



# THE ETHICS CENTRE

Annual Report 2016–17

## Contents

- 01 Introduction
- 12 Reflection on 2016-17
- 14 Highlights of 2016-17
- 18 Who We Are
- 20 Being Human
- 38 Leadership
- 48 The Future
- 55 Looking Ahead
- 56 Governance
- 57 Our Board
- 60 Our Supporters
- 62 Financial Overview
- 68 Get Involved

KNOW YOUR WORLD



KNOW YOUR SELF



# IDENTITY

APR 2017  
OUR ETHICS OF IDENTITY  
EVENT EXPLORED...

How can we better understand who we are,  
and how we fit into the world around us?



# OUTRAGE

OCT 2016  
OUR ETHICS OF OUTRAGE  
EVENT EXAMINED...

What is the key to engaging with views different  
to our own in this era of online activism?





# SAFETY

JUN 2017  
OUR IQ2 REFUGEE  
DEBATE QUESTIONED...

How do we create safe and fair paths  
for those seeking asylum?

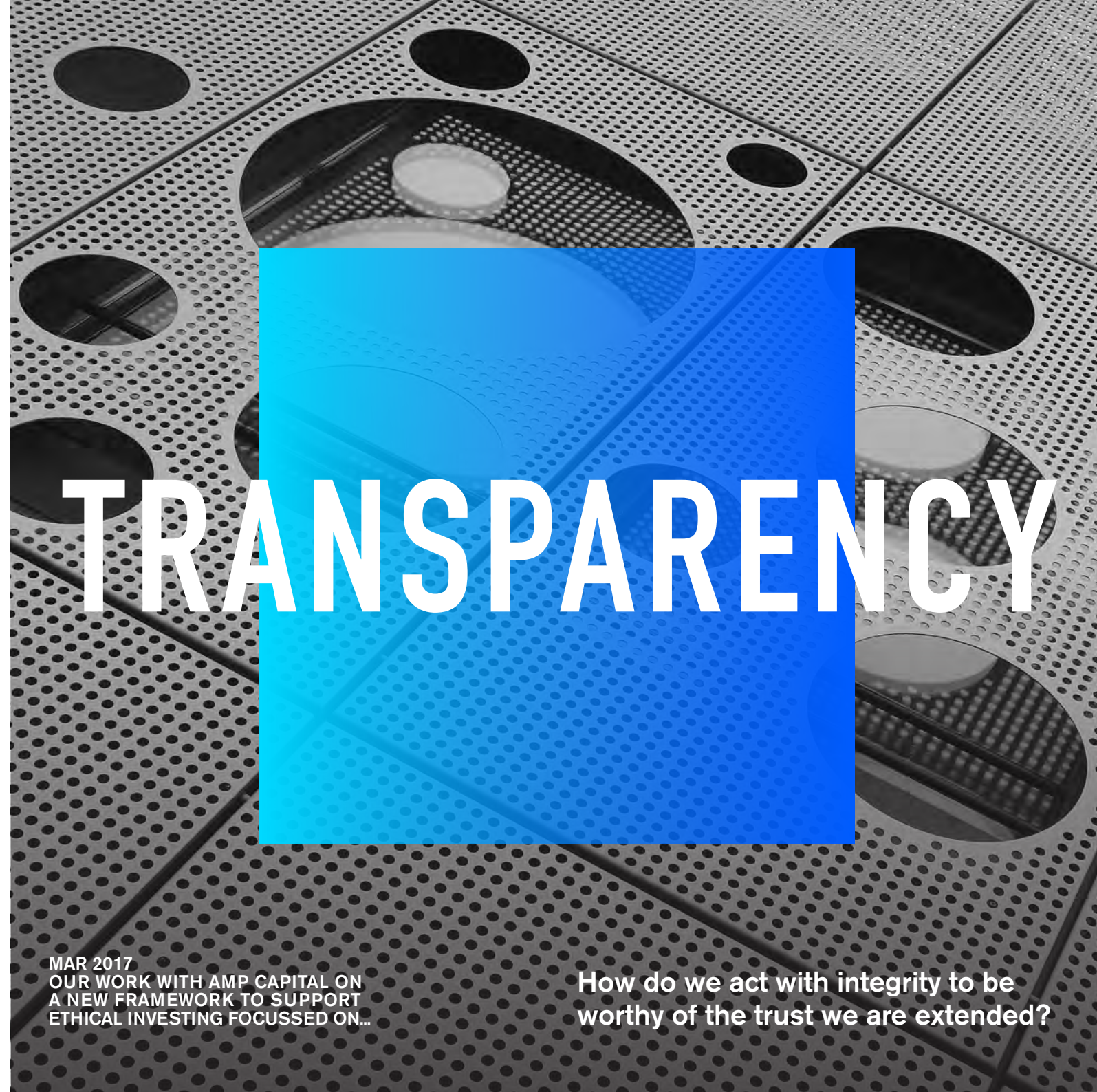


# COMPLEXITY

MAY 2017  
OUR WORK TEACHING FOUNDATIONAL  
ETHICS TO VICTIMS SERVICES STAFF IN  
THE NSW DEPT OF JUSTICE, EXPLORED...

How can we navigate complex challenges  
to better support victims of crime?





MAR 2017  
OUR WORK WITH AMP CAPITAL ON  
A NEW FRAMEWORK TO SUPPORT  
ETHICAL INVESTING FOCUSED ON...

How do we act with integrity to be  
worthy of the trust we are extended?



JUN 2017  
OUR WORK WITH THE AUSTRALIAN OLYMPIC  
COMMITTEE ON CULTURE & LEADERSHIP  
MADE RECOMMENDATIONS ON...

How can our ideas, customs and behaviours  
demonstrate the best of our shared purpose,  
and help us achieve it?



A black and white photograph of a person wearing a VR headset. A large, semi-transparent rectangular overlay with a horizontal gradient from red to teal is positioned over the person's face. The word "INTELLIGENCE" is written in large, white, sans-serif capital letters across the center of this overlay.

# INTELLIGENCE

ACROSS 2016-17  
OUR WORK ON THE ETHICAL ISSUES SPARKED  
BY ARTIFICIAL INTELLIGENCE DELVED INTO...

What are our uniquely human traits that  
artificial intelligence should never replace?

A black and white photograph of a brick wall covered in a grid of surveillance cameras. At the bottom of the frame, two people are standing and looking up at the cameras. A large, semi-transparent rectangular overlay with a horizontal gradient from teal to green is positioned in the center of the image. The word "PRIVACY" is written in large, white, sans-serif capital letters across the center of this overlay.

# PRIVACY

ACROSS 2016-17  
OUR MEDIA COMMENTARY ON DATA  
SURVEILLANCE EXPLORED...

Where are the limits between enhanced  
technology or surveillance for security,  
and our individual privacy?



A black and white photograph of the Statue of Liberty, showing the head, crown, and torch. The image is partially obscured by a teal square and the word 'DEMOCRACY'.

# DEMOCRACY

APR 2017  
OUR FIRST FORUM IN NEW YORK ON  
THE FUTURE OF DEMOCRACY PROBED...

How can we still have civil and constructive  
discussions on issues affecting us all when  
our politics differ?

A black and white photograph of a person standing in a large, circular, metallic frame. The person is silhouetted against a dark background. The image is partially obscured by a purple-to-teal gradient square and the word 'DIGNITY'.

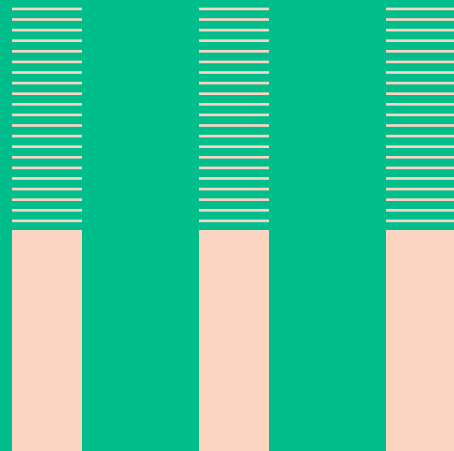
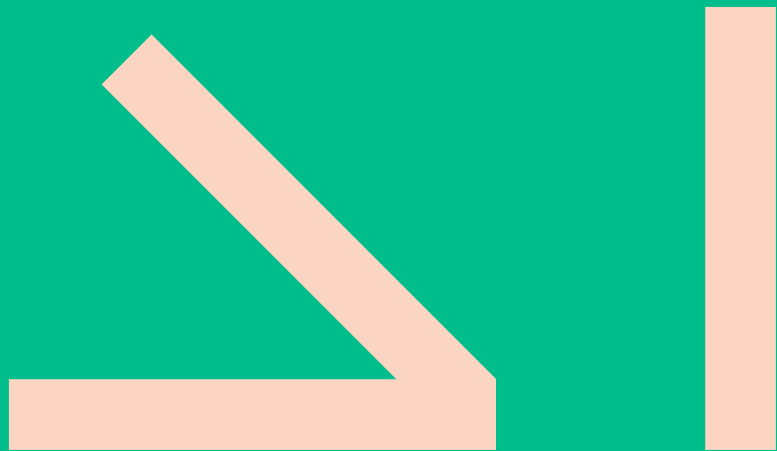
# DIGNITY

MAR 2017  
OUR ETHICAL FRAMEWORK FOR  
NATIONAL GEOGRAPHIC'S GENOGRAPHIC  
PROJECT ESTABLISHED...

How should we acknowledge with dignity  
our ancestors and fellow humans?



# 2016-17 Reflection



Dear Friends,

We are living in uncomfortable and bewildering times.

Old certainties are being swept away. Faith in our core democratic institutions – and in the democratic process itself – is in freefall. Organisations which were once seen as pillars of civilised society are now viewed with cynicism and mistrust. The balance in global power is shifting rapidly, causing further nervousness and instability.

But these are also exciting times. We're heading towards an extraordinary era of rapid technological advancement – an era in which many aspects of daily life will dramatically improve. With that comes new possibilities for making meaning in our lives and for building a better world.

Artificial intelligence and machine learning are already bringing new speed and efficiency to an increasing number of services and processes. Jobs in certain sectors will undoubtedly be lost, but employment opportunities will also grow in areas that depend on creativity, empathy and human interaction. And continued progress allows us to be better connected to people geographically or physically distant, helping us to feel more linked up, and less alone.

But with rapid change comes unintended consequences and it's no surprise that these shifts are forcing us to consider ethical questions never dreamed of in the past.

The good news is we're not powerless in the face of change. Rather than resign ourselves to the inevitability of its arrival, we can play a role in its design and help shape the future.

For almost three decades, The Ethics Centre has been preparing for this time. Independent and resolutely apolitical, the Centre has become a source of practical support for people and organisations managing their way through the complex ethical challenges of modern life. The wisdom and insight we've gained is going to come in very handy as we explore this new terrain.

This past year has been a particularly exciting one for the Centre. We continue to extend the depth and breadth of our work as we grow in staff and capacity, and as new ethical issues emerge.

While we've taken the time to devote much needed effort to getting our house in order – strategy, programs, technology and processes – we're also incredibly proud of our achievements in the world. We increased the capacity of our Ethi-call counselling service by over 175% to support more people through their toughest ethical challenges; we hosted civic debate in the heart of Sydney's CBD with IQ<sup>2</sup>, and brought the same spirit to the heart of Manhattan; we helped over 2,000 professionals better understand and lead with ethics through our education programs. And we continued to work with some of Australia's leading organisations, most recently the Australian Olympic Committee, to help them understand, evaluate and improve their culture.

As a small not-for-profit we achieve a great deal with very little, thanks to the incredible effort of our devoted staff, generous supporters and growing army of volunteers. But of course there's still so much more that we can do. As you can see from the accounts in this year's report – the pressure on the Centre's finances continues to be acute. Our position is stable, but the support we receive from friends and donors has never been more important.

It is a universal hope and privilege to help shape the future and it feels like there's never been a more important time to do it than now.

Thanks for being part of our work.



**Simon Longstaff AO**  
Executive Director



**Peter Joseph AM**  
Chairman

# 2016-17 Highlights



Staged our first major event in the United States.



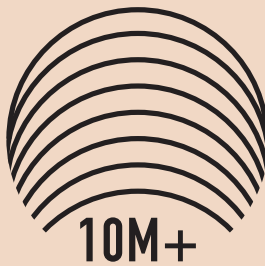
Finalist in the 2016 United Nations Media Peace Awards social cohesion category for our IQ² debate on racism.



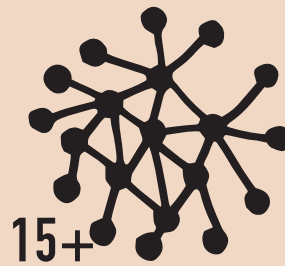
22 distinct ethics events and forums produced with over 12,000 attendees.



Grew audiences across our social media platforms to 30,600.



Millions watched our IQ² debate on political correctness, broadcast on BBC World News and ABC News.



15+ satellite events took the Festival of Dangerous Ideas to communities across Australia, including NT, SA and ACT for the first time.



Over 240,000 downloads of ABC's Short & Curly ethics podcast for kids featuring Centre ethicist, Dr Matthew Beard.



182,756 people immersed themselves in our website to explore the ethical dimension of their personal and professional lives. 75% were new to our work.



Ethi-call named best global applied ethics consultancy in the UK's 2017 Social Care Awards.



Increased capacity of our Ethi-call counselling helpline by more than 1,000 hours per year.



Delivered Ethics Advice & Education services to 53 organisations, 30% more than in 2015-16.



Over 700 responses added to our Ask Me/Tell Me wall at the Festival of Dangerous Ideas.



Held 135 professional ethics education workshops for 2,280 participants, a 15% increase on 2015-16.



28% boost in audiences for our IQ² debate series.



All 4 IQ² debates trended nationally or state-wide on Twitter as people joined the discussion on the night.



40% increase in LinkedIn followers reaching new audiences for business ethics.



36,500 children in 450 schools developed skills in critical thinking and moral reasoning through ethics education classes offered via Primary Ethics.



\$120,000 advertising grant awarded by Google in December 2016 to increase awareness of who we are, what we do and why we exist.

This year we worked with thousands of people and scores of organisations to tackle the ethical challenges they face, or set the foundations to confront them when they come. Across our events, content and media work, and through government submissions, we continued our efforts to put ethics on the national agenda and into daily conversations.

Beyond the achievements noted in this year's report, there is a lot we did that won't be visible or win us any accolades. The business of ethics, like anything involving lasting social and cultural change, is a long game. While it might not seem urgent in the cacophony of important causes, we place our happiness, even our existence at risk if we don't work at it. That's why this year we actively focussed on getting our house in order to set ourselves up for a long and targeted future.

A new four year strategy saw us set ambitious plans to bring ethics to the centre of everyday lives. We embedded our own ethical framework into all we do to ensure our own organisational culture – something we spend a lot of time advising others on – is in great shape. We took time to understand our audiences and their needs to find out what people know about ethics and how we can inspire them to discover more, and upped our digital game to ensure our support is available to more people.

We couldn't have done any of this without our audiences, clients, members, donors and directors. Together we supported people across the globe to have the courage to stand up for what they believe in, the wisdom to explore different perspectives and the heart and imagination to strive for the best they can be.

# Our Ethical Framework



## Our Purpose

To bring ethics to the centre of everyday life.

## Our Vision

A world where we know ourselves and others: where we have the courage to stand up for our values and principles, the wisdom to explore the complex and unknown, and the imagination and heart to strive for the very best we can be.

## Our Work

We deliver innovative programs, services and experiences to bring ethics to the centre of professional and personal life. Our activities span live events, ethics consulting and education, a free ethics helpline and advocacy campaigns.

Across all our work, the same goal drives what we do: to bring people together, create the space for open and honest conversations, and build the skills and capacity of people to live and act according to their values and principles.

# Our Foundation

THE UNEXAMINED LIFE  
IS NOT WORTH LIVING.

— SOCRATES —

# Our Values and Principles

## Be for Humanity.

People matter most. Every person has intrinsic dignity and deserves respect. We'll reject ideas or views that aim to deny the humanity of others.

## Know Your World. Know Your Self.

Socrates believed that the unexamined life is not worth living. Questioning who we are, being conscious of what we think and do, and being alive to what's good and right is what makes us ethical beings.

## Imagine with Intent.

Finding solutions to ethical challenges requires imagination. We'll honour the philosophical traditions that inform our work with a commitment to apply them to our increasingly complex world. We'll never stop creating better solutions, better futures and better ways to be in the world.

## Listen.

Listening is the foundation for mutual respect and understanding. Being open to others makes us worthy to respond. We provide opportunities for all voices to be heard – including the silenced or ignored.

## Demand the Best Reasons.

There is plenty of bad reasoning in the world: we won't contribute to it. We create opportunities for people to explore diverse and often challenging ideas to support deeper thinking, good choices and better outcomes.

## Be Courageous.

Ethics demands courage. We won't shy away from hard truths, avoid uncomfortable topics or compromise our independence. We won't trade doing what's right for what's easy – or profitable – even if it pits us against public opinion or the powerful.

## Walk Your Talk.

Living ethically is not about telling people what to think and do: it's about living with integrity. Be who you say you are.



# Who We Are, What We Do and Why We're Here

The Ethics Centre

Drawing on philosophy, psychology and other disciplines, The Ethics Centre has:



WORKED WITH MEMBERS OF THE MILITARY BEFORE DEPLOYMENT



DEVELOPED & ADVISED CURRENT & FUTURE LEADERS



COUNSELLED COUNTLESS PEOPLE IN MAKING BETTER DECISIONS, OR COMING TO TERMS WITH POOR ONES



FOUNDED & SUPPORTED ETHICS INITIATIVES IN PRIMARY SCHOOLS, BANKING & POLITICS



RECHARGED CONVERSATIONS ON ISSUES THAT MATTER THROUGH EVENTS SUCH AS THE FESTIVAL OF DANGEROUS IDEAS, IQ² DEBATES & OUR ETHICS OF... SERIES



WORKED WITH THE TOP COMPANIES IN THE WORLD TO ARTICULATE THEIR ETHICAL STANDARDS, EVALUATE & IMPROVE CULTURE & LEARN FROM THEIR MISTAKES

The Ethics Centre is a not-for-profit organisation which brings ethics and good decision making to the centre of our everyday personal and professional lives. The choices we make set the beat of our lives and shape every aspect of the world we live in.

We remain the only organisation globally giving expert guidance on complicated ethical issues across all aspects of society.

For almost 30 years, we have worked within communities and across continents, helping individuals, organisations, industries, militaries and governments embed their ethics in thought and action and gain the quiet calm and strength that comes with living true to the standards we set for ourselves.

We deliver innovative programs, services and experiences through live events, ethics advice and education, a free ethics helpline, commentary and campaigns.

In this year's report we're proud to show you the breadth and depth of what we do. And we'll do so under three themes that steer all our work.

## BEING HUMAN

P.20

Because ethics are:



What makes us human.

## LEADERSHIP

P.38



What must guide our leadership.

## THE FUTURE

P.48



What stabilises us in the face of an uncertain and disruptive future.



# BEING HUMAN

## Know Your World. Know Your Self.

**Ethics is at the centre of being human – at the core of how we think and act. It's not just an exercise for philosophers or intellectuals.**

We make ethical decisions every day. Some will be weighty and remembered for decades, others less so... but all these choices matter. Taken as a whole, they shape our lives, contribute to the rhythms of the world and ultimately become our history and our future.

How should we recognise Indigenous Australians? Should I tell the truth even if it hurts someone? Should we all have the right to marry? Should I own up about denting their car? How do we create safe and fair paths for those seeking asylum? Should I take the promotion if it means seeing less of the kids? Can we grow our economy and still protect the environment? Should I buy the free-range eggs?

The wonderful thing about being human is we can think, we can feel, we can choose and we can learn. Our lives are our own. And the way we choose to live them can be considered and meaningful.

Unique as individuals, we also have the privilege and challenge of being part of something greater than just ourselves. We're not alone. Being alive means we are inherently in relationship with others from the moment we are born.

And together we exist in the context of our world – complex, changing, beautiful and sometimes, a bit broken. This is the unique experience of being human, and the very real complexity we navigate every day.

The Ethics Centre's work takes us in many different places, but everything we do comes back to our unique purpose – to bring ethics to the centre of everyday lives.

As events in the world continue to shock, scare and surprise us, it can seem as if people care less and less about ethics. Our experience tells us otherwise. The people and organisations we work with are hungry to explore what they value, the principles they hold on to, what a meaningful life is, and how to make their way through some of the most complex ethical challenges we face today. Our hope is that the work of The Ethics Centre makes it easier for people to choose a good life.



When Have You Experienced an Ethical Challenge?



“I’m a gay man, so I’ve come up against a lot of situations where I’ve thought – is it okay for me to be myself?”



“I had a young girl confide in me. Her mother was a really good friend of mine. Deciding whether or not I needed to tell my girlfriend what her daughter had told me – that was really hard.”



When Have You Experienced an Ethical Challenge?



“My father is estranged and unfortunately he didn’t have good views about people of colour. I married a half black man. He’s never met my father. My father didn’t come to my wedding and he’s never met his grandson because I feel so strongly about it.”



“There have been occasions where I’ve personally called people up for saying things that are a bit racist or a bit prejudiced. You face different challenges trying to reconcile your personal beliefs with those of others you work with.”







# Helping People Through Life's Toughest Challenges

Ethi-call

**This year, our free counselling helpline, Ethi-call, received a welcomed boost. We've seen the impact a session can have on people's lives. With more counselling sessions now available, we plan to spread the word about the service further, to reach those who need it most.**

For almost 30 years we've counselled people through their toughest challenges via our free national helpline, Ethi-call. It's the only service of its kind in the world, helping people untangle ethical dilemmas that leave them feeling stuck or alone.

It's been an exciting and rewarding year for Ethi-call. Like much of what we do, the service has been run on meagre funds, kept afloat through the generous work of a team of volunteer counsellors and support staff. Across 2016-17 however, thanks to the big hearts of those who donated to our appeal, we were able to dramatically improve the functionality behind the service.

The new developments, including online booking and call delivery, made it easier for both users and counsellors to access calls – now available worldwide and across timezones. The funding also allowed us to undertake a complete overhaul of our Ethi-call training program, bringing new counsellors on board, and increasing our call capacity by more than 1,000 hours per year. We've also been able to raise awareness of the service by promoting it through a wide range of organisations including Our Community, Wayahead, Rape & Domestic Violence Services Australia and CPA Australia.

Feedback from callers indicate the changes we've made have been really positive. Ninety six per cent say they would use the service again, and more than a third tell us they were referred by someone they know.

As well as helping them resolve their immediate problem, callers have told us their Ethi-call counselling session:



Enabled them to sleep again, not lie awake worrying.



Provided a clear structure for making better decisions in the future.



Gave them hope for the future, for themselves and for others.



Supported them through something they couldn't resolve alone.

**“The human experience is so complex. That’s what is wonderful about it – but it can also be really, really challenging. Tough decisions are part of being human. But sometimes there are some decisions that are so complex you just don’t know what to do... and they can leave us feeling anxious, unsure and alone.”**

Simon, Ethi-call Counsellor



## Festival of Dangerous Ideas

## 30



**TELL ME** Why we don't care if it doesn't directly affect us?

doing the right thing with my career?

## ASK ME

conscious?

**TELL ME** When did children become so precious?

## ASK ME

What I'm afraid of?

**TELL ME** Why my dying mother has to suffer?

**ASK ME** What is meaningful in life?

**TELL ME** What leadership looks like to you?

**TELL ME** What moves you to speak up?

the past?

**TELL ME** Can you ever completely let go of the

## ASK ME

Why I read my child's diary?

### ASK ME Why I won't give my child the WIFI password?

## TELL ME Why we kill sheep but save greyhounds?

**ASK ME** About my biggest regret.

### ASK ME

About my biggest

**TELL ME** When you last heard good news?

## ASK ME

Why we should do homework?

## TELL ME How to find meaningful work?

## TELL ME Why we can't treat refugees as humans?

ASH ME why I get bored

**ASK ME** How much money is enough?

## ASK ME

What matters most?

**ASK ME** What keeps me up at night?

**TELL ME** Will the future be good?

**TELL ME** When you've been racist?

**TELL ME** Can we have faith without religion?

## ASK ME

**TELL ME** How I can live an ethical life in a capitalist world?

**ASK ME** How kindness can change the world?

## TELL ME

Why some cultures are valued more than others?

### ASK ME

If feminism is regressing?

**ASK ME** Why I never moved away?

## TELL ME Why democracy feels so demoralising?

**ASK ME** What I'm most scared of for my parents:

**TELL ME** If gender equality will ever truly exist

**TELL ME** Why economics comes before all else?

## TELL ME How I'll ever afford a house?

## ASK ME

## Why people are

## ASK ME Why I care about myself more than my children?







# Getting to the Heart of Our Human Experience

Our Ethics of... Event Series

Some of our most popular event topics in 2016-17:



THE ETHICS OF HUMOUR



THE ETHICS OF OUTRAGE



THE ETHICS OF HEDONISM



THE ETHICS OF IDENTITY



THE ETHICS OF EMOTION



THE ETHICS OF LEADERSHIP

‘The Ethics of...’ is our popular, intimate event series dedicated to exploring the everyday ethics behind what makes us human. Ethics is at the centre of the human experience so it’s little wonder this series continues to sell out and receive great feedback.

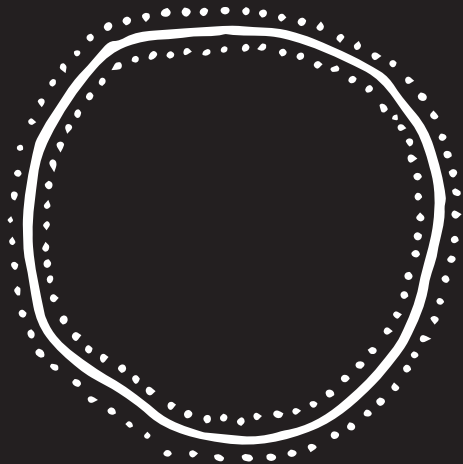
In April we invited public philosopher Pat Stokes to explore The Ethics of Identity. At the time, arguments were being fought in our media, workplaces, schools and over weekend barbeques about who has the authority to engage with certain social issues. Can men and women truly understand each other’s experiences? Is an English Australian an appropriate spokesperson for Aboriginal affairs? Are young professionals capable of making policy for the elderly when they haven’t experienced ageing themselves yet? The program used old and new philosophy to make sense of today’s so called ‘identity politics’. It was so popular we ran it twice.

**“Varying opinions from the speakers encouraged mind expanding consideration of a very relevant topic for me personally. I was able to go away from the event with clarity around changing my own actions and communicating more effectively.”**

Audience member, The Ethics of Outrage

# Changing the Modes of Engagement with Indigenous Communities

National Geographic’s Genographic Project



In the course of the past year, our work contributed to a major piece of research affecting Australia’s Indigenous people. In March 2017, a team at the Australian Centre for Ancient DNA, led by Professor Alan Cooper, published a paper in the distinguished scientific journal, *Nature*. The paper confirmed the oral history of Indigenous Australians by providing conclusive DNA evidence of their settlement in the same regions for around 50,000 years. In terms of world history, it’s extremely rare for groups of people to have such a long-lasting connection to country.

This research was made possible by an ethical framework developed by The Ethics Centre for National Geographic’s Genographic Project. Launched in 2005, the project works with global Indigenous communities and uses advanced DNA analysis to unveil the story of how our ancestors migrated from their African homeland to populate Earth tens of thousands of years ago. The ethical framework set a new benchmark for research with Indigenous people – reversing a history of scientific engagement that had been both imperious and exploitative.

The Ethics Centre has always stood firmly behind the principle of ‘respect for persons’ – that every human being has an intrinsic dignity irrespective of their race, religion, culture, nationality, gender or other characteristic. This principle underpins the work in genetics that we helped make possible – work that shows how, in the midst of the remarkable cultural and linguistic diversity we produce, human beings are essentially one.





# LEADERSHIP

## Developing Practical Wisdom in Leaders & Demonstrating Our Own.

**When communities and organisations have the capacity to explore, discuss and respond to ethical challenges, they become better places to live and work.**

What is leadership? According to the Australian Defence Doctrine it can be defined as ‘the process of influencing others in order to gain their willing consent in the ethical pursuit of missions.’ The doctrine lists qualities such as humility, integrity and moral courage as being essential to true leadership. To that list we might add emotional intelligence, authenticity and consistency.

Through our work with companies and organisations of all shapes and sizes, we’ve come to know quite a lot about leadership. Whether we’re observing it in the field with the Australian Defence Forces or elite sporting codes, in the corridors of government power, or in the boardrooms of our largest companies, we’ve seen the role leadership plays in guiding organisations as they respond to the challenges of uncertainty and change. And sadly, we’ve observed plenty of examples of poor leadership as well.

Leadership is no longer just about being first, fast and fearless. Ethical leaders are reshaping the norm by recognising that the key to lasting success is working towards a common purpose, leading with authenticity, and building and sustaining robust ethical cultures that support and inspire.

Because we understand leadership, we’re increasingly being asked to teach others. Our innovative models and methodologies, programs and services, thought leadership and professional events are designed to challenge and support people and organisations to champion a new leadership paradigm – robust, resilient and ready to redefine the future and all the opportunities and challenges it brings. Please read on as we share some of the stories of our work in this area.



# Providing a Blueprint for Change

Evaluating Culture for the AOC

“This review provides us with the platform to reset the organisation. We are committed to building a culture that is fit for purpose and aligned to our exposed values and principles.”

AOC CEO, Matt Carroll

The Australian Olympic Committee (AOC) is the custodian of the Olympic ideal in Australia and one of the peak bodies in Australian sport. In light of our illustrious Olympic history, and our country's near-obsession with sport, the organisation holds a unique position in Australian public life.

In April 2017 the AOC was in the public spotlight following allegations of bullying and harassment that were fracturing and dividing its people and culture. In response to these allegations, the organisation asked The Ethics Centre to undertake a review of their culture and its alignment with their ethical framework. Using our Everest process developed over years of ethics consulting, our team conducted a detailed audit of the organisation, which included interviews with staff and stakeholders and an extensive review of policies and other governing documents.

The resulting report contained 17 specific recommendations including a review of the AOC's governance model and the appointment of a dedicated people and culture resource.

We're proud of the work and the valuable input it has provided the AOC as they plan for the future. It takes courage to understand and make improvements to company culture, especially in the face of public scrutiny. The AOC resolved to implement all of our recommendations and make the full report publicly available on their website, demonstrating their commitment to getting things right. That's a kind of leadership we can stand behind.

# Taking Ethical Investment to a New Level

Ethical Framework for AMP Capital

“We are not prepared to deliver investment returns to customers at any cost to society.”

AMP Capital CEO, Adam Tindall

**Sound foundations – based on values, principles and purpose – are something every organisation requires. When properly established, they reassure employees, customers and investors that business decisions are based on something solid and authentic.**

This year AMP Capital made a critical decision to reinforce its ethical foundations, with the assistance of The Ethics Centre. As one of Australia's leading fund managers, they have a long history of having to address thorny ethical issues – but usually within the context of discreet ethical investment funds. At the same time, the company has always been bound by its fiduciary duty to invest for the greatest possible shareholder return, taking into account appetite for risk.

Like every other company, AMP Capital reserves the right to set the ethical boundaries within which it offers its services. The Ethics Centre assisted them in establishing those vital parameters. In its simplest form, the new framework states the company may exclude investments in entities or activities that undermine fundamental human dignity; nor will they seek to profit from activities that violate international human rights law; and they would reconsider an investment in any entity or product that causes harm.

As a result of this choice, AMP Capital will now be divesting approximately \$600 million dollars from tobacco companies – a product that cannot be used to any degree without causing harm – and manufacturers of cluster munitions, landmines, chemical and biological weapons. We hope their leadership inspires others to adopt a similar approach.



# Giving Business the Tools to Lead with Ethics

## Ethical Professional Program

“This is a strong step towards formalising where the industry is going ahead of the new professional standards due in 2019. Not only will the program support our advisers, but importantly it will help to lift consumer trust in the value of advice and their confidence in financial advice as a noble profession.”

Commenting on the importance of integrating ethics and advice, Mark Spiers, General Manager, BT Advice.



Members of the professions have long been required to balance the demands arising from their competing duties to society, to clients, to regulators and to those they owe financial obligations.

Being drawn in multiple directions has become part of everyday decision making, but when a situation is uncertain or the stakes are high, few people have the knowledge or skills to negotiate this complexity.

Errors of judgement can give rise to catastrophic ethical failure – with all the loss this inevitably entails. The scandal at US bank Wells Fargo is just one of several well-known, recent examples.

However, there are ways to prevent events like this.

Through our learning and consulting work, we've developed tools that strengthen good decision making, improve trust and relationships, and deliver a better service for clients. Our Ethical Professional Program (EPP) was originally devised for financial advisors, brokers, bankers and those who work alongside them. We're now seeing the value of the program in other professional arenas.

Participants in this education program are equipped with foundational ethical decision making and self-awareness skills which are drawn from contemporary research in psychology, behavioural economics and neuroscience. They leave with the knowledge and tools they need to identify and navigate difficult decisions.

The EPP consistently receives some of our most positive evaluation scores, however we're always looking for better ways to ensure the skills and tools we provide stick. Throughout the year we responded to user feedback and improved the program's online learning experience, changed the assessment process to encourage a more practical application of skills, and modified session times to make it more convenient for busy professionals to attend.

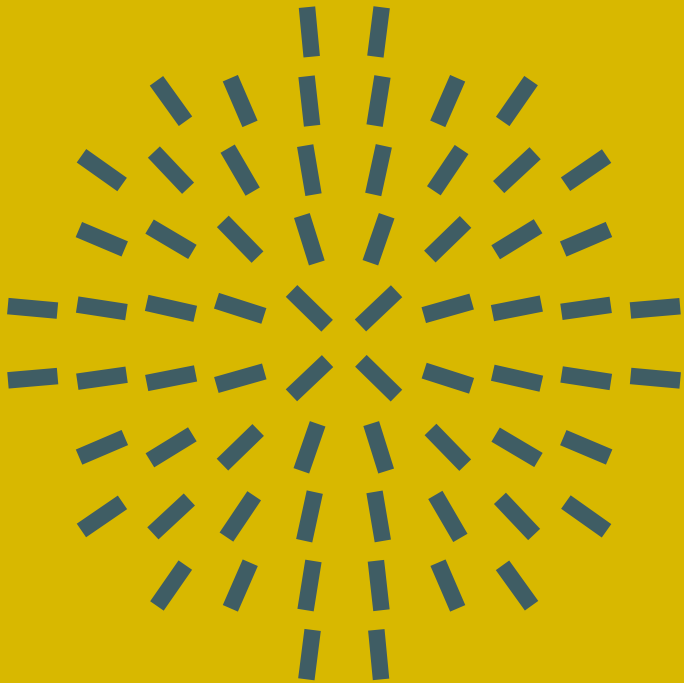
This year BT Financial Group demonstrated a commitment to ethics by delivering the program to hundreds of their staff. Participants in those sessions have told us they've helped them consider the bigger picture, link everyday decisions back to their organisation's business strategy and purpose, build better relationships with clients and colleagues, and improve their capacity to deal with complex issues and challenges as they arise.

# Ethics in Banking Gains Momentum

## The Banking and Finance Oath

Peer relations in banking are characterised by intense competition and not shared purpose, peer respect or guarding of common reputation. However, encouragingly, there are some efforts to inculcate more collegiate relationships in this sector. One is The Banking and Finance Oath, a community of people who prioritise ethical behaviour. It provides opportunities for learning, discussion, scenario analysis, and the support of other signatories.

Banking and the Limits of Professionalism, UNSW Law Journal, Volume 40(1), 2017



The Banking and Finance Oath (BFO) is a unique industry-led initiative that's become the gold standard for ethics in the Australian banking industry. It has attracted the personal commitment of over 1,500 industry leaders – including the CEOs and Chairs of Australia's leading financial institutions. During the year the Reserve Bank of Australia reaffirmed its commitment with new Governor, Philip Lowe, matching his predecessor's commitment to the Oath. He called on all bank leaders to follow his example.

The BFO continues to foster the best of ethics across the sector through valuable conversations and exemplary individual commitment. In June 2017, The BFO's inaugural conference brought the industry together for a conversation with a difference. Speakers addressed some of the more taboo areas including mental health, the power of money and the anticipated impact of artificial intelligence and automation on the workforce.

Over the year, signatories to The BFO increased by 64% and the number of Chairs and Executive Directors doubled, demonstrating a welcomed commitment to ethical behaviour.



Chairs and Executive Directors who signed The BFO doubled.

77 more banking and finance sector CEOs took the Oath.

Total number of signatories increased 64%.

# Making a Difference Behind the Scenes

## Our Influence



Our public events, education programs and major consulting projects have ensured many aspects of our work have become well-known. However, a considerable amount of our work necessarily takes place behind closed doors.

In the course of conducting this work, we're bound by conditions of strict confidentiality. As we always prioritise our duty to others over the promotion of the Centre's interests, there remains vast amounts of each year's effort that go unrecorded.

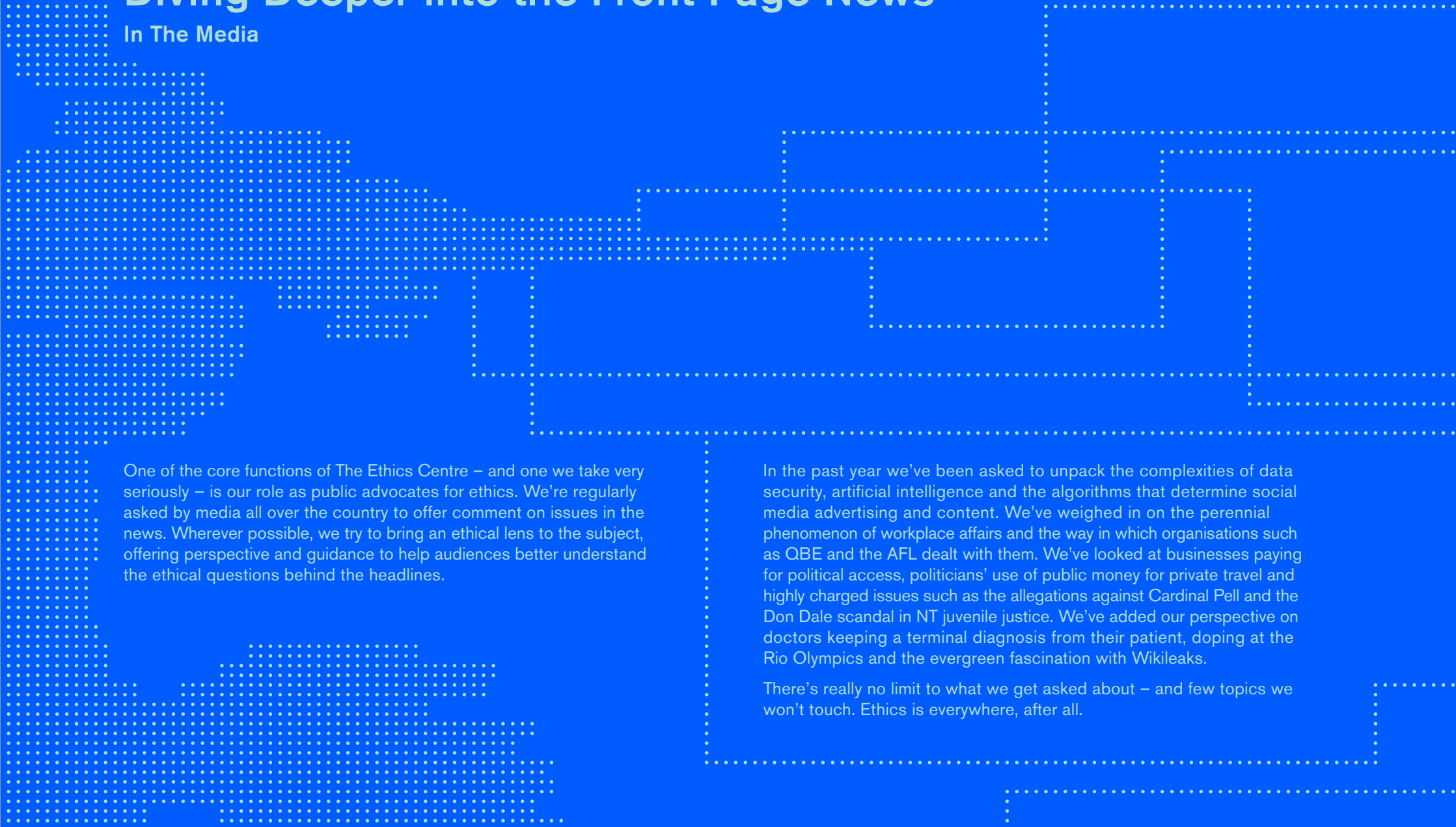
For almost 30 years, our Executive Director, Dr Simon Longstaff, has acted as a trusted adviser to many of Australia's leading executives, company directors and politicians – helping leaders solve some of the most vexing of ethical issues. Those stories will never be told.

As part of his role with The Ethics Centre, Simon also provides advice and insight in more formal settings through his involvement in a large number of boards and committees. In the past year, his roles have included membership of the board of Our Community, ASIC's External Advisory Panel and BHP's Forum on Corporate Social Responsibility. They also included BT Financial Group's Professional Standards Council, Westpac's Stakeholder Advisory Panel and the ethics committees of IAG, Triathlon Australia and Austrade. Simon maintains links with indigenous Australia through roles with the Anindilyakwa Mining Trust and Reconciliation Australia's Indigenous Governance Awards. In April, Simon was also appointed as a Director to the Financial Adviser Standards and Ethics Authority, to support the Federal Government in setting new ethical standards for the financial advice industry.

Our influence can also be felt in the contribution we make to social debate via input into parliamentary enquiries. Throughout the year we made submissions on the subjects of freedom of speech, whistleblowing protections and on the tangled issue of assisted dying. In each case, our aim has been the same: to canvass some of the core ethical issues deserving of careful considerations, and to help provide the ethical foundations on which all good laws should be built.

# Diving Deeper into the Front Page News

## In The Media



One of the core functions of The Ethics Centre – and one we take very seriously – is our role as public advocates for ethics. We're regularly asked by media all over the country to offer comment on issues in the news. Wherever possible, we try to bring an ethical lens to the subject, offering perspective and guidance to help audiences better understand the ethical questions behind the headlines.

In the past year we've been asked to unpack the complexities of data security, artificial intelligence and the algorithms that determine social media advertising and content. We've weighed in on the perennial phenomenon of workplace affairs and the way in which organisations such as QBE and the AFL dealt with them. We've looked at businesses paying for political access, politicians' use of public money for private travel and highly charged issues such as the allegations against Cardinal Pell and the Don Dale scandal in NT juvenile justice. We've added our perspective on doctors keeping a terminal diagnosis from their patient, doping at the Rio Olympics and the evergreen fascination with Wikileaks.

There's really no limit to what we get asked about – and few topics we won't touch. Ethics is everywhere, after all.



# Ethics Advice & Education Clients

Sector Split



Corporation 50%  
Government 21%  
Professional Body 15%  
NGO 14%

Industry Split



Financial Services 34%  
Health & Community Services 21%  
Public Service 17%  
Infrastructure & Property 8%  
Education 6%  
Sports, Events & Entertainment 6%  
Professional Services 4%  
Consumer 2%  
Technology 2%

+	+	+	+	+	+	+	+	+	+
	AFL Australia	AFL Players' Association	Ambulance Victoria	AMP Limited	ANZ Banking Group	Australian College of Health Service Management	Australian Compass Migration	Australian Olympic Committee	
+	+	+	+	+	+	+	+	+	+
	Australian Orthopaedic Association	Australian Super	Banjo Advertising	Bank of Queensland	Benetas Aged Care	BHP	BT Financial Group	Century 21	Clayton Utz
+	+	+	+	+	+	+	+	+	+
	Coffey International	Commonwealth Bank Australia	Corrective Services NSW	Department of Industry	Financial Planning Australia	Groupwork Solutions	Icare	Insurance Australia Group	Lord Howe Island Board
+	+	+	+	+	+	+	+	+	+
	Macquarie Group	Mitie Incorporated	National Australia Bank	Northcott	Novartis Pharmaceuticals Australia	NSW Department of Education	NSW Department of Health	NSW Department of Justice	NSW Department of Primary Industries
+	+	+	+	+	+	+	+	+	+
	NSW Office of the Children's Guardian	NSW Police Leadership Centre	Origin Energy	QBE Insurance Group	Reserve Bank of Australia	Returned & Services League of NSW	Risk Management Institution of Australasia	Risks Management Association Australia	Settlement Services International
+	+	+	+	+	+	+	+	+	+
	Smartgroup Corporation	Society of Consumer Affairs Professionals	Southern Cross Austereo	University of Newcastle	University of Technology Sydney	Victorian Funds Management	Western Sydney University	Westpac Banking Corporation	
+	+	+	+	+	+	+	+	+	+





# THE FUTURE

## Preparing for the New Frontier

**We used to see the future as filled with unlimited possibility. The world seemed to be a place that was becoming progressively healthier, wealthier and wiser, and that made us optimistic. Few people feel that way today.**

There are so many issues to be concerned about – global terrorism, climate change, stagnating economic growth, income inequality, the refugee crisis, an ageing population, declining resources – and so few leaders with the apparent courage to understand them, much less find solutions. Rapid advances in technology are creating entirely new ethical frontiers to be concerned about. We don't know what our jobs will look like, or if we'll work at all. We don't even know what we'll look like – our communities, families, our children, and even our own reflections.

And yet, undeniably, we belong to a remarkable generation that will witness rapid and exciting change: a generation that can map human genes, cure disease, engineer autonomous transport and have instant access to a world of data. Our global communication and connection is increasing exponentially, poverty is declining, renewable energy devices are becoming more affordable, efficient and prevalent, and medical advances as mind-blowing as paralysis reversal, mean we're living healthier and longer lives.

We are entering a period of extreme innovation and disruption, in which most of what we know will be radically redefined. With each of these changes, some choices expand as others get left behind.

In this age of disruption, we have an even greater need for courage, leadership, agility and critical thinking. The ability to enquire and reflect becomes vitally important. The unique experience of being human is that we're conscious beings and we can make choices about what lies ahead. That's why a key part of what we do at The Ethics Centre involves exploring, understanding and challenging what the future holds.

In this rapidly emerging future, the work of The Ethics Centre assumes critical importance. We work to build deeper thinking in our current and future leaders, embed ethics in the new landscape and shine new light on the challenges that await us.

How we interact with, and design the future, must be guided by ethics. The alternative is unthinkable.



# Building the Skills of Our Future Leaders

Supporting Kids to Think

“Primary Ethics gets your brain working, it’s fun. Some of the questions are hard and you have to really think about it.”

Freyja, year 6 student

36,500

36,500 students currently studying ethics (up 14% from previous year).

450

More than 450 schools across NSW.

41

41 new teacher training workshops (16 of these in regional areas).

799

799 new ethics teachers trained.

240,000

240,000+ downloads of Short & Curly podcast.



## Short & Curly

One of those initiatives is *Short & Curly*, a fast-paced, fun-filled ethics podcast for kids and their parents, with questions and ideas to really get you thinking. Produced by the ABC, The Ethics Centre’s Dr Matthew Beard has been resident ethicist on the program since its inception in 2015. Covering topics from sibling love, the rights of kids to vote, who to save first in a fire and whether celebrities have an obligation to keep it real, the program had over 240,000 downloads during the year. The show was also taken to live audiences in May at the Sydney Writers Festival, where Matt and the team tackled the issue of whether it’s okay to hate the baddie using Roald Dahl characters as a guide. In September, the wild success of the program continued with podcasting pioneers WYNC Studios in New York announcing a special five-episode season of *Short & Curly* for North American audiences co-produced with the ABC.



## New Philosopher

Dr Beard is also a regular contributor to *New Philosopher* magazine, the world’s most widely read philosophy magazine distributed in 16 countries, through 12,000 stores. The magazine aims to make philosophy accessible and guide readers to live happier and freer lives. Each quarter, Matt answers thorny ethical questions submitted by kids such as “Why do adults lie so much?” and “Why do we eat some animals and play with others?”. The editor of *New Philosopher*, Zan Boag, won the 2017 media professionals award from the Australian Association of Philosophy along with Kyla Slaven, the producer of *Short and Curly*. We’re thrilled to be part of every edition of both of these impactful ventures.



## Primary Ethics

Primary Ethics is another important program which is building the capacity for good decision making in an entire generation of future leaders. During the year the program was attended by over 36,000 students across 450 New South Wales government primary schools, up 14% on the previous year. Over 40 new teacher training workshops – nearly half in regional areas – saw 799 new volunteer teachers trained. The development of an Ethics Teacher Handbook and a continuing professional development program provided new support for volunteers, and PrimaryEthics@Home, a newsletter that helps parents continue the discussions their children are having in class, was relaunched.



## The Spider’s Song

When Simon Longstaff presented his book *The Spider’s Song* to Pope Francis during an audience at the Vatican in January 2017, it was an unexpected punctuation point to a story that had commenced more than 20 years earlier. Simon’s first children’s book was originally written for his children Cassandra and Alexander – now in their early 20s. The book, which he describes as a “modern fairytale”, functions both as a beautiful children’s story and as a useful introduction to ethics. Simon’s promotion of the book allowed him to talk about ethics to new audiences in the national media and at a series of public events.



# The Future of Democracy

New York Forum

On 1 April, we travelled to New York to host a first-of-its-kind event – **Shades of Red & Blue: Uniting a Divided Nation** – choosing the world's greatest melting pot to explore why we have lost the ability to have civil and constructive arguments.

Our involvement in this event was triggered by a phone call between President Trump and PM Malcolm Turnbull. The call wasn't supposed to be anything special – just a standard get-to-know-you between two long-standing allies after the accession of a new President. Scheduled to last 60 minutes, the call came to an abrupt end after just 25.

Reports of the angry exchange rattled people in Australia. Some saw it as a cooling of the relationship. Others saw it as an opportunity to press the reset button. We saw something different – and decided to do something about it.

From our perspective, shouting at and then 'hanging up' on an antagonist is symbolic of a deeper problem – the inability to engage constructively with those we disagree with. We're all for passionate debate and principled disagreement, but there's no value to be had in hurling insults, abuse, threats and worse because of a difference in beliefs or opinion. Today, we see that all too often.

During the weekend our panels and audiences, drawn from across the political divide, talked freely and honestly about the flaws in the institutions that guard the US Constitution, how we feel about strangers, where we stand on global security, whether diversity is a glue or divider, free speech and the public interest. In addition, two seats on stage were left vacant with audiences invited to join the discussion and pose their own questions to the panel.

While around 1,400 attended the live event, the discussions were also live streamed via our YouTube channel, and coverage featured post-event in *The Guardian* and *New York Times*. Talks also ran on C-SPAN, America's cable TV station for proceedings in Congress watched by around 47 million people each week.

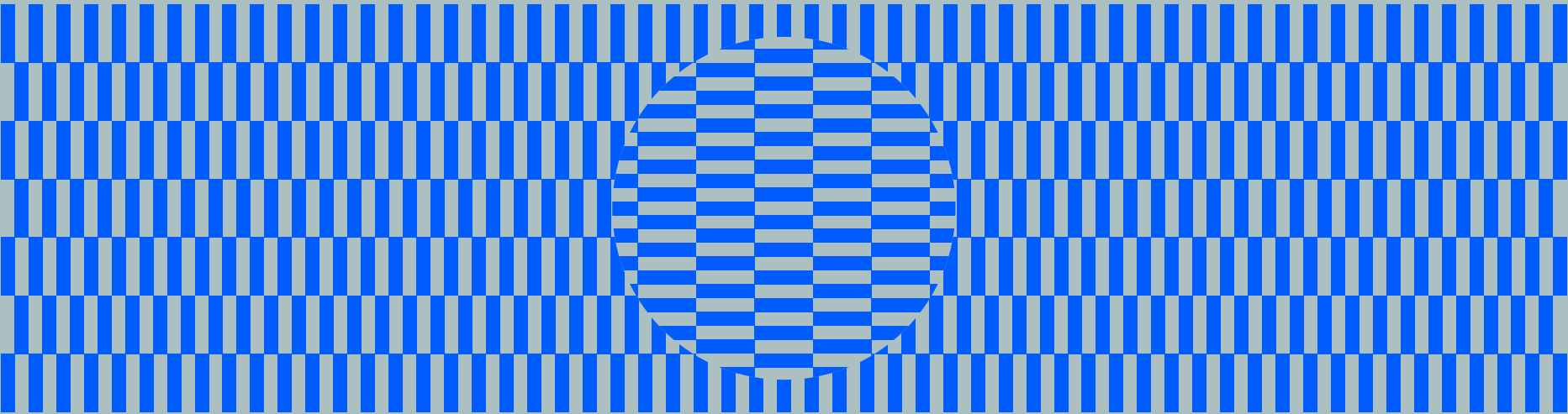
Big thanks go to our event partners: the Carnegie Council for Ethics in International Affairs; Bard College's Globalization and International Affairs Program; Advance and 20 Square Feet Productions for an event that was full of passion, difference, listening, nuance, grey areas, subtleties of argument and sound reasoning.





# The Future of Privacy, Technology & Innovation

## Preparing for Disruption



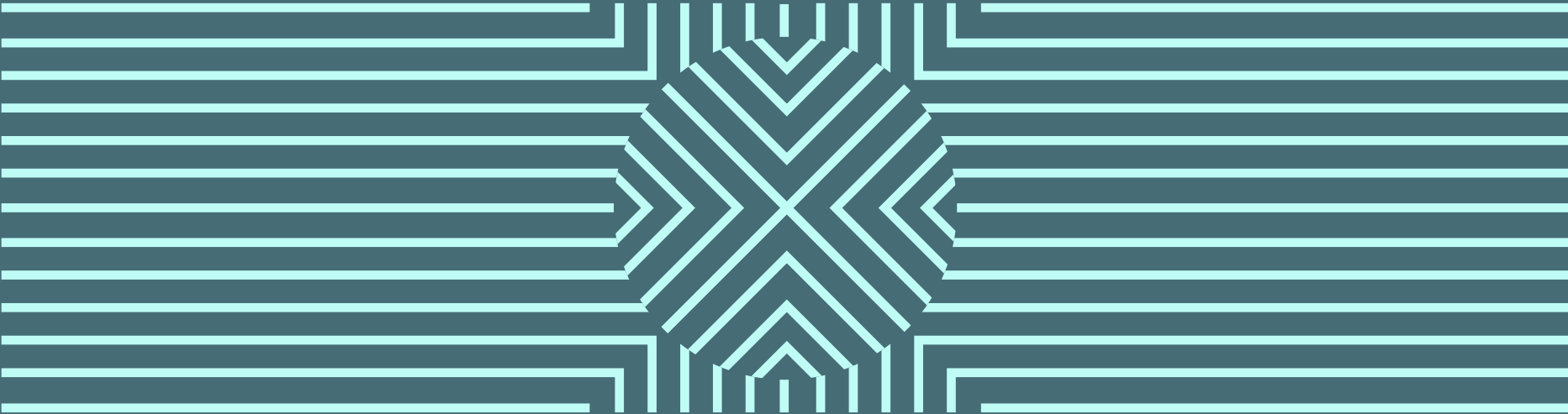
The role of technology in disrupting inefficient services is well understood – and widely celebrated. The list of companies and industries that have been exploded and reshaped by technology, even in the past five years, is long and getting longer. So many innovations. So many clever uses of the new tools at our disposal. So many ways to make our lives faster and easier.

But with all this change and innovation, who stops to ask questions about the intrusions on our privacy, the loss of accountability, the availability of our personal data? Where do we think it's all leading? Who questions the implications of all this new technology? Well, as it happens, we do. Across everything we do, we're trying to make sense of the future.

In our published writing this year we explored hot topics such as artificial intelligence, the multiple ethical minefields of social media, and the urgent need for an ethical framework for personal data. We looked at the vexed new frontiers of cutting edge medical research and the arguments for eugenics.

We've programmed our events to provide the safe spaces for conversations about subjects that are really bothering people. These included an examination of the ethics of outrage in an online world and an IQ<sup>2</sup> debate on privacy for children online. We also co-hosted a web science conference on the relationship between humans and technology.

# Looking Ahead



As we launch into a new year, we're exploring new ways to make a difference in the world. And we're doubling down on some initiatives we regard as essential to our work.

We've invested a lot of time over the last year in the important work of Ethi-call, our free counselling helpline. With newly trained counsellors and a concerted effort planned over the coming year to raise its profile, we're extremely confident we can change more lives for the better with a more accessible and sustainable service.

We're encountering increasing demand for our perspectives on the future. Companies want to know what they need to do to meet the urgent challenges of change. Individuals are troubled by the implications of new technology. The world is changing quickly, and it's at times like this we can draw on our accumulated wisdom to offer meaningful insight and assistance.

It's becoming increasingly apparent that the world needs a new leadership paradigm. Great leaders, after all, can change the world. The Ethics Centre has a long history in studying, understanding and teaching leadership – we know what good leadership looks like. Over the coming year we'll be developing new programs that help shape the leaders of tomorrow.

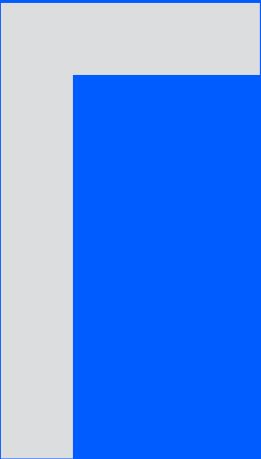
And in 2017, we're launching The Ethics Alliance – a new membership program designed for organisations committed to raising the ethical standard of business. We've spent considerable time researching and planning the Alliance, listening out for what companies need and identifying the ways we can add real value.

What we discovered is that companies are looking for tools and resources that will help them shape better cultures. They're looking for an opportunity to share their own practices, and to learn from others. They are keen to gain insight, to support meaningful research and to collaborate.

Ethics can't be competed on, it can only ever be improved upon. And improved upon most effectively and efficiently through industry-wide collaboration. When friends, and even competitors, become allies in a vital alliance, they can change the world. We believe The Ethics Alliance will be a big part of our impact over the coming year.



# Governance



## Our Structure

In April 2017, the Commonwealth Parliament voted to specifically list The Ethics Centre in the Australian Taxation Act as a deductible gift recipient (DGR). While we were a DGR before, this special listing ensures that status – vital to securing essential philanthropic funds – into the future.

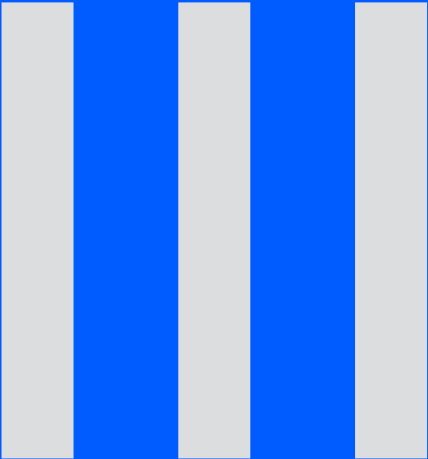
A condition of becoming specifically listed as a DGR was that the Centre change from a not-for-profit corporation, to a not-for-profit company limited by guarantee. Concurrently, we received advice from NSW Fair Trading that The Ethics Centre is now too large an entity to remain an incorporated association. As a result the Centre has a new Constitution, available on our website.

## Board of Directors

The Centre is governed by a voluntary board of ten directors who are elected by members at the Annual General Meeting. The board is responsible for appointing the Chair, Secretary and Treasurer and delegates day-to-day management to the Executive Director and Executive General Manager.

Jim Molan stepped down in October 2016 after six years of service on our board and is replaced by David Eisman. David had previously participated in board meetings as part of the Board Observership Program, which provides training and practical experience in not-for-profit directorship to foster a community of future leaders. Lili Sussman subsequently joined us in February 2017 as our new board observer.

Peter Joseph AM, Chair	Michael Pain
Stuart Marshall, Treasurer	Michelle Tredenick
Maria Atkinson AM	Robert Wannan
Narelle Hooper	Lili Sussman, Board Observer
Stephen Loosley	Secretary: Sarah Bolouri,
Caroline Lovell	Head of Finance & Operations
David Eisman	



## Role of the Board

The Board is the trustee of the founding vision of The Ethics Centre, and is responsible for its good governance. It oversees the management of the organisation and meets six times a year to:

- + approve the strategic direction and policies
- + approve and monitor budgets
- + define appropriate financial and risk management strategies
- + ensure compliance with relevant standards, regulations and reporting requirements
- + provide accountability to members and stakeholders
- + appoint, support and monitor the performance of the Executive Director and Executive General Manager.

## Directors' Meetings

The number of board meetings and meetings of its committees held during 2016-17, and the number of meetings attended by each director, are listed in our Annual Financial Report, available on our website.



## Members

The Ethics Centre is a membership-based organisation. Reflecting the democratic spirit of our purpose and founders, we aim to have a diverse membership. Our members form the core of The Ethics Centre's community and the Board of Directors is accountable to them.

We welcome new members and invite you to join via our website or call Tess Howard on +612 8267 5725.

## Management and Staff

The Centre's executive management is led by Executive Director, Dr Simon Longstaff AO and Executive General Manager, Ed St John. In June 2017, the Centre had 19 staff, five specialist educators and a pool of 20 trained counsellors. During the year, 51 people volunteered their time and skills to the delivery of our Ethi-call service, Festival of Dangerous Ideas and other events and initiatives.

Our work is guided by international frameworks including the United Nations Global Compact. This report informs our communications on progress.

For more information about our directors and staff, please see our website.



## Our Supporters

Thank you to all our members, donors, partners, pro bono service providers and volunteers for your tremendous support. Together we imagine living in a world where everyone makes more ethical decisions. Just as you rely on The Ethics Centre to provide maps and compasses to lead the way to living ethically, our work depends on you: the people who care enough to invest your time and money in a future with ethics at the centre of everyday life. With your ongoing loyalty and generosity, this future is possible.

Thank you.





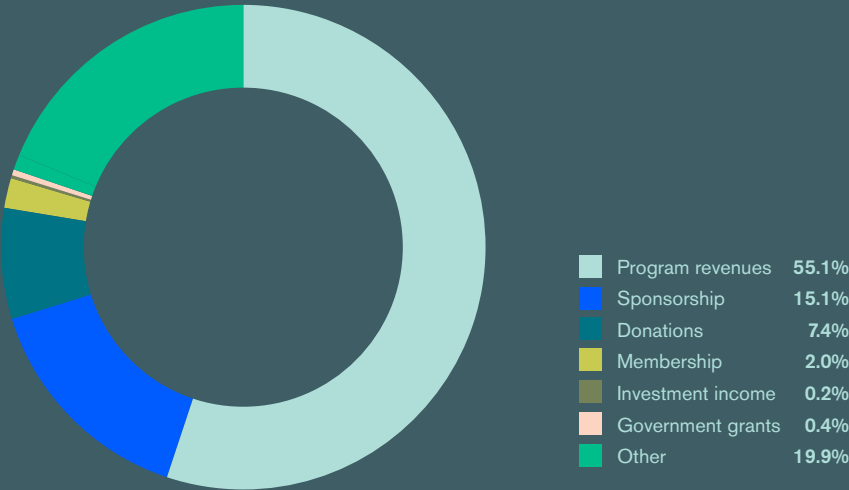




# Financial Overview 2016-17

The Ethics Centre is fortunate enough to receive income from donations, membership fees, pro bono services and corporate partners. We also operate a modestly successful consulting practice which receives fees from clients in the public and private sectors, for provision of ethics advice and education. On the other side of the ledger, we are obliged to meet the cost of our operating expenses, including the delivery of an extensive range of programs and events that support our organisational purpose.

For the year ended 30 June 2017



### Funding Sources:

**Program revenues: \$2,021,008**  
Income received from consulting services, retainers held in relation to consulting, ethics education learning programs, event ticket sales and counselling services.

**Sponsorship: \$552,949**  
Income received from corporate sponsors in support of the programs being undertaken.

**Donations: \$270,275**  
Income received from fundraising appeals.

**Membership: \$73,048**  
Income received from members of The Ethics Centre, as part of the annual membership subscription.

**Investment income: \$6,218**  
Income received from bank interest and copyright fees.

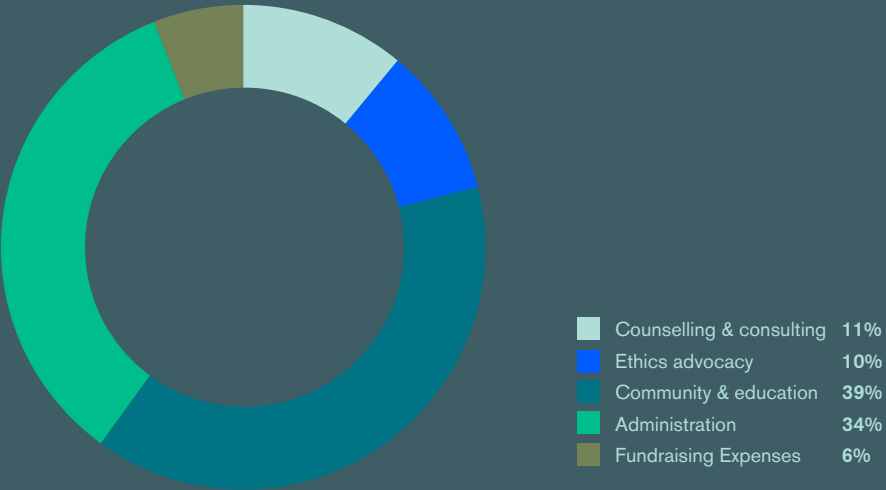
**Government grants: \$15,345**  
Income received from local government, City of Sydney, in relation to IQ² debates.

**Other: \$730,791**  
Miscellaneous revenue and project funding.

**Total      \$3,669,634**

The funding sources and how funding was applied represented in the charts above relate to activities undertaken by parent entity, The Ethics Centre, only.

In 2016-17, our costs were \$300,000 more than revenue received and this shortfall was met through cash reserves. Being a non-profit has many challenges and while our need and impact may not be as tangible or seem as immediate as other causes, we continue to place a priority on delivering change for a better, fairer and safer world. We are working hard to improve financial sustainability and maintain cash reserves, whilst continuing to bring ethics to the centre of everyday life.



### Program Costs:

**Counselling & consulting: \$447,827**  
Includes third party consultants and staff costs in relation to delivery of consulting and counselling programs and the ongoing development of the Ethi-call service.

**Ethics advocacy: \$379,748**  
Includes staff and third party costs in relation to developing and promoting content, articles and curating public debates.

**Community & education: \$1,570,274**  
Includes staff and third party trainers in delivering education programs and staff costs associated with research.

**Administration: \$1,339,250**  
Operating expenses associated with administration, including staff, finance, IT, HR, professional services, telecommunications and general marketing costs.

**Fundraising expenses: \$245,804**  
The costs associated with attracting more support through donations, developing funding partnerships and the administration of fundraising activities.

**Total      \$3,982,903**

The funding sources and how funding was applied represented in the charts above relate to activities undertaken by parent entity, The Ethics Centre, only.

# Statement of Profit or Loss & Other Comprehensive Income

For the year ended 30 June 2017

	Parent Entity The Ethics Centre		Consolidated The Group	
	2017	2016	2017	2016
	\$	\$	\$	\$
Revenue from continuing operations				
Fundraising activities	911,617	893,725	6,171,984	2,319,926
Program activities	2,021,008	2,314,853	2,184,836	2,314,853
Investment income	6,218	44,498	381,473	236,003
Other incidental income	730,791	17,220	838,439	17,275
Management fee from controlled entities	-	-	-	-
<b>Total operating revenues</b>	<b>3,669,634</b>	<b>3,270,295</b>	<b>9,576,732</b>	<b>4,888,056</b>
Cost of sales				
<b>Cost of sales</b>	<b>(1,132,098)</b>	<b>(788,480)</b>	<b>(1,193,042)</b>	<b>(738,480)</b>
Operating expenditure				
<b>Operating expenditure</b>	<b>(2,850,805)</b>	<b>(2,725,884)</b>	<b>(3,880,633)</b>	<b>(3,539,273)</b>
Surplus/(Deficit) from continuing operations before income tax	(313,269)	(244,069)	4,503,057	610,303
Income tax expense	-	-	(10,566)	(17,812)
<b>Surplus/(Deficit) for the year from continuing operations after income tax</b>	<b>(313,269)</b>	<b>(244,069)</b>	<b>4,492,491</b>	<b>592,491</b>
Other comprehensive income				
Other comprehensive income for the period, net of income tax	-	-	-	-
<b>Total comprehensive income / (loss) for the year</b>	<b>(313,269)</b>	<b>(244,069)</b>	<b>4,492,491</b>	<b>592,491</b>

The parent entity of the Group is The Ethics Centre; the parent entity wholly owns the two subsidiaries being Primary Ethics Limited and The Banking and Finance Oath, collectively 'The Group'.







Auditor’s Report

EY Building a better working world  
Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001  
Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

Auditor’s Independence Declaration to the Directors of The Ethics Centre Incorporated

In relation to our audit of the financial report of The Ethics Centre Incorporated for the financial year ended 30 June 2017, and in accordance with the requirements of Subdivision 60-C of the Australian Charities and Not-for profits Commission Act 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

This declaration is in respect of The Ethics Centre Incorporated and the entities it controlled during the financial year.

Ernst & Young

Darren Handley-Greaves

Partner  
7 November 2017

EY Building a better working world  
Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001  
Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

Independent auditor's report to the members of The Ethics Centre Incorporated

Report on the financial report

Opinion

We have audited the financial report of The Ethics Centre Incorporated and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the group is in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:

- a. giving a true and fair view of the financial position of the Group as at 30 June 2017 and of its financial performance for the year ended on that date; and
- b. complying with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the Directors’ Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Auditor’s Report

EY Building a better working world  
Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001  
Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

Responsibilities of the Directors for the Financial Report

The directors of the Centre are responsible for the preparation of the consolidated financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

EY Building a better working world  
Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001  
Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015

We have audited the consolidated financial report as required by Section 24(2) of the NSW Charitable Fundraising Act 1991. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Act and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

- a) the financial report of the Group has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2017, in all material respects, in accordance with:
  - sections 20(1), 22(1-2), 24(1-3) of the NSW Charitable Fundraising Act 1991;
  - sections 10(6) and 11 of the NSW Charitable Fundraising Regulations 2015;
- b) the money received as a result of fundraising appeals conducted by the Group during the financial year ended 30 June 2017 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act and Regulations.

Ernst & Young

Darren Handley-Greaves

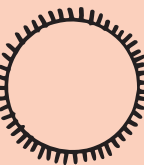
Partner  
Sydney  
7 November 2017



# How You Can Support The Ethics Centre

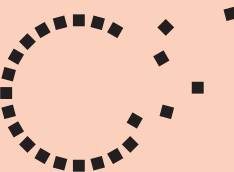
As an independent not-for-profit, we don't receive any money from the government to help pay our bills or support the work we do. We rely on donations from donors and sponsors – people like you.

If you want to see more reflective, balanced discussions and moral decision making in our banks, health services, emergency services, schools, universities, sporting clubs, workplaces and media, then now is your chance to invest in something you believe in.



## MAKE A DONATION

Please consider a small, tax-deductible gift to help us ensure our education, advice, counselling and community forums are accessible to everyone. Give now to help us progress ethics in our society at [ethics.org.au/donate](https://ethics.org.au/donate) or contact Tess on 02 8267 5725 or [tess.howard@ethics.org.au](mailto:tess.howard@ethics.org.au). Every gift makes a difference.



## BECOME A MEMBER

Stand up and demonstrate your commitment to ethics by becoming an individual member or joining The Ethics Alliance.



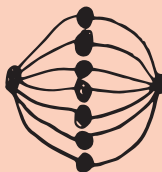
## LEAVE A LEGACY

Many people like to leave a gift in their will so they can continue to support the causes that are important in their lives. You can preserve your commitment to an ethical world for future generations, either in your name or to honour a loved one.



## COME TO AN EVENT

Bring your friends. Join in the conversation. Book tickets at [ethics.org.au](https://ethics.org.au).



## ENGAGE OUR SERVICES

Employ one of our programs to create and embed ethical culture in your organisation.

This is your opportunity to contribute to positive change. Together we can bring ethics to the centre of everyday life.

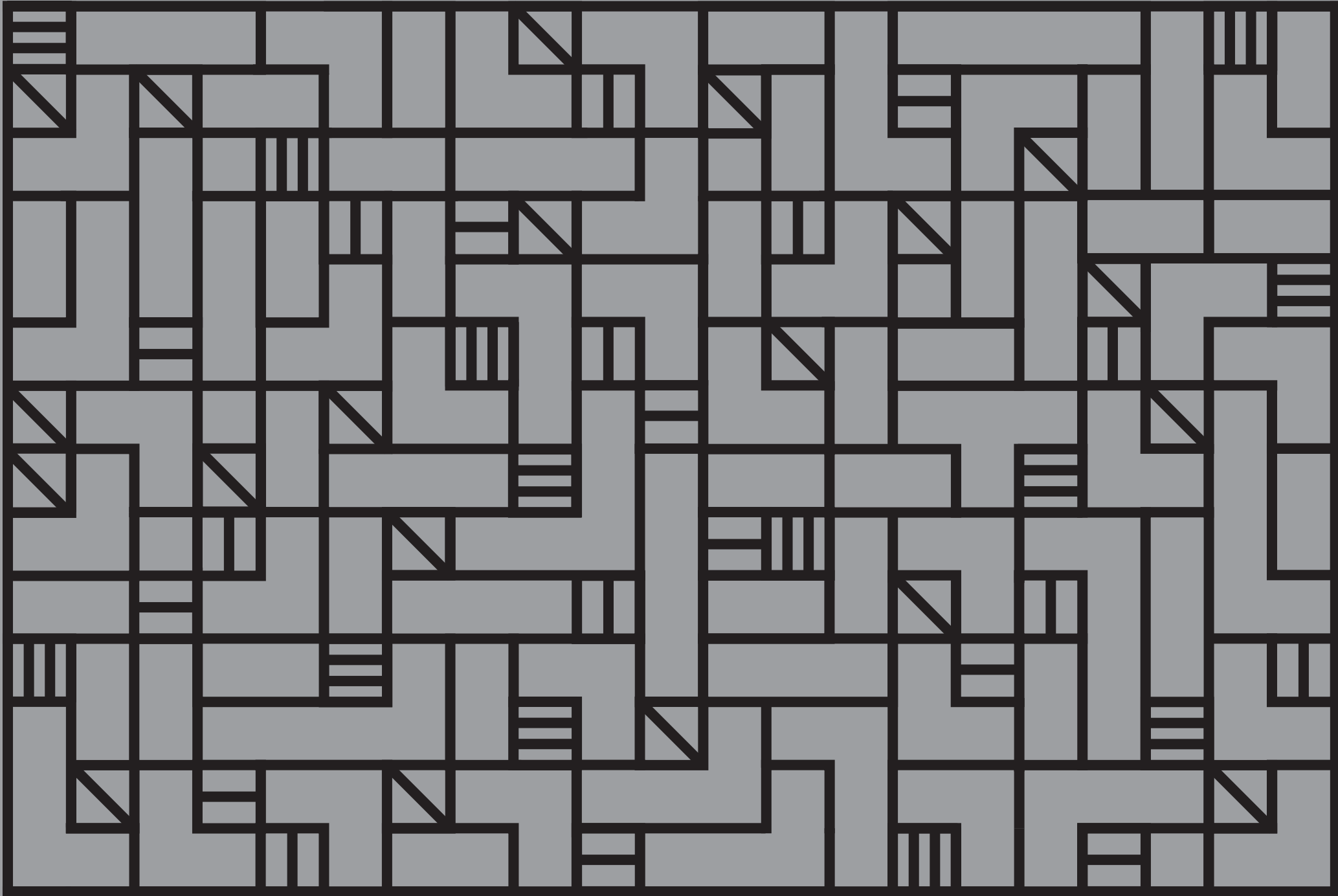
For more information, please contact our Head of Philanthropy, Hilary Blackman:  
T: 02 8267 5740 E: [hilary.blackman@ethics.org.au](mailto:hilary.blackman@ethics.org.au)

All donations of \$2 or more to The Ethics Centre (ABN 83 637 740 533) are tax deductible for the purposes of Australian tax law. Please contact us for international tax-deductible gifts.



The Ethics Centre Level 2, Legion House, 161 Castlereagh St, Sydney NSW 2000 T 02 8267 5700 E [contactus@ethics.org.au](mailto:contactus@ethics.org.au) ABN 83 637 740 533 ARBN 094 609 015





ETHICS.ORG.AU

