

st james ethics centre



twentieth annual report 2009 - 2010

twentieth annual report

This is the Twentieth 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; as such donations in amounts exceeding \$2.00 are tax deductible in Australia. The Centre holds a NSW authority to fundraise - CFN 14556.

This report was presented at the Centre's Twentieth Annual General Meeting held in the offices of Investec Bank (Australia) at Level 31, 2 Chifley Square, Sydney on Tuesday 2 December 2010.

ABN 83 637 740 533
ARBN 094 609 015

logo



St James Ethics 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

contact details

St James Ethics Centre
GPO Box 3599, Sydney NSW 2001 Australia
Level 2, 9 Rangers Road Neutral Bay NSW 2089
Tel: +61 (0)2 9299 9566
Fax: +61 (0)2 9299 9477

Ethi-Call ... the good decision line: 1800 672 303

www.ethics.org.au

contents

Report from the Chair	4
Reflections from the Executive Director.	6
Organisational design	8
Board of the Centre	9
Our people.	11
Supporters	14
Ethics is a matter of practical concern	17
Ethics Advocacy	18
Ethics Counselling	21
Ethics Consulting	22
Ethics Training.	23
Ethics in Leadership.	24
Ethics in Business.	26
Balance sheet	31
Income statement.	32
Cash flow statements.	33
Directors' report and notes to the financial statements.	34
Auditors' report	43

st james ethics centre's ethical framework

We are a centre for applied ethics serving as an independent reference point in the ethical landscape.

Our role is to help inform and enable responsible decision-making as part of an examined life – an ideal open to people of all beliefs; as is the Centre itself.

Our practices are based on respect for the intrinsic dignity of all persons and a passionate concern to make a constructive contribution to the world in which we live (even when disturbing conventional wisdom).

We offer an open forum within which thought leadership might emerge – our own included.

We offer practical support in cooperation with those with whom we work.

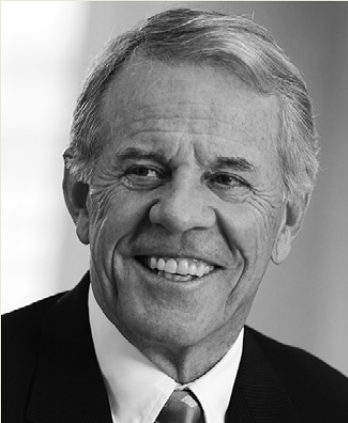
We offer an example of reflective practice and a refinement of the creative spirit that animates the 'art of doing'.

We aim for excellence in all that we do.

We will act in good conscience; with moral courage and compassion. And we will not take ourselves too seriously.

Should we fail to meet our own ideals (as we will surely do from time to time) we will acknowledge this and learn.

report from the chair



Peter Joseph
Chair of the Board

“our role is to help inform and enable responsible decision-making as part of an examined life”

St James Ethics Centre is a fully independent not for profit organisation which provides a non judgemental forum for the promotion and exploration of ethics. The Centre has no political or religious affiliations.

As stated in our ethical framework, as a Centre for applied ethics our role is to help inform and enable responsible decision-making as part of an examined life – an ideal open to people of all beliefs as is the Centre itself.

In December 2009 we celebrated our twentieth Anniversary at Admiralty House generously hosted by the Governor-General, Her Excellency Ms Quentin Bryce. It was a wonderful occasion to thank all of those people who have supported or worked for the Centre over the years and friends old and new enjoyed the opportunity to share in our celebration. The Governor-General provided a very generous account of her experience with the work of the Centre, and announced her decision to become Patron for which we are both delighted and proud.

A key activity for the Centre this year was the Special Ethics Education pilot in NSW primary schools as an option for children not attending Special Religious Education. This followed many years of advocacy work by a very dedicated team. The pilot was approved by the Education Minister to run in Term 2 in ten schools. This initiative has received significant media and community attention throughout the year and at the time of writing this report the Education Minister had just released the independent evaluation report for the Pilot which was positive and a strong endorsement of the Centre's position. There is now good reason to hope that the NSW government will now change the regulations such that the successful pilot will give rise to a far more enlightened approach for children not attending Special Religious Education.

Our advocacy and community work was strengthened with the expansion of our Intelligence Squared (IQ²) debates to Melbourne, with the support of The Wheeler Centre, as well as continued enthusiasm for the debates in Sydney at the City Recital Hall Angel Place. From a standing start the IQ² debates now attract up to 1,100 people per event. In addition, we have been delighted with the response to the inaugural Festival of Dangerous Ideas (FODI), launched in October 2009, a partnership between St James Ethics Centre and the Sydney Opera House. With a diverse program of voices and formats, it appears to fulfil a growing appetite for public debate and discussion on social issues within the community. Over 12,000 people attended this year's festival.

The Responsible Business Practice project successfully concluded its three year Federal Treasury funding term. Key achievements included: the launch of the Global Reporting Initiative (GRI) focal point (the world's leading sustainability reporting framework); the launch of the Good Business Register a corporate responsibility reporting tool for small to medium enterprises; the release of Product Roadmaps; and the inaugural Annual Meeting of the Australian Network of the UN Global Compact (UNGC). An additional 12 months funding was announced by Treasury in the Federal Budget to allow the project a period of transition and integration during 2010-11.

Another exciting initiative related to this work has been the UN Principles for Social Investment. Initiated by an invitation from the Australian Prime Minister to Simon Longstaff to develop a set of principles for organisations when making philanthropic investment, it was adopted at the UNGC Tenth Anniversary Leaders Summit in New York in June 2010.

A highlight of every year is the impressive group of young leaders who graduate from the Vincent Fairfax Fellowship. I would like to personally congratulate Group Fifteen for their courage and participation in this unique, reflective and challenging program. We like to think of the program as a master class in applied ethics. As indicated in the following pages, the graduation of Group Fifteen coincided with the end of funding for the program as run by St James Ethics Centre over the past seventeen years.

*“ to all of you
who engage
with the Centre
in so many
different ways, we
are enormously
grateful to you
for continuing to
inspire us*

Vincent Fairfax believed all those years ago, that Ethical Leadership was a foundation stone for a just and decent society and for a healthy and vigorous democracy. The Fairfax family's courage, foresight and financial support in backing St James Ethics Centre enabled us to sustain Sir Vincent's vision – and for that huge act of financial faith we remain forever grateful.

The richness and diversity of the Centre's work is evidenced by our training programs, our unique Ethi-Call service - the good decision line - and the consulting and advisory services across a wide spectrum of organisations. These practical services underpin our mission and we are inspired by those organisations and individuals prepared to ask demanding questions of themselves as they seek to choose not just between right and wrong but between the far more challenging choice of right and right.

Looking to the year ahead, the Centre will be focused on its sustainability, both financially and strategically. Many of you will know that the Centre has never had any capital and therefore, despite its proud 20 year history, its existence is too often a year to year proposition. The Board is pleased and honoured that Geoffrey Cousins has agreed to establish a Foundation with the sole purpose of raising long term funding for the Centre's sustainability. Geoff will Chair the Foundation, to be launched soon, and I'm sure you will hear a lot more about this in the new year.

There are a number of people whom I would like to thank. Firstly, I would like to acknowledge the generous support of the Centre's Advisory Council. The representatives from eight organisations each contribute to the life of the Centre, strategically and financially, and we thank them for their ongoing insight and commitment.

Secondly, the staff and volunteers at the Centre do an amazing job with limited resources and I thank them for every day delivering on our mission. We are indebted to our General Manager, Sally Treeby, who joined us in January last year. Sally's leadership and organisational skills, combined with her quiet determination, have been exceptional and making a most positive difference.

Finally, on behalf of my Board colleagues, I once again acknowledge the exceptional commitment and talent of our Executive Director, Simon Longstaff, whose passion, persistence and perseverance in wanting to see a better Australia, and indeed a better world, is inspirational.

The Board remains fully engaged and it is fair to say that as with all our stakeholders, has an affection for St James Ethics Centre and a deep enthusiasm for its wellbeing. I am grateful for their ongoing commitment and friendship. This year we farewelled two long standing Directors, Alison Crook and Jon Wickham, and I thank them both for a valuable contribution to the Centre over many years. They remain very much part of our alumnae.

And to all of you who engage with the Centre in so many different ways, we are enormously grateful to you for continuing to inspire us to support you in answering the question originally asked by Socrates, "What ought one to do?". Thank you for your support.



Peter Joseph AM
Chairman, St James Ethics Centre

reflections from the executive director



Simon Longstaff
Executive Director

“we have tried to offer ways of thinking about such issues that might build the capacity of others to reach their own, informed conclusions”

The past year has been marked by a series of significant events in the life of St James Ethics Centre.

These have included:

- the celebration of the twentieth anniversary of the Centre’s establishment;
- the decision by the Governor General, Her Excellency Ms Quentin Bryce, to become Patron of the Ethics Centre;
- the successful development and adoption of the United Nations backed Principles for Social Investment (PSI) – established under the aegis of the UN Global Compact;
- the successful launch of the inaugural Festival of Dangerous Ideas (FODI) in partnership with the Sydney Opera House; and
- the trial of ethics classes as an option for children not attending Special Religious Education (SRE or ‘scripture’) classes offered by faith groups at NSW State Primary Schools.

Some of these achievements are of international significance. Others have had a purely local effect. However, in all cases, developments of this kind have marked a growing maturity in the Centre’s capacity to act for the public good and to demonstrate its relevance. This increase in maturity has not been made possible by an appreciable increase in the Centre’s material resources. Regrettably, the absence of capital, ongoing fragility in our ability to tap the pool of available donations and variability in our capacity to generate other forms of income have all combined to maintain our exposure to fairly regular organisational ‘near death’ experiences. Yet, we persist.

Indeed, it could be said that our effectiveness has never been greater.

I think that the principal reason for this can be found in four dimensions of our work.

First, the Centre owes a great debt to the passion of the many people who work in support of its objectives. Whether paid or working as volunteers, whether taking on a public role or working in support – these people have sustained the Centre and its work to an improbable degree.

Second, the Centre has largely resisted the call (from some) that we should stand in judgement of others. While not shying away from the need to indicate issues of concern, we have tried to offer ways of thinking about such issues that might build the capacity of others to reach their own, informed conclusions. Indeed, one of the conscious objectives for the Centre has been to avoid becoming an authoritative source of judgement for what people ought to / ought not to do. The reason for this is simple. Our entire project fails to the extent that people defer to the judgement of the Ethics Centre. In such circumstances, people will have set aside their responsibility to live an ‘examined life’ – a responsibility to make their decisions their own. Beyond this, I think that our reluctance to judge people has reinforced a reputation for independence allied with a willingness to create space for the examination of all points of view – even the ‘dangerous’ and unpopular.

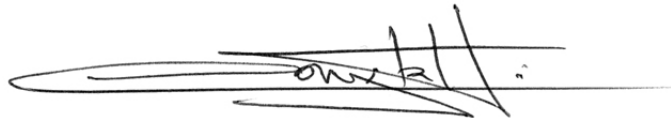
Third, I believe that the Centre has the moral courage to ‘speak truth to power’. It should be noted that this is something more than speaking truth to the powerful. The two things can often conflate – and the latter often requires considerable courage. However, the idea of speaking truth to power looks beyond how one might challenge the opinions and interests of the powerful. Additionally, it embraces the necessity, on occasions, to tackle widely held beliefs that form the basis for what might best be called ‘common opinion’. Some ways of thinking about the world achieve power precisely because they are so unremarkable. That is, the power of such ideas lies in the fact that they form part of ‘the way the world is’.

*“ I believe that
the Centre has
the moral courage
to ‘speak truth
to power’ ”*

Whether in private or in public, the Centre has always been prepared to ask the awkward question (as gently as possible) in the hope of challenging what is often revealed to be the antithesis of an ethical approach to life: unthinking custom and practice. Over time, the scale and scope on which the Centre might pose such questions have enlarged – presenting new challenges and opportunities (such as the PSI, special ethics classes, etc).

Finally, I think that there is strength in the fact that the Centre continues to renew its own ethical foundations. From the time it was established, the Centre was informed by a set of values rooted in the world view of its Founder, the Anglican parish of St James King Street. The genius of this church community was to embrace the opportunity to create an organisation genuinely open to people of good will of all faiths (and no faith). This is an open and gentle form of Christianity that is all too often rejected as being insufficiently ‘muscular’. It is a belief system that embraces the best tradition of the secular ideal in which there is respect paid to all constructive systems of belief – without privileging one over the other.

Over time, the Centre has drawn on multiple sources of inspiration (contemporary and ancient, sacred and secular, Eastern and Western, Indigenous and exogenous) to reinforce its foundations.

A handwritten signature in black ink, appearing to read 'S Longstaff', with a horizontal line underneath.

Dr Simon Longstaff
Executive Director, St James Ethics Centre

organisational design



board of the centre

as at 30 June 2010

chair:



Peter Joseph AM

Investment Banker and Company Director; Chairman, Dominion Mining Ltd and Chairman, Black Dog Institute

secretary:



Timothy Edwards

Partner, Truman Hoyle, Lawyers

treasurer:



Alison Crook AO (to November 2009)

Non-Executive Director



Douglas Snedden (Treasurer from November 2009)

Company Director; Black Dog Institute Board; Accenture Foundation Board; Director, Transfield Services Ltd

other members:



Bill Bartlett

Director, Reinsurance Group of America Inc, RGA Reinsurance Company of Australia Limited, Suncorp-Metway Limited, GWA Limited and Abacus Property Trust; Honorary position, Board of the Bradman Foundation & Bradman Museum; Chairman, Cerebral Palsy Foundation



Philip Clark AM

Member of Advisory Council, JP Morgan



Jonathan Wickham (to November 2009)

Former Headmaster, The King's School



Geraldine Doogue AO

Journalist and Broadcaster



Michael Pain

Managing Director, Management Consulting, Accenture Australia



Michael Roux

Chairman, Roux International



Major General (Ret) Andrew James (Jim) Molan AO DSC

Principal AADI Defence Pty Ltd; Author; Commentator; Speaker

subcommittees:

executive committee

Peter Joseph and Dr Simon Longstaff (*ex officio*)

corporate membership program committee

Philip Clark (chair), Peter Joseph, Bill Bartlett, Douglas Snedden, Dr Simon Longstaff (*ex-officio*) and Sally Treeby (*ex-officio*)

nominations committee

Peter Joseph (chair), Dr Simon Longstaff (*ex-officio*), Douglas Snedden, Philip Clark and Jane Bridge (Boardroom Partners)

finance, audit and risk management committee

Douglas Snedden (chair), Timothy Edwards, Stuart Marshall (external), Dr Simon Longstaff (*ex-officio*)

property committee

Peter Joseph and Dr Simon Longstaff (*ex officio*)

our people

as at 30 June 2010

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

In particular this year we are enormously grateful for the increased number of professional and committed volunteers who have taken on critical roles in the Centre in a highly effective way.

employees:

Nathalie Adams
Receptionist

Nadia Adzinets
Leadership Development Assistant and Administration Officer

Amanda Armstrong
Communications Manager

Ottillie Bick-Simpson
Project Officer, Corporate Responsibility Index (to October 2009)

Sarah Davidson
Manager, Corporate Responsibility Index (from July 2009)

Sarah Gaunt
Executive Assistant to the Executive Director & General Manager (from August 2009)

Lena Geraghty
Network Manager, Global Reporting Initiative (to February 2010)

Suzanne Granger
Project Coordinator, Responsible Business Practice project

Jo Hatton
Acting Head, Ethics Services - Consulting, Training & Leadership (from March 2009)

Therese (Tess) Howard
Membership Administrator and Accounts

Alisa Kelley
Manager, Organisational Capacity (from September 2009)

Dr Simon Longstaff
Executive Director

Teresa Russell
Project Manager, Special Ethics Education

Rosemary Sainty
Head, Responsible Business Practice (to 30 June 2010);
UNGC Focal Point in Australia

Stuart Spires
Training and Counselling Assistant and IT Administration (to March 2010)

Sally Treeby
General Manager

Victoria Whitaker
Network Manager, Global Reporting Initiative (from February 2010)

Christiane Meyer
United Nations Global Compact & Global Reporting Initiative (March 2010 - July 2010)

Joshua Tarrant-Wyndt
United Nations Global Compact (July 2009 - December 2009)

Nicholas Tyrall
United Nations Global Compact (July 2009 - December 2009)

interns:

volunteers:

Raymond Brazil

Ethi-Call – Counsellor

Anne Goldner

Event Coordinator, IQ² debates

Colleen MacKinnon

Special Ethics Education in NSW Primary Schools

Richard Muhs

Membership support

Cynthia Nadai

Ethi-Call – Counsellor

Felicity Nelson

Human Resources

Jane Potter

Ethi-Call – Counsellor

Tim Potter

Ethi-Call – Counsellor

Elizabeth Riley

Ethi-Call – Counsellor

Elisabeth Shaw

Ethi-Call – Supervisor

Andrew Small

Ethi-Call – Counsellor

Ann Storr

Volunteer Administrator – VFELF Leadership Program and National Business Leaders Forum

Philip Wright

Ethi-Call – Counsellor

professional
associates:

Dr Hilary Armstrong

Father Des Dwyer SJ

ethics fellows:

Clare Payne

Banking & Finance Sector

Patrick McClure

Not-for-profit Sector (to 30 June 2010)

staff changes:

Ottillie Bick-Simpson, came to the Centre as an Intern in July 2008. She was a vital part of the Responsible Business Practice initiative, providing invaluable assistance in creating a CRM database (to October 2009).

Stuart Spires began at the Centre in July 2004 and over his six years with us he was involved in a variety of the Centre's projects including training, leadership, counselling as well as providing IT support (to March 2010).

Nadia Adzinets has worked in a variety of roles since coming to the Centre in April 2006, in particular the Vincent Fairfax Leadership program. We were very pleased for Nadia when she announced that she was to have a much wanted baby and sad to see her leave in June 2010.

Lena Geraghty was a key instigator in establishing the Global Reporting Initiative here in Australia, joining the Centre in April 2009. Lena left in March 2010 to have her son Liam, born April 2010.

PEOPLE

Victoria Coleman moved into the role of Network Manager GRI following Lena's departure in February 2010.

Sarah Gaunt joined us in August 2009, bringing a wealth of experience in the not-for-profit sector to her role as Executive Assistant to Dr Longstaff and our General Manager, Sally Treeby. She has also taken on a role in the production of our IQ² series of debates.

Jo Hatton joined us in March 2010 for a short-term contract and has played a vital role in refreshing and developing our ethics services, completing her contract in August 2010.

Alisa Kelley joined the team in September 2009 as Manager, Organisational Capacity, providing financial, operational and IT support to the Centre.

supporters

donations

The Board wishes to express its sincere appreciation for the generous financial contributions received by the Centre, which this year included specific donations to the Special Ethics Education project.

During this financial year contributors included the following individuals and organisations:

donations of \$100 to \$999:

Alan Cameron
 Andrew Molan
 Catherine A Hill
 David Hipsley
 Donald O White
 Duncan Tchakalian
 Ian Dunlop
 Anonymous
 Kate Corcoran
 Kathleen McCredie
 Louise Bennett
 Margaret Lothian
 Richard Cogswell
 Robert D Longstaff
 Robert Quinn
 Sally Treeby
 Sarah Goodman
 Timothy Johnstone
 Alison C Crook
 Kate Hayes
 Lucy Fairfax
 Michael Murray
 Susan Green
 Alex Murphy
 Diane Green
 Michele M Cotton & M Judzewitsch
 Ross C McLuckie
 Sharyn Tidswell
 Belinda Rigg
 Gianni Zappala
 Jill Dalton
 Anna C Booth
 I F Stanwell
 Michele Corin
 Philip M Clark
 Robert Wylie
 A White
 Emilia F Armytage
 Geoffrey & Sally White
 John Fairfax
 Jonathan Wickham
 Mark L Standen
 Peter Roach
 Prue E Fairfax
 Ruth Armytage
 Sarah Fairfax
 Tim Fairfax
 Alope Phatak

Brendan Byrne
 Harbour Foreshore Motel
 Elizabeth Hollingworth
 Stephen Chivers
 The Human Factors & Ergonomic Society
 Tim Edwards & Shane L Barber
 Amy Miszalski
 Ian Simmonds
 Peter A Bell
 A W Small
 Colin Gunn
 D Rothery
 Deanne Weir
 Geoffrey Robertson
 Gordon Stenning
 James E Layt
 Jane M Brockington
 Jeffery Cohen
 Simpsons Solicitors Pty Ltd
 Peter Graves

donations of \$1000 and over:

Greatorex Foundation
 Macquarie Group
 R C McDougall
 Robert Irwin
 Moir Recruitment Pty Ltd
 Kells The Lawyers
 Bovis Lend Lease Pty Ltd
 Doug Snedden
 Battiston Consulting Pty Ltd
 Accenture
 Richard Sippe
 Ernst & Young
 AMP Limited
 Gresham Partners Limited
 Protiviti Pty Ltd
 R O Albert
 Rainbow Fish Foundation
 Robert Parker
 Robertson Foundation
 Telstra
 BHP Billiton
 Insurance Australia Group
 P C Joseph AM
 Leighton Holdings Limited
 Westpac Banking Corporation

membership

Membership of the Centre is open to individuals and corporations including concession for students and pensioners.

At the end of June 2010 there were 515 members of the Centre, composed of 429 individuals, 56 students or concession holders and 30 corporations.

member fees

individual

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

Student or Concession: \$30 + \$3 GST = \$33 per annum

corporate

Less than 50 employees: \$500 + \$50 GST = \$550 per annum

Between 50 and 99 employees: \$1,000 + \$100 = \$1,100 per annum

Over 100 employees: \$2,500 + \$250 GST = \$2,750 per annum

advisory council

The Advisory Council acts as a source of strategic advice for St James Ethics Centre.

There are currently eight members from leading corporate and professional organisations. We thank all the members of the Advisory Council 2009-2010 for their continuing commitment to grow the practice of ethics and for their generosity of time, financial support and resources.

organisation:

Accenture

AMP Ltd

BHP Billiton

IAG

Macquarie Bank

Protiviti

Telstra

Westpac

advisory council member:

Michael Pain

Stephen Dunne

Karen Wood

Alison Ledger

Bill Marynissen

Gary Anderson

Will Irving

David Bell

As its name suggests, the Advisory Council exercises no authority over the policies or practices of St James Ethics Centre. Such authority lies exclusively with the elected Board of the Centre which, in turn, guarantees a proper degree of independence for the Centre's personnel.

pro bono support

We would like to acknowledge the generosity of the many organisations and individuals that support the Centre's work through volunteering services and expertise. Without the help of these organisations the Centre would simply not be able to achieve the level of quality and impact for which it is recognised.

major supporting organisations:



Alberts
Investments Pty Ltd



other supporting organisations:

AMP Capital Investments
City Recital Hall Angel Place
Clemenger
Grey Advertising
Jackson Wells
Macquarie Group
Naseema Sparks
The Sydney Morning Herald
Telstra
The Age
Vivente Australia
Lavender

“ the decision-making process is not always an easy one based on a simple choice between good and bad, right or wrong. The ethical landscape is painted in shades of grey

ethics is a matter of practical concern

What ought one to do? We are all faced with this question on a daily basis – ethics in practice is the process of thought and reflection we undertake, in order to make a choice or decision that is consistent with our view of what makes a ‘good’ life, and in turn what we decide shapes the quality and nature of relationships.

But the decision-making process is not always an easy one based on a simple choice between good and bad, right or wrong. The ethical landscape is painted in shades of grey. Sometimes our range of choices is reduced to picking the least bad alternative. Sometimes we need to accept the limits to certainty when trying to decide how best to proceed. Sometimes we may have nothing more than a well-informed conscience to guide us through the maze of ethical decision-making.

St James Ethics Centre exists to provide a non-judgemental forum for the promotion and exploration of ethics, ethical decision-making and ethical leadership. By encouraging and assisting individuals and organisations to include the ethical dimension in their daily lives, we believe we can help to create a better world.

St James Ethics Centre works with individuals, the business world, professions, governments, community groups and many other diverse organisations. We provide a broad range of services that encourages many facets of our community to explore ethical reflection and decision-making.

ethics advocacy

... encouraging active discussion on the ethical dimension of life and promoting discussion, reflection and consideration of the ethical issues of our time through publications, the media and with projects such as the IQ² debate series and the annual Festival of Dangerous Ideas (in conjunction with Sydney Opera House).

ethics services

counselling

... providing a space for reflection and the exploration of ethical dilemmas, challenges and issues.

consulting

... assisting organisations to identify the ‘gaps’ between their espoused and lived ethical commitments, and strategies to bridge such gaps.

training

... providing training in areas such as Ethical Intelligence & Good Decision-Making, plus accreditation for prospective ethics officers and in-house ethics counsellors.

leadership development

... providing opportunities for those involved in leadership to develop practices for addressing the central question of ethics – “What ought one to do?” – in their decision-making processes.

ethics in business

... expanding responsible business practice nationally through key international initiatives and tools, and an inclusive conversation with businesses of all sizes.

ethics advocacy

living ethics

The Centre published Issues 76, 77, 78 and 79 of its quarterly newsletter during this financial year. The newsletter continues the important discussion of applied ethics which is prompted by the diverse range of authors that contribute – including academics, professionals and community leaders. Copies of the newsletter reach the Centre's local, national and international stakeholders.



MACQUARIE

The Centre acknowledges the generous support of Macquarie Group for its continued sponsorship contribution towards the publication of *Living Ethics*.

We take this opportunity to thank the editor of the Centre's newsletter, Jackie Randles, and Marc van de Griendt, who has continued to design special cartoons for the Centre's use. Additional examples of Marc's work can be viewed at www.havock.co.uk.

www.ethics.org.au

The Centre's website continues to be a portal for discussion, debate and learning. The site contains many volumes of resources and is a source of information on eclectic topics.

The website underwent a major upgrade which was completed by Simone Walsh in October 2009. This upgrade comprised implementing complex new functionality which is used to manage and organise the site. As a result of this upgrade, staff at the Centre can now add and edit content without needing special skills and much of the content is organised automatically, making management of such a content-rich website easier and more efficient. The upgrade did not comprise changes to the visual design of the site.

iq² debates

During the period under review seven Intelligence Squared (IQ²) debates were convened in the City Recital Hall, Angel Place, Sydney.

The propositions before the House were:

- The media cannot be trusted with the truth
- Our current immigration rate is too high
- Intelligence Squared should shove off to Melbourne where it belongs
- Popular culture: we've seen the future and it's junk
- The pursuit of happiness is making us miserable
- The Senate is still unrepresentative swill
- Governments should not censor the internet

An additional debate was hosted by the University of Sydney with the motion *Too many people go to university*.

2010 has also seen the launch of IQ² in Melbourne in partnership with The Wheeler Centre. Two debates were held at the Melbourne Town Hall and the propositions were:

- *Australia should embrace nuclear power*
- *Australia has not escaped its racist past*

More information about these debates is available on the dedicated website: www.iq2oz.com or through the Centre's website.

intelligence²

“ethics advocacy
... encouraging
active discussion
on the ethical
dimension of life
and promoting
discussion,
reflection and
consideration of
the moral and
ethical issues of
our times

The Centre acknowledges its partnership with John Rothnie-Jones, and to Professor David Seedhouse for his generosity in the use of the Values Exchange – an online facility for voting and comment.

The Centre would like to recognise its other partners in this project: *The Sydney Morning Herald* and *The Age*, Australian Broadcasting Corporation (ABC) and *ABC Big Ideas*. We would also like to thank the Sydney City Council for the provision of support in relation to its venue, City Recital Hall, Angel Place and the City of Melbourne for sponsored use for the first debate at Melbourne Town Hall. The Centre takes this opportunity to acknowledge the generous voluntary contribution made by those who joined the tally team for each debate. We thank Anne Goldner for her significant contribution.

festival of dangerous ideas

After the successful inaugural Festival in October 2009 with 8,000 attendees, the Centre has again partnered with the Sydney Opera House on the Festival of Dangerous Ideas, to be convened at various venues within the Sydney Opera House in October 2010 where approximately 12,000 people were expected to attend. Among the exciting range of events is an Intelligence Squared debate. Further information is at www.sydneyoperahouse.com.

special ethics education in NSW primary schools

In September 2009, following eighteen months of broad community consultation, the Centre and the Federation of P&C Associations of NSW made a joint submission to the NSW Minister for Education, Verity Firth, requesting permission to run an ethics pilot program in ten NSW public primary schools in Term 2 in 2010. The program was offered as an option for children who 'opt out' of Special Religious Education (SRE), which is taught by members of various faith groups for between thirty and sixty minutes each week. 'Opt out' students are currently subject to a policy that prevents them from undertaking any formal learning during this time, and specifically not in the areas of 'ethics, morals, civics and other religions.'

The Minister approved the Centre's submission in November and the pilot ran in ten schools in Term 2. Associate Professor Philip Cam from the UNSW was contracted to devise the curriculum for Years 5 and 6 children and a few generous sponsors provided funding. A part-time paid project coordinator was officially hired in February, after having worked full-time on the project in a volunteer capacity since December.

Thirty-three volunteers were trained in March to facilitate twenty-eight ethics classes made up of 530 NSW children at the ten pilot schools. The classes were welcomed and enjoyed by both the children and their parents. An independent assessment of the pilot by an interstate academic is soon to be delivered to the Minister, who will then make a decision about a future rollout.

The issue has had strong media exposure through most of the last year, peaking during the actual running of the pilot from 20 April to 1 July. In general, there is broad public support for the program to be rolled out as an option for all ages in all 1,641 public primary schools.

We are working towards gaining bipartisan support. More information: www.specialethicseducation.com.au.

ombudsman service

Supplementing the work of advocacy, we have supplied an ombudsman service to a small group of contracted clients.

media

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

participation on boards and committees

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

These include:

- AMP Capital Socially Responsible Investment Advisory Committee
- Australian Commercial Disputes Centre Limited: Mediator Accreditation Board
- Australian Institute of Company Directors: Corporate Governance Committee
- BHP Billiton: Global Ethics Panel
- Crime and Justice Reform Committee
- CSIRO - Niche Manufacturing Flagship Advisory Committee
- Fundraising Institute of Australia: Ethics Committee
- The Genographic Project: International Advisory Council
- Green Building Council of Australia: Technical Assurance Committee
- Global Reporting Initiative: Advisory Board
- ISO 26000 - Standards Australia Technical Committee MB-004-00-01 Social Responsibility
- Law Society of New South Wales - Professional Conduct Committee
- National Business Leaders' Forum on Sustainable Development
- National Council on Education for Sustainability
- National Engineers Registration Board
- Nestle Oceania Creating Shared Value Advisory Board
- NSW Department of Corrective Services: Ethics Committee
- NSW Ethics Panel on Biotechnology
- NSW Police Internal Witness Advisory Council
- Reconciliation Australia: International Advisory Committee
- Reconciliation Australia: Indigenous Governance Awards
- Sydney IVF Ethics Committee
- Westpac Customer Committee
- WSN Environmental Solutions: Sustainability Reference Group
- Sydney Community Foundation
- Woolworths Limited Corporate Responsibility Panel

*“ ethics
counselling
... providing
a space for
reflection and the
exploration of
ethical dilemmas,
challenges and
issues*

ethics counselling

What ought one to do when ... ?

- respect for privacy and confidentiality conflicts with transparency and possibly the law
- I have to choose between loyalty to my family and loyalty to my work or clients
- I have promised confidentiality to someone but have learned something from them which I think should be exposed
- I want to respect the beliefs and culture of another, but to do so in some situations feels a complete violation of my core principles
- I am facing a situation where both taking action if I am wrong or not acting if I am right will have dire consequences
- my care and concern for one person conflicts with my care and concern for another
- what's good for me is bad for others

The Centre's national ethics counselling service provides an opportunity for reflection and exploration of ethical dilemmas, challenges and issues. Ethi-Call is available to anyone who is experiencing concern regarding an ethical dilemma and wishes to include the ethical dimension in their decision-making process.

Ethi-Call is free, confidential and as anonymous as the client wishes it to be. Like the Centre, Ethi-Call is available to people of any (and all) religious, philosophical and cultural traditions. Appointments for the counselling service can be made by contacting the Centre on the dedicated Ethi-Call line: 1800 672 303. Sessions are offered either by telephone or face-to-face in our Sydney office.

Our trained Ethi-Call counsellors offer a non-judgemental dialogue rather than advice. By asking guiding and reflective questions, we aim to help callers come to their own decisions in line with their personal and professional values systems.

Ethi-Call ... the good decision line: 1800 672 303

“ ethics consulting ... assisting organisations to identify the ‘gaps’ between their espoused and lived ethical commitments, and strategies to bridge such gaps

ethics consulting

The Centre consults to a diverse range of organisations with a view to building their capacity to address the ethical dimension of their work.

Please note that due to the confidential nature of our consulting work, we cannot disclose specific information about the activities undertaken in this financial year, or list the clients with which we have worked.

Based on a holistic perspective and an empirical model our consulting services are customised to our clients' needs. Our advice is strongly connected to the key requirements of a sound ethical culture – helping organisations to clarify their ethical foundations and achieve alignment.

The Centre's approach is practical in nature and is linked to the ethical issues of immediate concern to the organisation. We maintain that there is a direct relationship between applied ethics and responsible day-to-day practice. We assist organisations in making practical connections between ethics and 'good' decisions. These decisions relate to an organisation's ethics documents, workplace structures and systems, as well as actual practice and behaviour.

Such decisions are often the result of attempting to balance three related but differing areas:

- the ethical dimension
- compliance and regulation
- risk management

Our consulting work helps organisations to embrace all three aspects in the appropriate combination that aligns to the needs of clients and benefits society.

our consulting services

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 ethics-based management capabilities, as well as strengthening their ethical character and culture. To that end the Centre offers a number of specific consulting services.

ethics frameworks and structures

Consulting services can be provided to assist organisations develop or review ethics-related structures and systems. Examples include ethics help-lines, compliance hotlines, performance appraisal and recruiting systems and processes, as well as the roles and functions of ethics committees.

profiling

We assist an organisation, profession, team, group or Board to understand the gap between its espoused and lived values and principles. At one level, consulting services include focus groups and surveys aimed at testing the internal understanding of the organisation's ethical stance – values and principles. At a deeper level, services involve a full analysis of the organisation's ethics documents, to elicit the key ethical components, followed by individual interviews, focus groups and surveys to research the 'gaps' and determine their meaning and implications.

facilitation

Our services include an independent and objective facilitation of the discussion of ethical issues. Typically, these discussions are between stakeholders where individual needs compete and when 'right' and 'wrong' solutions are not easily identifiable. More general discussions are also facilitated and involve such topics as the introduction of help and compliance breach lines, the optimal way to 'roll out' programs to ensure a sound ethical culture, and discussions relating to conflicts of duty within work practices.

ethics training

Our training programs are created to enable individuals and organisations to enhance their skills and capacities in ‘ethical intelligence’, especially as it relates to ‘good decision-making’.

During the year our programs were delivered across a number of states and territories of Australia to a diverse range of industry sectors and clients, including:

- executives and managers of state and federal public sector departments in metropolitan and regional locations
- corporate, public sector and not-for-profit leadership programs
- education sector executives and teachers
- emergency services personnel
- health sector managers and personnel
- not for profit organisation managers and personnel
- publicly listed Australian corporations

Our programs are highly interactive, practical, group exercise based and aimed at stimulating debate, discussion, and increased awareness on the subject of ethics and associated concepts. We work closely with each client to identify their needs and co-create a tailor-made program to meet the specific requirements of their organisation.

We offer two core programs, along with customised programs:

ethical intelligence and good decision-making

This one-day program is the foundation for understanding and embracing the ethical complexities and issues faced by individuals and organisations. Participants are formally introduced to the concept of ethics and are provided with a shared understanding of ethical language, methods, frameworks (e.g. codes of ethics and conduct), as well as decision-making models. The program incorporates practical exercises to enhance the ability of individuals to be both ethically aware and ethically intelligent, as well as providing a basis for good decision-making.

ethics for leaders and managers

This program incorporates and builds on the foundation learning of the Ethical Intelligence and Good Decision-Making program. Within this program participants are exposed to the latest thinking on business ethics, as well as models of human nature and their relevance to business ethics. Learning is introduced through St James Ethics Centre’s Holistic Model of Ethics and is directed towards the organisation’s ethics documents, its stakeholder relationships and commitments, its decision-making culture and its contribution to society. Ethical dilemmas and moral temptations are considered alongside the relevant internal systems, risk management strategies and the regulatory requirements.

customised programs

During the year we also delivered a number of customised versions of our programs to cater for larger (or smaller) groups, time limitations, and/or a focus on a particular area of interest or concern. These included half day workshops on a new code of ethics for, two hour workshops on ethical decision-making, and one hour presentations on organisational values.

Our open Ethical Intelligence and Good Decision-Making program held in June was well received and we intend to offer these programs on a regular basis in future to cater for individuals interested in ethics training. In response to client requests we also plan to expand our core programs to include half day workshops and introductory one to two hour presentations.

“*ethics training ... providing training in areas such as Ethical Intelligence & Good Decision-Making, plus accreditation for prospective ethics officers and in-house ethics counsellors*”

“ leadership
... providing
opportunities for
those involved
in leadership to
develop practices
for addressing the
central question
of ethics – “What
ought one to do?”

ethics in leadership

the vincent fairfax fellowship

During the past seventeen years the Centre's flagship leadership development program has been the Vincent Fairfax Fellowship. This program aimed to support emerging leaders by assisting them to expand their views and understanding of the community within which they have committed to work. Launched in 1994, the Fellowships undertaken during the year under review were made possible by the financial support of the Vincent Fairfax Ethics in Leadership Foundation.

The Vincent Fairfax Fellowship program was designed to increase the capacity of each Vincent Fairfax Fellow to exercise and support ethical leadership in their fields of influence and thereby create a better world.

The Vincent Fairfax Fellowship program commenced with experience; often vivid, sometimes unsettling, but always instructive. Each experience was matched by an equally challenging process of reflection in which new ways of thinking were harnessed to develop leaders with the capacity and moral courage to question unthinking custom and practice.

group fourteen

The Graduation Dinner for the Fellows of group fourteen was convened in the Grand Court of the Art Gallery of New South Wales on Saturday 25 July 2009. Prior to the commencement of formal proceedings the Chairman of St James Ethics Centre, Peter Joseph OM, was pleased to welcome His Excellency Jose Ramos-Horta, President of Timor Leste. Geoffrey Cousins presented the Second Vincent Fairfax Oration sharing with the assembled guests his thoughts on 'moral courage'.

Sally White, daughter of Sir Vincent and Lady Nancy Fairfax, presented testamurs to Hala Abdelnour, Rose Bryant-Smith, Boris Buick, Emily Chew, Sarah Davidson, Fairlie Delbridge, Fabrizio D'Esposito, Brett Greentree, Simon Herd, Chris Huet, Nathan Jessup, Zoe Mander-Jones, Bohden Power, Angela Reed and Beeta Vahdat and welcomed them to the Alumni.

Between 24 and 26 July 2009 the 2009 Alumni Symposium was convened in the offices of Baker & McKenzie in Bridge Street in Sydney. *The justice paradox* was the topic for this symposium, organised by Stephane Victor (group twelve), 2009 Chair of the Alumni.

In October 2009 group fourteen fellows met in Melbourne for the post-program Integrity workshop, which offered an opportunity for further discussion and the practical applications of the lessons learnt throughout the program. The Fellows were asked to make commitments for the good impact they hoped to achieve within their fields of influence, roles and responsibilities on Australian society.

group fifteen

A mid-year retreat was held in July 2009 at the HC Coombs Centre for Financial Studies in Kirribilli for the fifteenth group of Fellows: Narelle Beer, Felicity Calvert, Jane Cleeve, Tara Day, Luke Gosling OAM, Dr Pippa Grange, Shabnam Hameed, Martin Hayden, Matthew Jones, Cameron Sewell, Peta Slack-Smith and Dr Emily Stimson.

The retreat gave the Fellows an opportunity to examine their own beliefs and values over a range of issues including challenging readings, discussions and hypotheticals. Fellows had the opportunity to workshop various leadership situations, scoping new and diverse approaches.

Prominent members of the community – the Hon Justice Michael Kirby AC; Rt Rev Robert Forsyth, Bishop of South Sydney and Ann Sherry AO, Chief Executive Officer of Carnival Australia, met with the Fellows during the Retreat. Each shared their personal perspectives of leadership and any significant challenges particularly related to the topics of the day, namely – self and family; freedom, control and communities; and, organisations, efficiency and social justice.

A significant component of the Vincent Fairfax Fellowship program for each Fellow is the individual exploration and research on a topic of their choice covering a period of three weeks in another country. Colombia, India, Japan, Myanmar/Thailand, Papua New Guinea, the Philippines, the Republic of Indonesia and South Korea were the countries visited by the Fellows of group fifteen to conduct their individual projects.

In March 2010 the fifteenth group of Fellows gathered in Hanoi, Vietnam, to take part in the Fifteenth Regional Ethics in Leadership Conference convened jointly by St James Ethics Centre and the Centre for Strategic and International Studies (CSIS Indonesia). *On Cultural Diplomacy* was the theme for this conference.

On the evening of 17 July 2010 in the Grand Court of the Art Gallery of New South Wales, St James Ethics Centre hosted the Graduation Dinner for the Fellows of group fifteen. The Hon Malcolm Turnbull MP, Federal Member for Wentworth presented the Occasional Address. Tim Fairfax AM, son of Sir Vincent and Lady Nancy Fairfax presented the graduates with their testamurs.

The 2010 Alumni Symposium convened at the Menzies Hotel, Carrington Street, Sydney during weekend of 17 and 18 July 2010. This symposium focused on the recognition of the generosity and foresight of the Vincent Fairfax Family in establishing an ethics in leadership program; the acknowledgement of the design of the program and its significant impact; the privilege of participation in the program as well as the role and engagement of the Alumni with St James Ethics Centre and the Melbourne Business School in the future.

Fellows of group fifteen met in Sydney between 15 and 17 October 2010 for the post-program Integrity workshop to review the experience of the program; to revisit some of the key theoretical foundations of ethics in leadership and to discuss some of the opportunities the Fellows see for applying the lessons of the Vincent Fairfax Fellowship program in the future.

the future

The group fifteen graduation celebration coincided with the end of funding for the first phase of the Vincent Fairfax Fellowship program which has been, for the past seventeen years, a program of St James Ethics Centre, made possible by the generous support of the family of Sir Vincent and Lady Nancy Fairfax.

At the end of the first phase of the Vincent Fairfax Fellowship program the Alumni comprises 200 Fellows. We take this opportunity to remember the late Harry Burton from group four and the late Chris Kohlenburg from group five.

St James Ethics Centre extends its best wishes to the Melbourne Business School as it responds to a common challenge with a new approach, in a new program bearing the name of Sir Vincent Fairfax.

*“ethics in
business
... expanding
responsible
business practice
nationally through
key international
initiatives
and tools, and
an inclusive
conversation
with businesses
of all sizes*

ethics in business

responsible business practice project

Through Treasury, the Australian Federal Government commissioned St James Ethics Centre to undertake a three-year project to expand responsible business practice nationally. The 2009-10 financial year marked the final year of the initial funding and a period of significant development. The Responsible Business Practice team continued to develop key initiatives to build a trusted 'hub' of international and local resources and tools, providing a national coordinated entry point.

The guiding principles of the project were to:

- acknowledge excellent initiatives already underway in Australia, avoiding duplication
- draw together key stakeholders and innovators to facilitate the flourishing of national networks and laboratories of best practice
- characterise the project through inclusivity and creativity, culminating in the building of a national hub - a collaborative 'neutral' entity
- work to prepare business for a changing environment - building adaptability and resilience
- recognise that transparency, trust, confidence and comparability are emerging as key themes in the new economic climate.

Five core initiatives underpinned this work:

1. United Nations Global Compact (UNGC)
2. United Nations Principles for Social Investment (PSI)
3. Global Reporting Initiative (GRI)
4. Corporate Responsibility Index (CRI)
5. Small to Medium Enterprise (SME) Project

1. united nations global compact (UNGC)



Global Compact Network
Australia

Over one year ago, following the support of Australian Signatories of the UN Global Compact (UNGC), St James Ethics Centre, itself a signatory, established an Australian Focal Point for the Compact, from which to develop an Australian Network.

Launched in 2000, the UN Global Compact revolves around ten principles for business on human rights, labour, the environment and anti-corruption and is the world's largest voluntary corporate citizenship initiative with over 7,700 corporate participants and stakeholders from over 130 countries. It has two key purposes: to integrate the principles into business practice, and to garner collective action of the UNGC and its related UN initiatives.

The past year has seen an increase in participating signatories in Australia by more than 50%.

The Australian Network of the UNGC was formally launched at the Tenth National Business Leaders' Forum on Sustainable Development at Parliament House Canberra, on 28 May 2009 by Georg Kell, Executive Director of the UN Global Compact, supported by Senator the Hon Nick Sherry, Minister for Superannuation and Corporate Law. A Working Group of signatories was established in July 2009 to develop key documents for consultation and adoption at the Network's Inaugural Annual Meeting held on 4 June 2010.

The meeting involved the voting in of a Steering Committee and observers, Local Network Representative and Secretariat. Later in June the Network Secretariat led a group of Australian Delegates to the Leaders Summit and tenth anniversary of the UN Global Compact at the United Nations, New York

where the important *New York Declaration* was made – with calls for a further scaling up of the leadership commitment over the next ten years with an augmentation of the ten founding principles of the Global Compact through a *Blueprint for Corporate Sustainability Leadership*.

The Steering Committee together with the Secretariat and Local Network Representative will now work to transition the Global Compact Network Australia to self-sustainability and self-governance.

2. principles for social investment (PSI)

The Principles for Social Investment is an initiative that has been developed by the United Nations Global Compact through the leadership of St James Ethics Centre. St James Ethics Centre has been the Australian focal point for the UN Global Compact. The Global Compact has spawned a number of initiatives including the UN Global Compact Cities Program, Principles for Responsible Investment (PRI) and Principles for Responsible Management Education (PRME).

The prospect of establishing the PSI was specifically raised by St James Ethics Centre at the Australian Davos Connection Philanthropy Summit held in Sydney in April 2009. With the agreement of the UN Global Compact Office, the initiative was launched by then Prime Minister, Kevin Rudd, MP. There has been increasing international discussion that an area of corporate activity for which there is no set of universal principles is around community investment and philanthropic giving – more broadly described as social investment. Social investment describes voluntary financial and non-financial contributions that demonstrably help local communities and broader societies address their development priorities.

Working in partnership with the Centre for the Encouragement of Corporate Philanthropy (CECP) based in New York, St James Ethics Centre has since successfully negotiated the establishment of the PSI with the United Nations Global Compact. The PSI was adopted by the meeting of UNGC Focal Points and noted in the New York Declaration from the UN Global Compact Leaders Summit on 25 June 2010. The PSI is now a UN backed instrument forming part of the UNGC suite of related instruments.

3. global reporting initiative (GRI)



The Global Reporting Initiative is the world's leading sustainability reporting framework and the Australian focal point is housed at the Centre. It has been an active year and the key achievements included:

- A national outreach to and engagement with more than 300 stakeholders via workshops as well as Organisational Stakeholder (OS) and reporter events and meetings. Over 210 participants attended the nine Introductory Workshops held nationally. In addition, two celebratory events were held for Organisational Stakeholders (OS) and reporters.
- GRI welcomed five new OS including Stockland, EC3, and the National Centre for Sustainability, Swinburne University and 2B Sustainable.
- Federal Government engagement resulted in the appointment of Kerstin Widjawardene, the Treasury representative for Europe, to GRI's international Government Advisory Group; and Geoff Miller, General Manager Corporations and Financial Services Division, to the Focal Points Advisory Group as an Observer.
- GRI's Amsterdam Conference Delegation: The GRI Focal Point organised a delegation for GRI's International Biennial Conference. The Oceania Delegation was one of just a handful of official delegations in attendance, with thirty-three delegates from the region attended the conference. The delegation met privately with GRI's Chairman Mervyn King; and held two events to welcome and draw together the delegation.

- The Focal Point worked closely with GRI to establish and launch the GRI Certified Training program in Australia. The certified trainers acquire certification from the GRI to provide two day introductory programs to the reporting community on GRI.

Funding initiatives were undertaken to secure funding for the Australian Focal Point for 2010-2011 to supplement funding provided by Treasury. This included an Memorandum of Understanding (MOU) signed between GRI and CPA Australia; and between GRI and St James Ethics Centre for the 2010-2012 period.

Subject to the above MOU's and funding agreements in the short term, the primary focus moving forward will be to build an organisational stakeholder network and consistently raise revenue to support future sustainability.

Activity 2010-11 will focus on:

- institutional development and long-term business planning
- capacity building and uptake of report writers and report users
- increasing and enhancing government engagement
- engaging the financial/ESG sector
- activating GRI in supply chain management
- ensuring Australian organisations' participation in GRI's international dialogue and expanding into New Zealand and the Pacific

4. corporate responsibility index (CRI)



The Corporate Responsibility Index (CRI) is a management and benchmarking tool that enables companies to measure, manage, report and improve their impacts on society and the environment. For the past seven years Business in the Community in the UK has licensed the CRI exclusively to St James Ethics Centre for use in Australia and New Zealand.

In 2009-10, 113 companies participated in the CRI globally. This included twenty-one submissions from Australia and New Zealand (fourteen from local companies plus seven from global companies with operations in Australia and/or New Zealand). Global and Australian/New Zealand participation numbers declined during 2009. This was mainly due to company resource shortages in the aftermath of the economic downturn.

During the past year information seminars, training workshops and meetings held with over 400 companies in Australia and New Zealand. Over 2000 stakeholders were also kept updated on the CRI through St James Ethics Centre's HUB of Responsible Business Practice quarterly e-newsletter.

The seventh CRI results and awards were announced on 27 May 2010 at the Eleventh National Business Leaders Forum on Sustainable Development (NBLF) at Parliament House, Canberra. The 2009 CRI average overall score of 85.4% is the highest achieved since the CRI was first launched in Australia seven years ago. The full 2009 CRI Results Executive Summary is available on the CRI website at:

www.corporate-responsibility.com.au/content/corporate-responsibility-index-results

St James Ethics Centre was delighted to host Dame Julia Cleverdon DCVO, CBE (Vice President, Business in the Community) to announce the seventh CRI Awards. The 2009 CRI trophy award winners were EnergyAustralia (Best Overall Performance Platinum Award), PricewaterhouseCoopers (Best Progress Gold), New Zealand Post Group (Best Progress Silver) and Western Power (Best Progress Bronze).

Platinum Award certificates were also presented to Australian Broadcasting Corporation and Country Energy for achieving the new Platinum level

introduced to the CRI in 2009 for companies that achieve an overall score of 95% and above.

From 1 July 2010 St James Ethics Centre enters the final year of funding from the Federal Treasury to enable a transitioning of the Responsible Business Practice (RBP) initiative to sustainability. This process has also prompted the Centre to review the sustainability of each individual RBP project. Following St James Ethics Centre's review of the CRI, the Centre has decided to transition the launch of the next annual project cycle to Business in the Community to run a Global Index directly from the UK for all participating UK, Australian and New Zealand companies.

5. small to medium enterprises (SME) project

There were four main areas of focus for this project:

(i) SMEs in their supply chain - good business register®

With a view to providing guidance to SMEs in accessing their supply chains, whilst also aiming to simplify and reduce bureaucratic requirements that might constitute barriers to entry, the Centre launched the Good Business Register® in December 2009. CPA Australia and the Council of Small Business Organisations of Australia (COSBOA) supported the launch.



The National Register of
Responsible Business Practice

The Register is a simple, free and secure online tool that has been designed specifically for small to medium sized business. The tool has been created to help increase awareness of responsible business practices and produce both A Statement of Commitment and sustainability report that can be used in the tender and procurement process to communicate the unique aspects of a business to procurers, clients, staff and community.

The development of the Register represents a major national collaboration - drawing on sustainable supply chain practices of corporate leaders - ANZ, EnergyAustralia, Toyota and Westpac consulted by Ernst & Young, tested in focus groups of SMEs and procurers by ARIES, advanced by CPA Australia and Telstra and supported by *business.gov.au* and the Council of Small Business of Australia (COSBOA). For more information visit www.goodbusinessregister.com.

(ii) SMEs in their sector - product roadmaps

This strand involved the development of product roadmaps are a tool that helps identify the social and environmental impacts of a specific sector/product throughout the supply chain and then identify areas for improvement, cross-participant opportunities, government responses and tools that can assist to increase responsible business practices.

Launched in November 2009, *If this product could talk: Product Roadmaps*, St James Ethics Centre commissioned a diverse group of collaborators - the Total Environment Centre, Brotherhood of St Laurence and Net Balance Foundation to build the roadmaps.

The National Garment Industry Sustainability Roundtable was held on Friday 29 January 2010 in Melbourne, with the support of the Council of Textile & Fashion Industries of Australia Limited (TFIA) and the Brotherhood of St Laurence to discuss the findings of the garment industry roadmap and the broader sustainability impacts in this industry. The event brought together key stakeholders such as Myer, Target, Woolworths, Country Road, Department of Innovation, Industry, Science and Research, CSIRO, Ethical Clothing Australia, Oxfam Australia, RMIT, Textile Clothing and Footwear Union of Australia and industry bodies to discuss sustainability issues that affect the garment sector.

The product roadmap tool is currently being used by the NSW Department of Education and Training School Libraries Unit as an online teaching resource for students in the Year of Learning for Sustainability (for more information see www.thehub.ethics.org.au/sme/sector_product_roadmaps).

(iii) SMEs in their place or community

This segment of research is focused on identifying developments in local communities that are engaging and supporting the local business community to improve social and environmental outcomes. In May 2010 the Centre launched two web pages on the HUB website to profile the research and resources stemming from the place-based segment. For more information see www.thehub.ethics.org.au/sme/place-based_initiatives

(iv) SMEs and their support networks

Building the support networks of professionals and service providers through working with those businesses that provide essential services – for example accountants, lawyers, banks, IT/communications providers, chambers of commerce and the government funded business advice services.

acknowledgements

St James Ethics Centre wishes to sincerely thank the following organisations and individuals for their contribution and commitment to various aspects of the Responsible Business Practice project:

Accenture
Allens Arthur Robison
ANZ
ARIES (Macquarie University)
Australian Compliance Institute
Australia and New Zealand 2009 CRI participants
Brotherhood of St Laurence
Business in the Community
Canvas Group
CleanBiz Tasmanian Department of Environment
CPA Australia
CRI Advisory Group
CRI Leaders' Network
EcoFutures
EnergyAustralia
Ernst & Young
Federal Treasury
Generation Alliance
ICLEI
Instyle Contract Textiles
Investec
KPMG
Lowder Creative
National Business Leaders Forum on Sustainable Development
Nestle Australia
Net Balance Foundation
PricewaterhouseCoopers
Senator The Hon Nick Sherry
SENSIS
St James Ethics Centre's Board

balance sheet

as at 30 June 2010

	Note	2010 \$	2009 \$
Current assets			
Cash and cash equivalents		406,493	481,671
Trade and other receivables	4	243,447	336,129
		649,940	817,800
Non-current assets			
Plant and equipment	5	58,422	62,101
Total assets		708,362	879,901
Current liabilities			
Trade and other payables	6	257,847	371,552
Provision for employee entitlements	11	219,245	257,895
Non-current liabilities			
Provision for employee entitlements	11	43,959	57,058
Total liabilities		521,051	686,505
NET ASSETS		187,311	193,395
Equity			
Accumulated funds		187,311	193,395
TOTAL EQUITY		187,311	193,395
Statement in changes in equity			
Accumulated funds			
As at 1 July 2009		193,396	91,015
Net profit/loss transferred for the year		(6,085)	102,380
As at 30 June 2010		187,311	193,396

income statement

for the year ended 30 June 2010

	2010 \$	2009 \$
Revenue from ordinary activity		
Memberships and subscriptions	80,702	75,318
Directorships and consultancies	1,548,227	1,456,566
Treasury funding	500,000	1,183,210
Donations	325,050	831,507
Interest	7,419	32,131
Donations in kind		
- Rendering of services	1,195,785	248,437
- Rent	87,000	87,000
Total revenue	3,744,183	3,914,169
Expenditure		
Administration expenses	1,065,439	1,032,990
Depreciation	16,048	14,594
Loss on disposal of fixed assets	0	5,110
Salaries and employee entitlements	1,036,854	1,716,823
Leadership awards program	349,141	706,836
Donations expensed		
- Rendering of services	1,195,785	248,437
- Rent	87,000	87,000
Total expenses	3,750,267	3,811,789
NET SURPLUS/DEFICIT FOR THE YEAR	(6,085)	102,380
Other comprehensive income	-	-
Total comprehensive income	(6,085)	102,380

cash flow statements

as at 30 June 2010

	Note	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from customers and donors		2,546,661	3,534,232
Payments to suppliers and employees		(2,616,889)	(3,785,188)
Interest received		7,419	32,131
Net cash from/(used in) operating activities	7	(62,809)	(218,825)
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		0	28,746
Payment for purchase of property, plant & equipment		(12,369)	(46,446)
Net cash from/(used in) investing activities		(12,369)	(17,700)
Net increase/(decrease) in cash held		(75,178)	(236,525)
Cash at the beginning of the financial year		481,671	723,306
Cash at the end of the financial year		406,493	481,671

directors' report and notes to the financial statements

as at 30 June 2010

1. corporate information

The financial report of St James Ethics Centre for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the Directors on 28 October 2010.

The nature of the operations and principal activities of the Centre is to encourage and assist individuals and organisations to include the ethical dimension in their daily lives, and thereby help to create a better world.

2. summary of significant accounting policies

(a) basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements with Australian Accounting Standards issued by the Australian Accounting Standards Board and International Financial Reporting Standards issued by the International Accounting Standards Board.

Other mandatory professional reporting requirement such as The Charitable Fundraising Act 1991 has also been complied with.

The report has been prepared on a historical cost basis.

(b) statement of compliance

The financial report complies with Australian accounting standards issued by the Australian Accounting Standards Board (AASB)

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by St James Ethics Centre for the annual reporting period ended 30 June 2010. The Directors have not yet assessed the impact of these new or amended standards.

(c) revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

i. Donations and subscriptions

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.

ii. Services rendered

Control of the right to be compensated for the services provided and can be reliably measured.

iii. Interest

Control of a right to receive consideration for the provision of, or investment in, assets has been attained.

iv. Government grants

Government grants are recognised in the statement of financial position as a liability when the grant is received. When the grant relates to future program costs (provision of program services), it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(d) cash and cash equivalents

Cash and Cash equivalents in the balance sheet comprise of cash on hand and in banks. These amounts are stated at the lower of cost and net realisable value.

For the purpose of Statement of Cash flows, cash is defined as cash and cash equivalents as defined above.

(e) trade and other receivables

Trade and Other Receivables are carried at the original invoice amount less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of full amount is no longer probable. Bad debts are written off when identified.

(f) plant and equipment

i. Cost and valuation

Plant and equipment are valued at cost, less accumulated depreciation and any accumulated impairment.

ii. Depreciation

Depreciation is calculated on a reducing balance basis over the estimated useful life of the asset.

Major depreciation rates are:	2010	2009
- Computer equipment	33%	33%
- Computer equipment purchased 2009-2010	25%	-
- Motor vehicle	15%	15%
- Furniture & office equipment	33%	33%

(g) trade and other payables

Trade and Other Payables are recognised for amounts to be paid in the future for goods and services received prior to the end of the financial year, whether or not billed to the economic entity.

(h) provisions for employee entitlements

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.

Employee entitlements, expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave and other leave entitlements; and
- other types of employee entitlements are charged against profits on a net basis in their respective categories

The Centre contributes to various superannuation funds in respect of its superannuation obligations for its employees. A superannuation contribution of 9% of the employees' salaries and wages is legally enforceable. Funding is provided to defined contribution style funds only.

(i) impairment

At each reporting date, assets are reviewed to determine whether there is any indication that an asset is impaired. Where an indicator of impairment exists, a formal estimate of the asset's recoverable amount is made, and where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use.

In assessing the value in use of plant and equipment the company takes into account the depreciated replacement cost of an asset which is the replacement cost of the asset less, where applicable, accumulated depreciation. Any impairment is recognised in the profit and loss.

(j) operating leases

Leases where the lessor retains the substantially all the risks and benefits of the ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as the lease income.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the lease.

3. taxation

income taxes

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

goods and services tax (GST)

Revenue, expenses and assets recognised net of the amount of GST except:

- receivables and payables are stated with the amount of GST included.
- the net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet
- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or part of the expense item as applicable.

Cash Flows are included in the Cash Flow Statement on a gross basis and the GST component of the cash flows arising from investing and financing activities, which is recoverable or payable to, the taxation authority, are classified as operating cash flows.

4. trade and other receivables

	2010	2009
	\$	\$
Sundry debtors	58,076	101,586
Trade debtors	185,371	249,864
Provision for doubtful debts	(0)	(15,321)
	<u>243,447</u>	<u>336,129</u>
	2010	2009
	\$	\$
Current	171,351	168,902
31 to 60 days	12,700	39,899
61 to 90 days	0	26,742
90 days +*	1,320	14,321
	<u>243,447</u>	<u>336,129</u>

*These amounts are past due but are not considered impaired

5. non-current assets

	2010 \$	2009 \$
Computer equipment		
at cost	97,346	84,976
Less accumulated depreciation	(72,792)	(63,565)
	24,554	21,411
Motor vehicles		
at cost	38,192	49,569
Less accumulated depreciation	(6,943)	(12,805)
	31,249	36,764
Office furniture		
at cost	24,388	24,388
Less accumulated depreciation	(21,769)	(20,462)
	2,619	3,926
Total plant and equipment – at cost	159,926	158,933
Total provision for depreciation	(101,504)	(96,832)
	58,422	62,101
Reconciliations		
Computer equipment		
Carrying amount at beginning	21,410	20,714
Additions	12,369	8,254
Disposals	-	-
Depreciation expense	(9,226)	(7,558)
	24,554	21,411
Motor vehicles		
Carrying amount at beginning	36,764	32,394
Additions	-	38,192
Disposals	0	(28,746)
Depreciation expense	(5,515)	(5,076)
	31,249	36,764
Office furniture		
Carrying amount at beginning	3,926	5,886
Additions	-	-
Disposals	-	-
Depreciation expense	(1,307)	(1,960)
	2,619	3,926
Total plant & equipment		
Carrying	62,100	58,994
Additions	12,369	46,446
Disposals	-	(28,746)
Depreciation expenses	(16,408)	(14,594)
	58,422	62,101

6. trade and other payables

	2010 \$	2009 \$
Trade creditors	18,701	150,860
Deferred income	122,739	40,028
Accrued expenses	116,407	180,664
	257,847	371,552

	2010 \$	2009 \$
Current	18,701	143,749
31 to 60 days	0	236
61 to 90 days	0	26,742
90 days +*	0	0
	18,701	150,859

All creditors and other payables are due and payable.

7. notes to the statement of cash flows

(a) reconciliation of the operating surplus / (deficit) after tax to the net cash flows from operations

	2010 \$	2009 \$
Operating surplus/deficit	(6,085)	102,380
Non-cash items		
(Surplus)/Loss from disposal of plant & equipment	0	5,110
Depreciation	16,048	14,594
Changes in assets and liabilities		
Change in creditors	(165,455)	109,110
Change in receivables	92,682	(12,369)
Net cash provided by operating activities	(62,809)	218,825

(b) reconciliation of cash

	2010 \$	2009 \$
Cash at bank	405,948	481,321
Cash on hand	350	350
Cash in Paypal account	194	0
	406,493	481,671

Cash at bank earns interest at floating rates based on daily bank deposit rates.

8. non-cash investing activities

During the financial year, the Centre disposed and wrote off assets with an aggregate carrying value of nil (2009: \$28,746).

9. 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.

10. related party disclosures

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

W Bartlett
 P Joseph AM
 PM Clark AM
 MJ Roux
 A Crook AO (resigned November 2009)
 DN Snedden
 M Pain (appointed November 2009)
 Major General (Retd) AJ Molan AO DSC (appointed November 2009)
 G Doogue AO
 J Wickham (resigned November 2009)
 TF Edwards

During the year the Centre under normal commercial terms and conditions performed services for a Board member related entity for the value of nil (2009: nil).

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 (2009: nil).

Donations were received from the members of St James Ethics Centre Board of \$29,938.50 (2009: \$1,378.50).

During the financial year, the Centre has taken out an insurance policy for professional indemnity of all the Directors of St James Ethics Centre.

11. key personnel remuneration

directors:

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

other personnel:

	2010 \$	2009 \$
Compensation received or receivable by key personnel of St James Ethics Centre in connection with management of the affairs of St James Ethics Centre, whether as an executive officer or otherwise.		
Short-term benefit	295,284	289,431
Post-employment benefit (super)	22,314	22,314
	317,598	311,745

During the financial year the Centre maintained a key person insurance policy for the Executive Director.

12. auditors' remuneration

Amounts received or due and receivable by the auditor for other services were nil (2009: \$102,572).

Amounts received or due and receivable by the auditor for audit services in 2010 were \$9,900 (2009: \$9,900)

Donations of the equivalent amounts, not including GST, were made by Ernst & Young Foundation.

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 (2009: nil).
- (b) total income for the year was expended in the manner detailed in the Income Statement in the provision of services to the community.

14. provisions for employee entitlements (current)

	2010	2009
	\$	\$
Annual leave and long service leave due		
As at 1 July	257,895	234,303
Utilised	(80,766)	(51,464)
Arising during the year (including adjustment to correct salary value)	42,116	75,056
As at 30 June	<u>219,245</u>	<u>257,895</u>

15. provisions for employee entitlements (non current)

	2010	2009
	\$	\$
Annual leave and long service leave due		
As at 1 July	57,058	49,502
Utilised	(12,595)	0
Arising during the year (including adjustment to correct salary value)	(504)	7,556
As at 30 June	<u>43,959</u>	<u>57,058</u>

16. financial risk management objectives and policies

The Centre's principal financial instrument comprise cash. The main purpose for this financial instrument is to finance the Centre's projects and services.

The Centre has various other financial instruments such as trade debtors and creditors, which arise directly from its operations.

The Centre manages the risks through a process of ongoing identification, measurement and monitoring. The Centre is exposed to credit risk, liquidity risk and interest risk. All financial assets and liabilities are carried at the amounts that approximate fair value.

interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Centre does not have any direct holdings in interest bearing assets other than cash.

The Centre's Cash holdings is \$406,142 (2009: \$481,321) which have a weighted average interest rate of 1.75% (2009: 4.20%).

	2010	2009
	\$	\$
Cash	406,142	481,321
Impact on operating statement		
	+25bp	1,203
	-25bp	(1,203)

credit risk

Credit risk represents the risk that counter party to the financial instrument will fail to discharge an obligation and cause the Centre to incur a financial loss. The Centre's exposure to credit risk arises from the default of the counter party, with the current maximum exposure at reporting date being equal to the fair value of the instruments disclosed on the balance sheet.

The Centre has no collateral as security or any other credit enhancements. There are no significant financial assets that are impaired.

The credit risk is not considered to be significant to the Centre.

liquidity risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting obligations associated with financial liabilities. The Centre maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Centre does not have a significant exposure to financial liabilities. Financial liabilities of the Centre comprise trade and other payables which are typically settled within thirty days.

17. commitments

St James Ethics Centre has entered into five years (60 months) lease commitments with a total of \$12,831 remaining (2009: \$20,954).

	2010	2009
	\$	\$
Not later than one year	8,123	8,123
Later than one year and not later than five years	4,708	12,831
Later than five years	0	0
 12,831 20,954

statement by the directors

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

- (a) the Income Statement is drawn up so as to present fairly the result of St James Ethics Centre for the period ended 30 June 2010
- (b) the Balance Sheet is drawn up so as to present fairly the state of affairs of St James Ethics Centre as at 30 June 2010
- (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 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.



Peter Joseph AM
Chairman



Doug Snedden
Treasurer

Date: 28 October 2010



Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001
Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

Auditor's Independence Declaration to the Directors of St James Ethics Centre

In relation to our audit of the financial report of St James Ethics Centre for the financial year ended 30 June 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'G. McKenzie'.

Graeme McKenzie
Partner
28 October 2010

Liability limited by a scheme approved
under Professional Standards Legislation



Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001
Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

Independent auditor's report to the members of St James Ethics Centre

We have audited the accompanying financial report of St James Ethics Centre (the Centre), which comprises the balance sheet as at 30 June 2010, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the director's declaration.

The Director's Responsibility for the Financial Report

The Centre's directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and with the Association's constitution. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies.

Liability limited by a scheme approved
under Professional Standards Legislation

Auditor's Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of St James Ethics Centre as of 30 June 2010, and of its financial performance and cash flows for the year then ended in accordance with:

- (a) the Associations Incorporation Act 1984[NSW], including:
 - (i) compliance with Accounting Standards in Australia (including the Australian Accounting Interpretations); and
 - (ii) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board;

- (b) the Charitable Fundraising Act 1991 including:
 - (i) the financial report of the St James Ethics Centre shows a true and fair view of the financial results of fundraising appeals for the year ended 30 June 2010;
 - (ii) the accounts and associated records of the St James Ethics Centre have been properly kept during the year in accordance with the Act;
 - (iii) money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the Act; and
 - (iv) there are reasonable grounds to believe that the St James Ethics Centre will be able to pay its debts as and when they fall due.

- (c) the Centre's constitution

Ernst & Young

Ernst & Young



Graeme McKenzie
Sydney, 28 October 2010

St James Ethics Centre

GPO Box 3599 Sydney
NSW 2001 Australia
Level 2, 9 Rangers Road
Neutral Bay NSW 2089

Tel: +61 (0)2 9299 9566
Fax: +61 (0)2 9299 9477

Ethi-Call ...

the good decision line:
1800 672 303

www.ethics.org.au