1,000 + \$100 GST = \$1,100 per annum

#### Corporate (over 100 employees)

\$2,500 + \$250 GST = \$2,750 per annum

#### Student or Concession

\$30 + \$3 GST = \$33 per annum

## in-kind supporters of the centre

The Board wishes to acknowledge the in-kind support provided to the Centre by many organisations and individuals. We are indebted to these sponsors for their continued trust in the Board, the Centre, its work and its people.

Where the support has been for a specific event or purpose, acknowledgment has been made at the appropriate interval within this report. However some support has been for the integral working of the Centre and as such is recorded below. We acknowledge the support we have received from the following:



**Commonwealth Bank**

for banking services



for computer software

**Elanora Nursery**  
Indoor Plant Hire

for office plant hire

**Craig Miles**

for use of computer hubs and panels

**ERNST & YOUNG**

for auditing services

**MinterEllison** | LAWYERS

for office accommodation - Melbourne



for computer equipment

**PROFESSIONAL advantage**

for information technology support

**John Bevins**  
Pty. Limited

for design and advertising services



for office accommodation - Sydney

**Tom McGinness**

for creating an interactive CD rom about the counselling process

**Westpac**  
Australia's First Bank

for office accommodation - Sydney

## the centre's activities

### > advocacy

In the context of the Centre's work, a commitment to advocacy flows from a desire to point to issues of significance and in doing so, to encourage active discussion amongst the widest possible audience. It is also an attempt to offer a somewhat different perspective to that frequently presented - a perspective that places a premium on the balanced treatment of important matters rather than mere rhetorical flourish. It allows us to encourage active discussion on the ethical dimension of life and how it relates to specific issues of immediate interest and concern.

#### *living ethics*

The Centre published Issues 44, 45, 46 and 47 of its quarterly newsletter during this financial year.

The significance of the Centre's newsletter, *Living Ethics* continues. Its provision as a forum for the discussion of applied ethics is manifested in the diversity of authors including academics, professionals and community leaders.

Copies of the newsletter are sent to the Centre's local, national and international stakeholders. In addition they are distributed at most speaking engagements, seminars, conferences, functions and meetings attended by representatives of the Centre.

Since mid-1997 until March 2002 the Centre has benefited from in-kind support offered by James Creative Services. Most recently this support has been for typesetting and layout for *Living Ethics*. For the generous support offered by James Creative Services we offer our sincere thanks.

### JAMES CREATIVE SERVICES

For their continued in-kind support towards the publication costs of *Living Ethics* we acknowledge the generosity of Beaver Press.



#### library

The library, although limited in scope, remains a valuable resource and is used by Centre staff, graduate and post-graduate students as well as those in the community at large with an interest in ethical issues. Access to the collection - with its emphasis on business ethics, codes of ethics and conduct as well as corporate social responsibility and sustainability - is available on a no cost basis.

#### website

Towards the end of 2001 it was decided that the Centre would work towards the expansion and re-launch of its website at [www.ethics.org.au](http://www.ethics.org.au). The work, undertaken by staff at the Centre, enabled the re-designed site to be launched in May 2002.

The new site features an expanded and regularly updated ethics-related content and a more accessible forum. Examples of ethical dilemmas, ethics-related news content and an ethics poll are also accessible.

#### shareholders' project

This project comprises a group of people with expertise and an interest in shareholder - corporate relations. They have come together to think through what the recent rise in, and now world-leading level of, share ownership in Australia might mean for individual and institutional investors, as well as for society overall.

Given this breadth of public share ownership in Australia and the scale and impact of activities done in the name of shareholders, St James Ethics Centre is pleased to be a partner in the process of national discussion that will be stimulated by the Shareholders' Project.

Further details of the project can be found on our website at [www.ethics.org.au/our\\_services/projects](http://www.ethics.org.au/our_services/projects).

#### ethical guidelines project

The Centre has prepared a proposal document for the formulation of ethical guidelines dealing with the relationships between not-for-profit (NFP) organisations and business based on the request from Pfizer Pty Limited and the Arthritis Foundation of Australia. Pfizer and the Arthritis Foundation expressed the view that the guidelines to be developed would have general applicability across NFPs and business in Australia. As such, this proposal anticipated a wide-ranging and comprehensive process of consultation with stakeholders including the broader Australian community.

The Centre acknowledges the financial support offered by Pfizer Pty Limited for the administrative costs relating to the production of the proposal and its eventual distribution.



*Life is our life's work.*

To enable this project to proceed funding was sought from corporations and not-for-profits throughout Australia. However having failed to secure adequate funding to guarantee the successful completion of this project, in accordance with the high standards we prescribed at the outset, the Centre decided to end its involvement with this work. Developments subsequent to 30 June 2002 indicate that the project may still be able to proceed in a modified form and under different management auspiced by the Asia-Pacific Centre for Philanthropy & Social Investment – Swinburne University of Technology.

#### ombudsman service

Supplementing the work of advocacy an ombudsman service has been offered to a small group of contracted clients.

#### mediation

In addition the Centre provided mediation under contract when our particular expertise and independence as well as the uniqueness of our service, were specifically appropriate.

### the centre beyond ...

#### media coverage

The Centre's views continue to be sought by the media. Both its opinions and activities are widely reported in print, radio and TV throughout Australia and occasionally internationally.

On some Mondays evenings around 9.00pm Dr Simon Longstaff, Executive Director of the Centre joined presenter James O'Loughlin of the ABC Radio 2BL program *Evenings* to discuss ethical issues.

#### ethics circles

Throughout the year, when his calendar permitted, Dr Longstaff conducted a series of open discussions primarily in Martin Place and occasionally in Wynyard Park, both in Sydney. Beside two small signs bearing the words "If you would like to discuss ideas with a philosopher join the circle", ten collapsible chairs were placed in a tight circle. Dr Longstaff sat on a chair and waited for passers-by to join him. Those who did so contributed to the dialogue already in progress or initiated another topic. The diversity of opinion expressed by those joining the circle has led to energetic exchange of views and spirited debate. These ethics circles are ongoing.

#### participation on boards and committees

Members of our staff have served on boards and committees established in the community, the corporate and public sectors as well as the professions.

These include:

- > Advertising Federation of Australia (AFA) Ethics Working Party
- > AMP Henderson: Australian SRI Advisory Committee
- > Australian Commercial Disputes Centre Limited: Mediator Accreditation Board
- > BHP Billiton: Business Ethics Panel
- > Business Leaders Forum on Sustainable Development: Steering Committee
- > Cambridge Australia Trust
- > Department of Corrective Services: NSW Ethics Committee
- > Eye Institute Human Research Ethics Committee (until December 2001)
- > Fonterra Ethics Committee (from June 2002)
- > Foreign Policy Association, New York – International Advisory Council
- > MLC Life, Code of Practice Committee
- > National Engineers Registration Board
- > NSW Department of Juvenile Justice, Case Work Ethics Committee
- > NSW Ethics Panel on Biotechnology
- > NSW Police Internal Witness Advisory Council
- > Professional Standards Council (NSW)
- > Professional Standards Council (WA)
- > Tresillian Family Care Centres Research & Ethics Committee (until February 2001)
- > Westpac Customer Committee

## the centre's activities

### > consulting

Assistance is offered to organisations, be they private or public, for profit or not-for-profit, to identify and address the ethical dimension of what they do.

Our approach is very practical in nature and is linked to the ethical issues of immediate concern to the organisation.

We maintain that there is a core relationship between applied ethics and responsible day-to-day business and professional practices; we assist organisations to make practical connections between ethics and best practice.

#### our consulting process

This process is uniquely structured to suit each client rather than offering an 'off the shelf' solution. When tailoring the consulting work to their needs, it is crucial to involve the client's experience, knowledge and wisdom, organisational culture and desired future. We therefore work closely with clients to 'co-create' the process.

#### our consulting perspective

We take a comprehensive or holistic approach to ethics, namely the body, heart, mind and spirit. Our consulting work may focus on any one of these four areas:

- > the body of ethics relates to the structures, systems, policies and laws, regulations, standards, codes, disciplinary procedures, customs and habits
- > the heart of ethics involves our relationships. With whom do we have relationships? What is the character and nature of these relationships?
- > the mind of ethics encompasses our ethical intelligence, learning and thinking. This includes the models and processes used to explore an ethical dilemma as well as our internal and external reflection and dialogue. This also involves our capacity to ask good questions in the interest of our ethical advancement and our mindfulness of practice.
- > the spirit of ethics is about concepts and the big picture. Constant questing, searching and desiring in relation to being one's best and working towards the good society. This involves exploring the complexities of our organisational life in situations where 'right' competes with 'right', when the options available are all poor and when the answer is so unclear.

Consulting may involve development or review of an ethical framework. Alternatively it may take the form of a stakeholder or community consultation.

#### balancing compliance and regulation, risk and issue management, and the ethical dimension

Although sometimes seen as competitive each organisation needs to develop the appropriate balance of these three dimensions. Some organisations tend to focus solely, on risk management, others just on compliance. It is not unusual for organisations to base their ethics programs on the combination of compliance and risk management. As organisations struggle with the practical ethical question "what ought one to do?" ethical reflection and development of ethical character and culture are vital components. St James Ethics Centre would take the approach that ethical reflection is neither regulation nor risk management but may include these aspects. Our consulting work helps organisations to embrace all these in the appropriate combination that suits the needs of the client.

#### consulting services and programs

The Centre's distinctive consulting competence relates to the impact of values and principles on organisational behaviour. A range of comprehensive services has been developed to assist organisations to enhance their values-based management capabilities as well as their intrinsic ethical character and culture.

The range of services we offer can be categorised under two main areas - diagnosis, evaluation, review; and development of ethical frameworks.

- > diagnosis - evaluation - review: encompasses diagnostic methods which allow an organisation to engage in an informed process of managing the evolution of its culture. Some examples include:
  - ethiscan: to assess the current and desired ethos, that is the stated values and principles contrasted with those that are actually lived within the organisation
  - values' definitions: to shed light on the meanings embedded in the values to which an organisation and its people commit – an exploration of the degree to which the values are both shared and understood

- obstacles to living our values:  
to discover the major obstacles involved in the values gap which exists between the lived and the stated values
  - ethical intelligence values:  
to explore the capacities to address ethical concerns
  - stakeholder audits/community consultations:  
to explore the character and nature of the organisation's key stakeholder relationships
  - ethical character and culture analysis:  
to explore comprehensively the lived and stated values, the stakeholder relationships, the unconscious systems and dynamics operating in the culture as well as the thinking capacities used to resolve dilemmas; the organisation's capacity to engage with ethical complexity is also considered
- > development of ethical frameworks ...  
facilitation of the development of ethical frameworks that can be applied across organisations which include:
- codes of ethics
  - duties to stakeholders
  - codes of conduct or practice
  - ethical dimension reporting
  - internal ethics 'helplines'
  - ethics committees

During the period under review our clients have included: state and federal government departments, local councils, law enforcement agencies, legal firms, financial institutions, service providers, community action groups, not-for-profit organisations and religious orders as well as a division of general practitioners, a national construction company and a vehicle manufacturer.

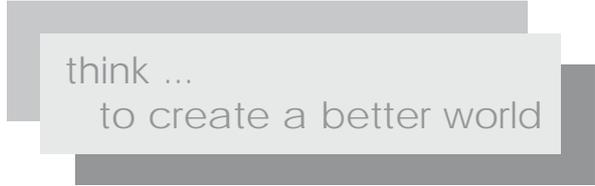
### the consulting team

Early in the year under review Meg Hart retired from the role of Director of Consulting. However from August until her resignation in November 2001 Meg continued to work as a member of the consulting team in the role of Staff Consultant. Meg's involvement with the Centre continues as one of a number of consultants who assist us with our work.

In November 2001 Suzanne Ross, Director of Counselling took on additional responsibilities and became the Centre's inaugural Director of Consulting, Counselling and Training.

Additional changes in the Consulting team occurred in December 2001 when Amy Miszalski resigned from her position as Consulting Project Co-ordinator and for the period between April and June 2002 when En-En See was Co-ordinator of Consulting and Training.

During the year under review internal staff who have assisted with the Centre's consulting work have included Dr Simon Longstaff, John van Geldermalsen, Amy Miszalski and Antoinette Simon. In addition to Father Des Dwyer SJ, the Centre has received assistance from a number of other Professional Associates and Associates some of whom are past staff members including Meg Hart, Dr Hilary Bryne Armstrong (a former Staff Consultant) and Kerrie Henderson (a former Manager, Leadership Development). Other external consultants have included Gary Cazalet, Anna Harper, Carolyn Jackson and John Lonergan.



think ...  
to create a better world

## the centre's activities

### > counselling

The main components of this area comprise the Centre's Ethi-Call counselling service and the professional training and supervision of ethics counsellors within organisations.

#### ethi-call: our ethics counselling service

The Ethi-Call service is free, confidential and as anonymous as the client wishes it to be. It provides a space for reflection and the exploration of ethical dilemmas, challenges and issues. This free national service is open to anyone who may be experiencing the distress caused by unethical business or professional behaviour. As well as the telephone counselling service an appointment can be made for face-to-face counselling at our office in Sydney.

With our trained ethics counsellors, clients explore the ethical dilemmas, issues and challenges resulting from the everyday life experiences they encounter in this complex world. People struggle with the practical question "what ought one to do?" In situations where two 'rights' compete or the options all seem to be 'bad' we are left in a grey area where what is 'right' is unclear.

During the year under review the ethical challenges faced by our clients covered a diverse range and included the following examples:

- > what ought I to do if I think my boss is doing something unethical but I fear I may lose my job if I speak up?
- > what should I do if my client records are subpoenaed and I want to keep them confidential?

A number of institutes, societies and organisations recommend our counselling service to their members or employees with the aim of the Ethi-Call service adding to their own services rather than replacing them.

Two examples of this relationship include the Western Australian Public Service and the Securities Institute of Australia. Both continue to promote our service and in addition the latter produced an in-house brochure explaining and recommending the Ethi-Call service to its members.

#### our ethics counsellors – ongoing training and supervision

The Ethi-Call counsellors comprise a group of professionals who, with rich and successful careers behind them, have subsequently trained as ethics counsellors and now volunteer their time to the Centre.

This year the counselling team comprised Ross McLuckie, Jane Potter, Tim Potter, Gail Rice, Suzanne Ross, Steven Segal, Andy Small and Graham Wood. Subsequent to training the counsellors Suzanne Ross MAPsS, FAISA, Director of Consulting, Counselling and Training has continued to supervise their work. Before the close of the year under review three people were selected to commence Ethi-Call counselling training. This training comprises a rigorous and comprehensive program followed by ongoing group and individual supervision.

The counselling process utilised by the Centre in its Ethi-Call service is unique in that it is dilemma-based, incorporating various disciplines – philosophy, socio-analysis psychology and management.

#### professional training and supervision of ethics counsellors for organisations

Requests for the training of ethics counsellors or ethics officers within organisations have been received. A number of years ago the Centre trained a team of counsellors for BHP's Ethics Helpline. This year BHP Billiton has expanded this service and Suzanne Ross has been involved in training their staff, not only in Australia but also from personnel from South Africa, UK and North America.

#### in-kind supporters of ethi-call

The Centre acknowledges the in-kind support offered by Telstra for the Ethi-Call counselling line 1800 672 303. We thank Telstra for its continued commitment to the Centre.



In addition the Centre acknowledges and appreciates the in-kind support offered by Cable & Wireless Optus for the mobile telephone service for the Director of Consulting, Counselling and Training. The ongoing generosity of Cable & Wireless Optus is much appreciated.



#### changes

In conjunction with others in the area of Consulting, Counselling and Training the role of Administration Manager, Counselling was made redundant.

## the centre's activities

### > leadership development

Our objective in this area is to assist individuals within organisations or groups to develop reflective practices that enable them to invoke the ethical dimension as a conscious and deliberate factor in their personal and organisational decision-making. We look at the ethical dilemmas that those with leadership responsibilities face, raising awareness about their nature and we explore practical strategies for dealing with them with integrity. We focus on the responsibility that we have within our roles, asking what it is that each of us can do when faced with the complexity inherent in the world we share. An important platform in this regard is the Vincent Fairfax Fellowship.

#### the vincent fairfax fellowship

The Fellowship aims to support the development of Australian leaders with a capacity for ethical reflection and a commitment to serving the community. Launched in 1994, the Fellowships are made possible by the generosity of the Vincent Fairfax Family Foundation and, each year, up to fifteen Vincent Fairfax Fellows are exposed to a broad range of experiences that highlight ethical issues confronting Australia and the region.



VINCENT FAIRFAX FAMILY FOUNDATION

#### graduation of group six

On 4 August 2001, the sixth graduation of Vincent Fairfax Fellows was held during a celebratory dinner in the Terrace of the Royal Botanic Gardens, Melbourne. Matthew Baird, Katarina Bosnjak, Susan Brennan, Sandra Casinader, Cath Dwyer, Ian Fullagar, Stuart Higgins, Rachel Hill, Andrew Rice, Kingsley Slipper, Paul Smithall, James Ward and Tricia Wilden received their awards from Mrs Sally White, daughter of Sir Vincent, in the presence of family members and mentors, community leaders, as well as friends and supporters of the Centre. The graduating group of Fellows planned and managed the complete event, which included an insight into the journey that each Fellow had undertaken during the eighteen-month program.

#### continuing program and graduation of group seven

The mid-year retreat program was held in August 2001 in the HC Coombes Centre in Sydney and gave each Fellow the opportunity to examine their own beliefs and values in the light of a range of issues from challenging speakers, discussions and hypothetical situations.

The Fellows then left their homes in Australia early in 2002 to undertake three weeks of individual research into an ethical issue of their own choosing in the South East Asian region. Countries where projects were conducted included East Timor, India, Cambodia, Japan, Taiwan, Thailand, The Philippines, Burma, Fiji and Vietnam. The Fellows gathered in February 2002 in Bangkok, Thailand to take part in the Seventh Regional Ethics in Leadership Conference convened jointly by the Centre and Institute of Strategic and International Studies in Thailand. The conference considered a range of issues under the general theme of identity.

Immediately following the period covered by this report, on 13 July 2002, the seventh graduation of Vincent Fairfax Fellows was held during a dinner in Melbourne Museum, Melbourne. The graduating Fellows; Jane Bennett, Tony Greer, Susan Harris, Catherine Hill, Janet Knox, Emma MacDonald, Roland Mau, David Ristrom, Julie Simes-Phillips, Simone Walker, Lesley Taylor, Alicia White-Palfreeman, Hudson Worsley and Gningala Yarran-Clanton once again provided a wonderful evening of celebration and reflection on their Fellowship journey and the responsibilities that lie ahead of them. Reflecting on our expectations of the Fellows, in his welcome address, Peter Joseph noted that:

... if, as Walter Lippmann would have it, the final test of a leader is that he leaves behind him in others the conviction and the will to carry on, then the ultimate success of the Fellowship program will not be measured by immediate results; it will be assessed in the moral courage and ethical discernment that our graduates pass on to their fellow Australians in all walks of life.

Sally White, in presenting the awards, spoke on the role of mentors and continued with this theme of what we hope for from the graduating Fellows:

My father, Vincent Fairfax was a mentor to many people. He offered counsel and wisdom based on his own strong convictions rooted in Christian teaching. ... Providing this leadership course also is a way of the 'elders' honouring the 'youngsters'. ... It implies that you are worth cultivating, we value your ideas and are dedicated to encouraging you on your worthwhile path. ... If those who have been mentored value the experience I would hope you will be able to do the same for others. Some of the [graduated] Fellows are already doing this.

### selection of group eight

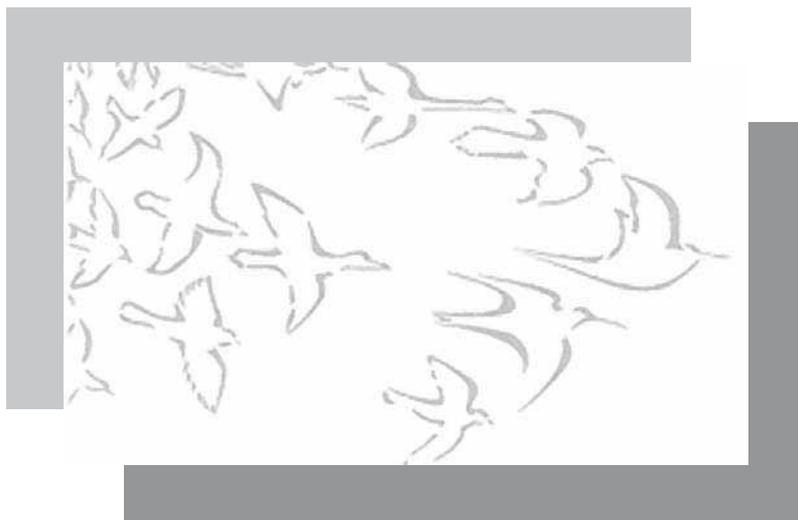
In September 2001, the eighth group of Vincent Fairfax Fellows was selected. The selection panel included Judy Cooper and Geoffrey White, who offered their time on a voluntary basis. The Centre would like to acknowledge and thank them for this significant contribution.

On 5 January 2002 David Armstrong, Kate Caldecott, John Coyne, Katie Firster, Helen Gibbs, David Goodrich, Alex Gordon, John Huigen, Simon Illingworth, Caetlin Jopson, Karen Martin, Damian Morgan, Fiona Stewart and Elizabeth Travica began their program with two days of orientation in Darwin before departing for an Adventure Out Australia trek in the Katherine Gorge, Northern Territory. The Vincent Fairfax Fellows returned to Darwin where they took part in a two-day cross-cultural program conducted by Aboriginal trainers at Nungalinga College. This program was followed by visits to remote mining and Aboriginal communities in Weipa, Gove, Newman and Kununurra. During a week in Canberra the Fellows attended briefings on major policy issues and began negotiating their individual learning contracts. Unfortunately Helen was not able to continue with the program and withdrew during the Canberra phase.

### david williams fellowships

The David Williams Fellowships, which the Centre had operated on behalf of BT Financial Group, was taken in-house for the selection of the fourth group of Fellows in March 2002. These Fellowships aim to develop talented young people within BT Financial Group by encouraging the kinds of knowledge, skills and experience they will need to display to take on active and broad leadership roles. We had a continuing role with the third group of Fellows and wish all new Fellows and BT Financial Group well with the continuation of the program.

> > >



## the centre's activities

### > training

During the first six months of the period covered by this Annual Report, training formed a component of both the consulting and counselling areas of the Centre. Following changes in roles and responsibilities in November 2001, a clear delineation was made of the training component and with it a corresponding separation in reporting.

The Centre offers training programs in the areas of ethical intelligence, ethical decision-making, integrity coaching and integrity workshops.

The training of prospective in-house ethics officers, ethics counsellors, as well as ethics facilitators and mentors is designed in conjunction with each client. Sessions designed to 'train-the-trainer' in our processes are also offered.

#### our training process

Our 'tailor-made' training programs and workshops are the product of mutual reflection, between the client and the Centre, around the agreed intention.

In contrast to an 'off-the-shelf' approach the wisdom and 'learnings' from previous programs is naturally brought to the reflective space – however each new venture is newly 'co-created'.

#### our training programs

Training may be directly related to a consulting project or stand alone and thus be unrelated to a consulting project. Or they may be task focussed as in the training of 'appointed' personnel within the organisation and may take the form of supervision, coaching and mentoring. Examples from the year under review are:

- > ethical fitness and leadership workshops
- > ethical advisor training
- > 'train-the-trainer' program involves the training of a group followed by the delivery, in conjunction with a trainer from the Centre, of a 'co-facilitated' ethics program - examples being an ethical intelligence workshop for all staff of a state department and professional development program in ethics for recent graduates
- > integrity workshop - involving a two-day workshop in ethics and integrity as conducted within the David Williams Fellowship which the Centre operates on behalf of the BT Financial Group
- > leadership ethics and ethical decision-making workshops, the duration of which may be between two and five days as with the two-day

workshop which formed a component of the five-day retreat for Group Eight of the Vincent Fairfax Fellowship

- > ethics officer training is tailor-made and is a professional development program in ethics designed to suit the title, role and any other variables conveyed by the client, be that a company, industry or profession
- > individual ethics coaching is provided for those employees whom the employing body feels have 'slipped' a little in their concept of ethics as it is manifested in their day-to-day work
- > one-day program in ethical intelligence
- > dilemma busting workshops
- > ethics education programs

Our clients during the period under review have included: social workers, management consultants, post-graduate psychologists, mental health professionals, administration managers, journalists and service providers. In addition we have worked with both state and federal governments, local councils, law enforcement agencies, a division of general practitioners, legal firms, a national construction company, financial institutions, vehicle manufacturers, community action groups, not-for-profit organisations and religious orders.

#### the training team

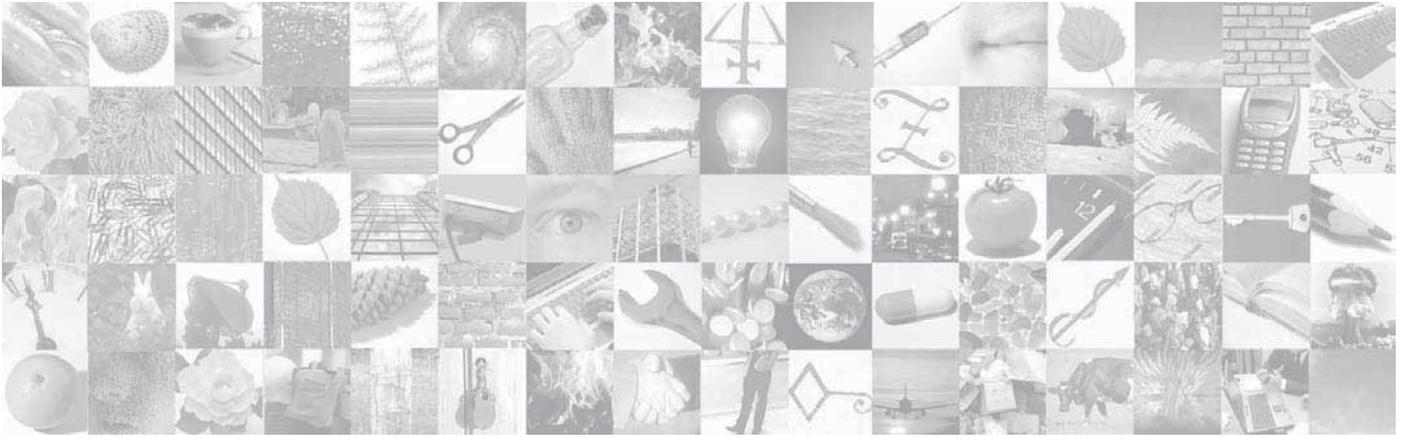
In August 2001, Meg Hart the Centre's Director of Consulting, resigned her directorship and took on the role of staff consultant - a position she held until her resignation from the Centre in November 2001. At that time, Suzanne Ross, the Centre's Director of Counselling took on the additional role of Director of Consulting. Following the clear delineation of the training component from both the counselling and consulting areas Suzanne became the Centre's inaugural Director of Consulting, Counselling and Training.

An additional change occurred in November 2001 when Graham Wood took up the role of staff member in the training team.

The training team comprises staff members, who work in conjunction with many of the Centre's associates including former staff members Meg Hart and Dr Hilary Byrne Armstrong. During the year training has been implemented by Suzanne Ross, Antoinette Simon, John van Geldermalsen, Graham Wood, Dr Hilary Bryne Armstrong, Meg Hart, Jane Potter, Gail Rice and Gary Cazalet.

# financial statements

to 30 June 2002



# financials

## statement of financial position as at 30 june 2002

	Note	2002 \$	2001 \$
<b>Current Assets</b>			
Cash at Bank and on Hand	5(b)	432,763	202,968
Receivables	3	58,198	141,487
		<u>490,961</u>	<u>344,455</u>
<b>Non-Current Assets</b>			
Plant and Equipment	4	49,885	83,276
<b>TOTAL ASSETS</b>		<u>540,846</u>	<u>427,731</u>
<b>Current Liabilities</b>			
Sundry Creditors and Accruals		33,924	12,656
Provision for Employee Entitlements		128,819	91,188
<b>TOTAL LIABILITIES</b>		<u>162,743</u>	<u>103,844</u>
<b>NET ASSETS</b>		<u>378,103</u>	<u>323,887</u>
<b>Accumulated Funds</b>			
Opening Balance		323,887	316,874
Surplus / (Deficit) transferred from Statement of Financial Performance and Distribution		54,216	7,013
<b>Closing Balance</b>		<u>378,103</u>	<u>323,887</u>

## statement of financial performance and distribution for the year ended 30 june 2002

	2002	2001
	\$	\$
<b>INCOME</b>		
Memberships and Subscriptions	148,584	135,175
Directorships and Consultancies	589,041	514,946
Donations	841,836	804,494
Interest	10,768	10,925
Sundry Income	-	7
Donations In-kind		
- Rendering of Services	53,150	99,028
- Rent	189,526	198,000
<b>TOTAL INCOME</b>	<u>1,832,905</u>	<u>1,762,575</u>
<b>EXPENDITURE</b>		
Administration Expenses	262,088	345,363
Depreciation	23,657	26,132
Loss on Disposal of Fixed Assets	18,899	-
Printing and Stationery	26,380	51,525
Salaries and Employee Entitlements	702,186	690,725
Leadership Development Program	399,141	344,789
Other Programs	103,662	-
Donations Expensed		
- Rendering of Services	53,150	99,028
- Rent	189,526	198,000
<b>TOTAL EXPENSES</b>	<u>1,778,689</u>	<u>1,755,562</u>
<b>SURPLUS / (DEFICIT) TRANSFERRED TO ACCUMULATED FUNDS</b>	<u>54,216</u>	<u>7,013</u>

## statement of cash flows for the year ended 30 june 2002

	Note	2002 \$	2001 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and donors		1,662,749	1,381,515
Payments to suppliers and employees		(1,434,557)	(1,448,118)
Interest received		10,768	10,925
Net cash from / (used in) operating activities	5(a)	<u>238,960</u>	<u>(55,678)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		-	-
Payment for purchase of property, plant and equipment		(9,165)	(17,017)
Net cash from / (used in) investing activities		<u>(9,165)</u>	<u>(17,017)</u>
<b>Net increase/(decrease) in cash held</b>		229,795	(72,695)
Cash at the beginning of the financial year		202,968	275,663
<b>Cash at the end of the financial year</b>	5(b)	<u>432,763</u>	<u>202,968</u>

## notes to the financial statements for the year ended 30 june 2002

### 1. statement of accounting policies

The general purpose financial statements have been made out in accordance with applicable Statements of Accounting Concepts, Accounting Standards and UIG Consensus Views issued by the Australian Accounting Standards Board.

- i. These accounts have been prepared under the historical cost convention on an accruals basis except as indicated.
- ii. Accounting policies adopted are consistent with those of the previous year.
- iii. Cash donations and subscriptions are brought to account on a cash basis. Current assets and services which are donated free or at a discount rate are brought to account at the fair value of the donations received.
- iv. For the purpose of Statement of Cashflows, cash is defined as cash on hand and in banks.
- v. Interest earned on cash at bank is credited at the bank's benchmark rate.
- vi. Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of full nominal amount is no longer probable.
- vii. Depreciation is calculated on a reducing balance basis over the estimated useful life of the asset.
- viii. Sundry creditors and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity.
- ix. Provision is made for employee entitlement benefits accumulated as a result of employee rendering services up to reporting date. These benefits include wages, salaries, annual leave, sick leave and long service leave. Associated on costs have been taken into consideration in arriving at these provisions where appropriate.
- x. The carrying values as included in the balance sheet are representative of the net fair value of financial instruments.

### 2. taxation

The Centre as a charitable entity is exempt from income tax under Subdivision 50-B of the Income Tax Assessment Act 1997.

### 3. receivables

	2002 - \$	2001- \$
Sundry debtors	6,372	142,487
Trade debtors	52,826	-
Provision for doubtful debts	(1,000)	(1,000)
	58,198	141,487

### 4. non-current assets

	2002 - \$	2001- \$
Plant and equipment - at cost	80,708	185,919
Provision for depreciation	(30,823)	(102,643)
	49,885	83,276
<i>Reconciliations</i>		
Carrying amount at the beginning	83,276	91,496
Additions	9,165	17,911
Disposal	(18,899)	-
Recoverable amount write down	-	-
Depreciation expense	(23,657)	(26,131)
	49,885	83,276

## 5. notes to the statement of cash flows

## (a) Reconciliation of Net Cash provided by Operating Activities to Operating Surplus / (Deficit)

	2002 - \$	2001- \$
Operating Surplus / (Deficit)	54,216	7,013
(Profit)/Loss from disposal of Plant and Equipment	18,899	-
Depreciation	23,657	26,132
Increase / (Decrease) in Creditors	58,899	(15,716)
(Increase) / Decrease in Receivables	83,289	(73,107)
Net Cash provided by Operating Activities	238,960	(55,678)

## (b) Reconciliation of Cash

	2002 - \$	2001- \$
Cash balance comprises:		
Cash assets	432,463	135,998
Cash on hand	300	300
Cash appeal	-	66,670
Closing cash balance	432,763	202,968

## (c) Non-Cash Investing Activities

During the financial year, the Centre disposed and wrote off assets with an aggregate carrying value of \$18,899 (2001: nil).

## 6. incorporation

St James Ethics Centre was incorporated in February, 1990 under the NSW Associations Incorporation Act, 1984. The liability of a member in the event of winding up the Centre is limited to the amount, if any, unpaid by the member in respect of membership of the Centre.

## 7. related parties

During the year the following people were members of the Board of St James Ethics Centre:

RMC Brown	RA Ferguson
AL Crook AO	P Joseph OAM
I Deveson AO	M Roux
G Doogue	J. Tewson CBE (from September 2001)
TF Edwards	J Wickham
J Wylie	

During the year the Centre under normal commercial terms and conditions performed services for a Board member related entity for the value of \$57,913 (2001: \$126,903).

During the year the Centre under normal commercial terms and conditions made payments for services performed by a Board member related entity for the value of \$ Nil (2001: \$4,721).

Donations were received from members of the Board of St James Ethics Centre of \$1,429 (2001: \$10,299).

9. directors' remuneration

There are no Directors receiving income from being members of the Board of St James Ethics Centre

10. auditors' remuneration

The audit is completed on an honorary basis.

11. segment information

St James Ethics Centre operates as a not-for-profit organisation in one geographical location, Australia.

12. subsequent events

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Centre, the results of those operations or the state of affairs of the Centre.

13. fundraising appeals

Information and declaration to be furnished under the Charitable Fundraising Act 1991:

- (a) no fundraising appeals were conducted during this financial year (2001: nil)
- (b) the total income for the year was expended in the manner detailed in the Statement of Income and Expenditure in the provision of services to the community.

## statement by the directors

In the opinion of the Directors of St James Ethics Centre, we state that:

- (a) the Statement of Financial Performance and Distribution is drawn up so as to present fairly the results of St James Ethics Centre for the period ended 30 June 2002;
- (b) the Statement of Financial Position is drawn up so as to present fairly the state of affairs of St James Ethics Centre as at 30 June 2002;
- (c) at the date of this Statement there are reasonable grounds to believe that St James Ethics Centre will be able to pay its debts as and when they fall due;
- (d) the provision of the Act, the regulations under the conditions attached to the fundraising authority have been complied with by St James Ethics Centre and
- (e) the internal controls exercised by St James Ethics Centre are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising activities.

Signed in accordance with a resolution of the directors:



Peter Joseph  
Chairman



Robert Brown  
Treasurer

18 October 2002

## independent audit report to the members of st james ethics centre

To the members of St James Ethics Centre

### scope

We have audited the financial report of St James Ethics Centre for the year ended 30 June 2002 as set out in the Statement of Financial Position, Statement of Financial Performance and Distribution, Statement of Cash Flows, Notes to the Financial Statements and Statement by the Directors. The Management Committee is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of St James Ethics Centre.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the Centre's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

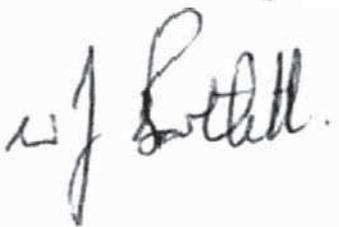
### audit opinion

In our opinion, in all material aspects:

- (a) the financial report presents fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements the financial position of St James Ethics Centre as at 30 June 2002 and the results of its operations and its cash flows for the year then ended;
- (b) the accounts and associated records have been properly kept in accordance with the relevant legislation;
- (c) money received as a result of fundraising appeals conducted during the year has been properly accounted for; and
- (d) there are reasonable grounds to believe that the Centre will be able to pay its debts as and when they fall due and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.



Ernst & Young



W J Bartlett

Partner

18 October 2002

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## ethics counselling service

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a free service of st james ethics centre which is confidential and as anonymous as you wish ... call 1800 672 303 to make arrangements for counselling with one of our trained ethics counsellors.

#### special thanks

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st james ethics centre



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