



Submission to

**Senate Standing Committee on
Economics**

**Inquiry into
the disclosure regimes for charities
and not-for-profit organisations**

August 2008

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Summary of Recommendations

1. Any reforms should:
 - a. foster the distinctiveness of the culture, diversity and range of purpose of not-for-profit organisations;
 - b. recognize and support the unique contribution of charities within this context;
 - c. be made in close consultation with not-for-profit organisations, and particularly charities.
2. Reforms to improve accountability should be based on a holistic definition of accountability similar to the One World Trust model. Accountability to 'beneficiaries' should be seen as primary;
3. There is a need to harmonise the relevant laws and standards. A new nationally consistent portfolio of legislation and regulations should be developed to replace existing reporting and disclosure requirements across federal and state jurisdictions;
4. Key performance measures require standardisation to enable the public to make comparisons between similar charities. This should be industry/sector specific and could potentially be led by peak bodies;
5. Regulatory measures should be sophisticated enough to deal with a wide variance in purpose, size, modus operandi, and be appropriate in relation to economies of scale and proportionate to risk. A one size fits all approach should be avoided;
6. Oxfam calls for the creation of an independent Australian Charity Commission similar to those that exist in the UK and NZ, key aspects of which are elaborated in this submission;
7. The regulator must have a sophisticated understanding of the role and functioning of Australian charities. Importantly, its leadership should be drawn from within the charitable sector;
8. Reforms to the regulatory environment must be underpinned by a modern definition of charities as outlined by Oxfam in its submissions to:
 - a. the 'Inquiry into the Definition of Charities and Related Organisations' established by the Federal Government in 2001;
 - b. the Board of Taxation's 'Consultation on the Definition of a Charity'

1. Introduction

The importance of charities and not for profits to Australian democracy

1.1 The Australian community is populated with a diverse range of charities and other not for profit entities which make a significant contribution to the health of our society. With two million Australians living in poverty, one billion people globally who live on less than a dollar a day, and millions more who experience hardship, discrimination and disadvantage in different ways, the contribution of not-for-profit organisations, especially charities, remains much needed.

1.2 Charitable organisations mirror the goodwill, generosity and compassion that is fundamental to the Australian character through their practical demonstration of altruistic values. Many of them focus on providing support to the poorest and most marginalised communities in Australia and internationally. Organisations such as Oxfam Australia seek to foster self-reliance and focus on breaking the poverty cycle. They have a proud history of impact and achievement.

1.3 As an example, Palaniamma lives in Tamil Nadu, India. Before the Asian Tsunami (2004) she laboured on construction sites, earning a daily wage of 50 rupees (AUD \$1.50). Oxfam has supported her with a loan and training to establish a rope-making business. "I felt like a bonded labourer while working for a contractor," Palaniamma says. "Now, I can take care of my family and at the same time provide employment to seven people."

1.4 Of course, charities can not truly break the poverty cycle working alone. Governments, international organisations and the private sector also have a crucial role to play. For this reason, it is often important for charities to work alongside, challenge and hold these other entities accountable. A healthy exchange between Government, business and civil society is at the heart of a well rounded nation.

1.5 The importance of not for profit organisations to the health and robustness of Australian democracy has long been recognised. This was well articulated by the Industry Commission in its 1995 report *Charitable Organisations in Australia*:

"Like most modern democracies, Australian society is supported and served by a not-for-profit charitable sector which delivers a range of social welfare services to its citizens. In this role the charitable sector is a crucial partner with business and government, which it complements but with which it also contrasts.

The sector in Australia pre-dates any form of comprehensive government intervention on behalf of people in need. It arose from the compassion, goodwill and foresight of men and women of philanthropic, humanitarian and religious convictions and has continued to serve, expand and diversify since early colonial days.

The charitable sector underscores many basic values in Australian democracy. It exemplifies the principles of pluralism, free choice and the rights of citizens to

participate in and take responsibility for their community. It helps ensure that no government has a monopoly on the way society deals with its citizens – especially those who are most vulnerable because of economic or personal need.”¹

About Oxfam Australia

1.6 Oxfam Australia (Oxfam) is an independent, not-for-profit, secular international development agency. We are a member of Oxfam International, a global confederation of 13 Oxfams that work together to fight poverty and injustice in more than 100 countries around the world. We are an Australian agency that has worked with local communities around the world to combat poverty and injustice for over 50 years.

1.7 Oxfam undertakes long-term development projects, provides emergency response during disaster and conflict, and conducts campaigning and advocacy for policy and practice changes which promote human rights and justice. We support over 400 long-term development projects in 30 countries across Africa, Asia, the Pacific and Indigenous Australia.

1.8 Oxfam Australia has one wholly owned subsidiary company, Oxfam Australia Trading Pty. Ltd. (OAT), which manages 23 shops around Australia and a mail-order catalogue operation with sales of over \$10 million in 07/08. Oxfam Australia Trading has provided significant and exclusive donations to Oxfam Australia and has a not-for-profit winding up clause in its Constitution. While the parent company, Oxfam Australia, has been recognised by the ATO as a Public Benevolent Institution, OAT has not. OAT promotes economic and social justice in developing communities through ethical trade in handicrafts.

1.9 Oxfam enjoys significant support from the Australian public. Australians contribute to the work of the agency in many ways, including as members, volunteers, donors, and by taking action with Oxfam to contribute to its vision of a fairer world. The level of support Oxfam enjoys from the public is evidenced by the following:

- 155,327 Australians are financial supporters of Oxfam.² In 2007, 47,630 Australians made regular monthly donations to Oxfam through the *Aware* regular giving program;³
- In 2007, Oxfam received approximately \$41 million in donations from the Australian public in community support income (CSI). CSI increased from \$37.9 million in 2006/2007, and \$32.6 million in 2005/2006;
- 86,833 Australians are currently active with Oxfam,⁴ meaning they take action with the agency through its campaigns and other activities to create a fairer world;
- In 2007/2008, 2139 Australians volunteered with Oxfam Australia and contributed 56,662 hours of voluntary labour;

¹ http://www.pc.gov.au/data/assets/pdf_file/0007/6991/45charit.pdf

² As of 28 August, 2008

³ <http://www.oxfam.org.au/donate/aware/>

⁴ As of 28 August, 2008

- There are 2,550 voting members of Oxfam Australia⁵ and currently there are 54 active Oxfam Groups in Australia (28 in Vic, 7 in SA, 6 in WA, 6 in ACT, 4 in NSW, 2 in QLD, 1 in NT)

1.10 Oxfam Australia is a company limited by guarantee (A.C.N 055 208 636) and is governed by the Federal Corporations Act (2001) and complies with a wide range of other national, state and territory legislation.

1.11 Oxfam has independent auditing systems in place and reports publicly on its spending every year in compliance with a strict industry code developed by the Australian Council for International Development (ACFID). There are currently 108 signatories to the ACFID code and it is widely recognised as a best practice example of voluntary regulation.⁶

1.12 Oxfam holds full accreditation status with AusAID, the Australian Government's Agency for International Development⁷ and is a signatory to numerous industry codes of practice.⁸

Focus of this submission: charitable organisations

1.13 The Terms of Reference for this inquiry encompass *charities and all other not-for-profit organisations*. It is important to note that the not-for-profit sector in Australia is very large and extremely diverse.⁹ It is critical that the diversity that exists amongst not for profit organisations is maintained. Any reforms ultimately undertaken by government must seek to foster the distinctiveness that exists amongst not-for-profit organisations and cater sufficiently for breadth of purpose.

1.14 Oxfam is concerned that grouping all not-for-profit organisations together may lead to a level of uniformity that is unhelpful and may stifle the capacity of organisations to innovate and respond to new and complex social problems. Grouping more than 700,000 distinct organisations together simply because they are in contrast to for profit entities does not demonstrate the level of sophistication in approach towards the sector that is required. The diversity of purpose that exists amongst non profit organisations must remain central to any debate about regulation.

1.15 Oxfam Australia recognises that many not-for-profit entities which do not have a charitable purpose make a significant contribution to the public benefit and to the well-being of Australians. These organisations include universities, churches, and sporting clubs. **This submission, however, focuses solely on the needs and interests of charitable organisations** which make a unique contribution to Australian society and

⁵ As of 28 August, 2008

⁶ <http://www.acfid.asn.au/code-of-conduct>

⁷ The AusAID accreditation process aims to provide AusAID, and the Australian public, with confidence that the Australian Government is funding professional, well managed, community based organisations that are capable of delivering quality development outcomes.
<http://www.ausaid.gov.au/ngos/accredited.cfm>

⁸ As set out in attachment 1.

⁹ According to the National Roundtable of Nonprofit Organisations⁹, there are as many as 700,000 not-for-profit organisations in Australia

have a distinct set of imperatives. Oxfam does not seek to comment on non-charitable not-for-profit-entities.

1.16 Oxfam asks the Government to uphold and foster the unique place of charities within Australian society and to consult effectively with charitable organisations to ensure that the regulatory environment maximizes their effectiveness and accountability.

Recommendation 1:

Any reforms should:

- (a) foster the distinctiveness of the culture, diversity and range of purpose of not-for-profit organisations;
- (b) recognize and support the unique contribution of charities within this context;
- (c) be made in close consultation with not-for-profit organisations, and particularly charities.

Terms of Reference

The inquiry will examine:

- (a) the relevance and appropriateness of current disclosure regimes for charities and all other not-for-profit organisations;
- (b) models of regulation and legal forms that would improve governance and management of charities and not-for-profit organisations and cater for emerging social enterprises; and
- (c) other measures that can be taken by government and the not-for-profit sector to assist the sector to improve governance, standards, accountability and transparency in its use of public and government funds.

2. Current disclosure regimes

Oxfam recognises the need for reform and welcomes this inquiry

2.1 Oxfam recognises the need for reform to the regulatory environment in which charities operate in the interest of maintaining public trust and improving stakeholder accountability.

2.2 The March 2008 report by Choice magazine¹⁰ highlights the wide variability and inconsistency in the way that charities disclose information to the public. Oxfam sees these concerns as both legitimate and important and supports the intent of this inquiry.

Multi-dimensional approach to stakeholder accountability is required

2.3 Oxfam is committed to excellence, transparency and accountability and is confident that its current practice is consistent with these values. At the same time Oxfam is a learning organisation and remains open to critique and improvement.

2.4 Oxfam has a wide range of stakeholders who include: beneficiaries, donors, funders, volunteers, and members. **Oxfam recognises that its primary stakeholders are those men and women and children we ultimately seek to benefit from our work.**

2.5 Oxfam defines accountability as the process through which an organisation makes a commitment to respond to and balance the needs of stakeholders in its decision making processes and activities, and delivers against that commitment.

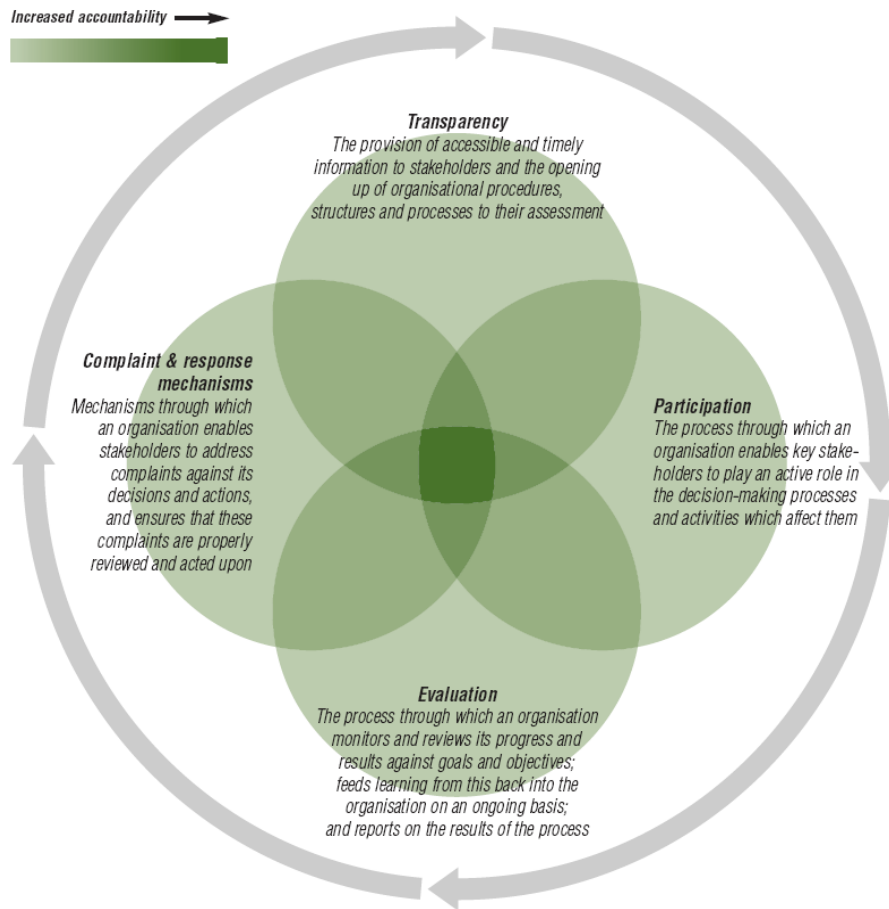
2.6 The Global Accountability Project (One World Trust)¹¹ has produced an accountability framework based on four dimensions: transparency, participation, learning and evaluation, and complaint and response mechanisms – see figure 1. Oxfam's approach to accountability is multi-dimensional and informed by these principles.

¹⁰

<http://www.choice.com.au/viewArticle.aspx?id=106240&catId=100268&tid=100008&p=1&title=Charities>

¹¹ <http://www.oneworldtrust.org/?display=project&pid=10>

Figure 1:



Recommendation 2: Reforms to improve accountability should be based on a holistic definition of accountability similar to the One World Trust model. Accountability to ‘beneficiaries’ should be seen as primary.

Current situation: Oxfam’s compliance with legal and voluntary disclosure

2.7 Oxfam consistently complies with requirements that are both statutory and voluntary.

2.8 Like most not for profit organisations Oxfam complies with a wide range of national, state and territory legislation across all the functions of our operations. Some examples of these follow:

National

- Corporations Act (2001);
- Information Privacy Act (2000);
- Commonwealth Privacy Act (1988); and
- Trade Practices Act (1974)

State and Territory

- Charitable Collections Act (2003) (ACT);
- Charitable Fundraising Act (1991) (NSW);
- Fundraising Appeals Act (1998) (VIC);
- Collections Act (1966) (Qld);
- Collections for Charitable Purposes Act (1939) (SA);
- Charitable Collections Act (1946) (WA); and
- Collections for Charities Act (2001) (TAS)

In addition to the legislative framework in which it operates, Oxfam is a signatory to a range of industry codes which set high standards of self regulation including:

- Australian Council for International Development (ACFID) Code of Conduct;
- International Red Cross and Red Crescent Movement Code of Conduct;
- Fundraising Institute of Australia Codes of Professional Conduct and Ethics;
- Australian Direct Marketing Association's Code of Practice;
- Sphere: Humanitarian Charter and minimum standards in disaster response;
- People In Aid Code of Good Practice; and
- International Non-Governmental Organisations Accountability Charter;

See **attachment 1** for a list and description of the Codes and standards to which Oxfam adheres.

Existing laws and standards lack coherence:

2.9 The variety of legislation and regulation that currently applies to charities is unnecessarily complex and fragmented. This is problematic for charities, their stakeholders, and governments. The complexity of such fragmented regimes imposes substantial unnecessary administrative burdens on organizations⁽¹²⁾, results in the inefficient use of scarce charity resources and increases the risk of non-compliance.

2.10 There is work to be done to clean up the compliance framework and ensure better alignment between the laws and standards to which charities are obliged to comply.

2.11 One set of national laws would provide a framework for greater transparency and accountability at the same reducing compliance costs which are ultimately borne by donors. A clear example is the need to nationalise (or, as a minimum, align for close consistency) fundraising laws that currently exist at the State and Territory level.

¹² National Roundtable of Nonprofit Organisations, (2007) 'The assessment of charitable status in Australia: Current practice and recommendations for improvement'

2.12 In addition to improved alignment of legislation, steps to standardise key reporting measures would better enable the general public to compare “apples with apples” when considering charities – an issue cited in the Choice magazine survey. For example, each year Oxfam publically discloses in its annual report a set of ‘accountability ratios’. These ratios indicate how much of our income we have applied to different aspects of our work, including program investment, fundraising, and administration. We also disclose salary ranges and information about our Board and governance arrangements. This provides an example of the sorts of disclosure measures which could be considered and which would enable better comparison between and accountability by charitable organisations.

2.13 Of course, such measures will need to take into account the diversity of charitable organisations so perhaps the objective should be to enable better comparison between charitable organisations within a particular sector, such as the international development sector, in Oxfam Australia’s case. Accordingly, key performance measures should be sector specific and could potentially be led by peak bodies, such as ACFID, the Australian Council of Social Service, supported by specialist bodies like the Fundraising Institute of Australia.

Recommendation 3: There is a need to harmonise the relevant laws and standards. A new, nationally consistent regulatory framework should be developed to replace existing reporting and disclosure requirements across federal and state jurisdictions

Recommendation 4: Key performance measures require greater standardisation to better enable the public to make comparisons between similar charities. This should be industry/sector specific and could potentially be led by peak bodies

Caution against a one-size-fits-all approach to regulation: proportionality

2.14 Oxfam recognises the importance of diversity that exists within the charity sector and **cautions against a one-size-fits-all approach to regulation.** Regulatory measures should be sophisticated enough to deal with a wide variance in purpose, size, modus operandi, and be appropriate in relation to economies of scale and proportionate to risk.

2.15 In particular, Oxfam is concerned that unnecessarily complex compliance arrangements have the potential to cripple the ability of small and emerging social organisations to carry out their stated mission. These organisations are often highly innovative and make dynamic contributions to tackling complex social issues.

Recommendation 5: Regulatory measures should be sophisticated enough to deal with a wide variance in purpose, size, modus operandi, and be appropriate in relation to economies of scale and proportionate to risk. A one size fits all approach should be avoided.

3. Improved models of regulation and legal forms

The regulatory response needs to be shaped to suit the unique characteristics of Australian charities.

3.1 Reform should be appropriate for Australian charities and seek to support their effectiveness. Oxfam believes that any regulator should have a **solid understanding of the culture and ways of working** that are unique to charity organisations and be equipped to facilitate the diversity amongst them.

Establish an independent Australian Charity Commission

3.2 Oxfam sees that the creation of an independent Australian Charity Commission, similar to those that exist in the UK and New Zealand would be the most effective measure in ensuring best practice standards of accountability for charities.

3.3 The approach used by the Charity Commission of England and Wales provides a useful example. It uses four key approaches¹³:

1. Using information and advice to influence behaviour;
2. Equipping charities to work better;
3. Promoting legal compliance;
4. Intervention and enforcement;

3.4 An Australian body should have a role to support charities to understand and comply with their obligations in the first instance, as well as enforcing standards and investigating breaches and complaints where they occur.

Key features of an Australian Charity Commission:

- A regulator independent from government. Oxfam does not support a model where a regulator is located within the Australian Securities and Investment Commission or the Australian Taxation Office;
- Based on principles similar to the Charity Commission (England and Wales);
- Focused on eliminating red tape - improving effectiveness and reducing unnecessary bureaucracy;
- Responsible for registering and monitoring charitable organisations in Australia, as well as providing support and education to the charitable sector on good governance and management; also responsible for naming charities which have seriously defaulted on legal obligations, such as not submitting their annual report and accounts;

¹³ <http://www.charity-commission.gov.uk/spr/regstance.asp>

- Adopt a proportionate risk-based response as per the Charity Commission of England and Wales (see following for its definition of proportionality¹⁴);

Proportionality¹⁵

We focus our priorities and resources where we believe our intervention as regulator can make most difference to charities and the people who benefit from them.

We aim to ensure that the actions we take:

- *are proportionate to the issue and to the risk of harm involved; and*
- *take account of the capacity of organisations to comply with requirements for change.*

We think of harm as:

- *detrimental effects on the people or causes the charity serves;*
- *loss or misuse of significant assets or resources;*
- *damage to the public reputation of a charity or charities generally; and*
- *damage to public confidence in charity regulation.*

Where, in our view, none of these harm factors is present, we are likely to conclude that we can use Commission resources elsewhere to greater effect in the public interest, and that we should not take regulatory action.

- Adequately resourced by the Federal Government – in the absence of adequate resourcing it risks becoming a toothless tiger generating cumbersome bureaucracy for Australian charities without the desired benefit of increased innovation, efficiency and transparency;¹⁶
- Mandated to simplify and streamline the complex web of State and Territory laws to which charities are currently required to comply as its first act;
- Focused on effectiveness (outputs, public benefit) not efficiency (financial ratios);
- Adoption of a holistic definition of accountability, which recognises primary accountability is to the men and women charities seek to benefit;
- Reports directly to Parliament as per the UK model;

¹⁴ Refer also to attachment 2 which lists the UK Charity Commission's hallmarks of an effective charity

¹⁵ <http://www.charity-commission.gov.uk/spr/regstance.asp>

¹⁶ As an indication of the level of resources required, this year's budget of the UK Charity Commission is in excess of £30 million.

- Effective leadership, preferably drawn from the charitable sector

Recommendation 6: Oxfam calls for the creation of an independent Australian Charity Commission similar to those that exist in the United Kingdom and New Zealand.

Lessons from Oxfam Great Britain's experience with the Charity Commission of England and Wales

3.5 Oxfam Australia is a member of Oxfam International, a confederation of 13 Oxfams which work together to fight poverty.

3.6 Oxfam Great Britain is one of the largest charities in the UK and has interacted with the Charity Commission of England and Wales since its establishment. Oxfam offers the following brief reflections on the practical workability and daily functioning based on the experience of its UK counterpart in dealing with the Charity Commission of England and Wales.

What works well:

- The Charity Commission is a well regarded Regulator that understands the sector;
- Key is that it is very transparent, for example it publishes its own operational guidance to its staff¹⁷ and it makes major efforts to reach out and explain itself to charities;
- It adopts a proportionate risk based response. This has been a significant and welcome development over the last 5 years; the key to establishing this approach has been effective leadership (drawn from the voluntary sector, in contrast to the previous leaders, who were civil servants and quite bureaucratic);

¹⁷ <http://www.charity-commission.gov.uk/supportingcharities/ogs/ogexplain.asp>

Reflections from Oxfam Great Britain's legal team:

We have seen change in that the Commission has concentrated its efforts in combating mismanagement and fraud, and reduced the amount of time they spend on investigating technical breaches that did not actually result in losses to the charity.

This has also been helped by a very good new Charities Act 2006, which has introduced:

- a) enabling powers which mean the Commission can help solve problems within charities, such as allowing them to spend permanent endowment; and*
- b) a Charity Tribunal which allows appeals to an independent body, without the cost of going to Court*

As one of the largest UK charities, we have a Charity Commission contact who has a proactive dialogue with us. We discuss difficult issues with them, and this means that they are forewarned when they receive complaints. There are not big numbers, but often they tell us that they received a complaint but responded to the complainant without having to bother us.

What works less well:

- Although international charities represent 20 per cent of the sector in value there is a lack of international experience amongst Commission staff (with the Chief Executive being a notable exception) A weakness is that their view of what poverty means is well behind the development agenda -they tend to think in terms of UK case law and not a rights based approach, so adopt a very financial definition;
- The Commission did have an unfortunate attempt at a one size fits all Standard Information Return that caused a lot of grief, but subsequently changed course.

Recommendation 7: The regulator must have a sophisticated understanding of the role and functioning of Australian charities. Importantly, its leadership should be drawn from within the charitable sector.

4. Other measures to assist improvements

A modern definition of Charities is required

4.1 Oxfam Australia believes that any reforms to the regulatory environment must be underpinned by a **modern definition** of charities¹⁸ which permit the use of a range of strategies to achieve its dominant purpose (including advocacy; and the operation of social enterprises linked to dominant purpose – eg Oxfam Australia Trading.) Reform should also ensure that sufficient flexibility is built in to allow for the development of new strategies into the future to enable charities to respond to with the emergence of new social issues)

Recommendation 8: Reforms to the regulatory environment must be underpinned by a modern definition of charities as outlined by Oxfam in its submissions to:

- a. the 'Inquiry into the Definition of Charities and Related Organisations' established by the Federal Government in 2001; and
- b. the Board of Taxation's 'Consultation on the Definition of a Charity'

PBI Rule

4.2 Oxfam welcomes the Australian Government's announcement of the review of Australia's tax system (May 13, 2008) and will contribute more detailed recommendations through this process.

4.3 . For the purpose of the current inquiry it should be noted that the current PBI rule requires review in relation to dominant purpose. Oxfam Australia as the parent has been granted PBI status under the dominant purpose rule, however Oxfam Australia Trading, which directly supports around 100 fair trade partners in developing countries, cannot meet the tests under the rule. This results in staff in the subsidiary having different remuneration arrangements than the parent, the subsidiary having more difficulty recruiting staff despite the fact that Trading is established solely to undertake development work.

¹⁸ (Note: this is consistent with Oxfam's input into previous submissions to the Senate and the ATO regarding the definition of a charity);

Attachment 1: List and description of the Codes and standards to which Oxfam adheres

Oxfam Australia adheres to a number of external codes of conduct or standards. In general terms, these codes set out principles and/or standards for certain types of work such as humanitarian assistance or for an organisational function e.g. human resource management. These codes are typically developed and maintained by umbrella bodies like the International Federation of Red Cross and Red Crescent Societies.

Organisations that sign the codes are required to adhere to the principles or achieve the standards over time. Some codes are aspirational due to the inability to effectively monitor adherence. Some codes also include guidelines and tools and/or compliance mechanisms.

These include:

ACFID Code of Conduct

This mandatory Australian code sets out the standards of governance, management, financial control and reporting with which non-government development organisations (NGDOs) must comply as members of the Australian Council for International Development (ACFID), the umbrella body for NGDOs in Australia.

Antares Foundation: Guidelines for Good Practice

This is an eight stage model for managing stress in humanitarian workers.

AusAID accreditation

In order to receive funding from AusAID, Australian NGOs must be accredited with AusAID. This is a front-end risk management process, which aims to ensure that Australian Government funds are being used by professional, well-managed, community based organisations that are capable of delivering quality development outcomes with minimal activity overview by AusAID. NGOs are accredited every five years through a process, which includes a peer review. Once approved for accreditation, the NGO enters into a Head Agreement with AusAID. Oxfam Australia was reaccredited in 2006.

People in Aid Code of Good Practice

This global code sets out principles and standards for improving human resource management practice in NGDOs.

The Sphere Project

This global code includes the Humanitarian Charter, a set of principles which govern humanitarian action and minimum standards to be attained in emergency assistance in five key sectors: water supply and sanitation, nutrition, food aid, shelter and site planning and health services.

The International Federation of Red Cross and Red Crescent Societies Code of Conduct

This global code sets out 10 principles to which all NGOs should adhere in their disaster response work and goes on to describe the relationships NGOs should seek with donor governments, host governments and the UN system when working in disasters.

Renewing our Voice: Code of Good Practice for NGOs Responding to HIV/AIDS

This code sets out organisational and program principles for agencies responding to HIV and AIDS and provides guidelines, tools and other resources.

INGO Accountability Charter

This charter outlines a commitment to excellence, transparency and accountability. This is done by the signatories identifying and defining shared principles, policies and practices, enhancing transparency and accountability, both internally and externally, encouraging communication with stakeholders and improving performance and effectiveness as organisations.

Refugee Council of Australia's Charter

The charter is a statement of 12 principles about refugee protection that are shared by members of the Refugee Council of Australia. The principles identify the rights of refugees, asylum seekers and internally displaced people and assert the responsibilities states have in facilitating these rights.

Fundraising Institute of Australia Codes of Professional Conduct and Ethics

This code and set of ethics covers accountability and disclosure, publicity and information materials, identification of agency, confidentiality, dignity and privacy of clients, fundraising costs, telemarketing and general fundraising practices.

Australian Direct Marketing Association's Code of Practice

This self-regulatory code of practice governs all aspects of direct and data driven marketing. It includes privacy protection, compulsory do not mail/do not call service, mandatory cooling off periods, compliance extensions to suppliers, telemarketing and e-commerce standards.

Humanitarian Accountability Partnership

This standard sets six affordable, realistic and results-critical benchmarks for ensuring that it is the needs of disaster survivors that drive humanitarian action. Oxfam Australia is not seeking certification to the HAPI standard but works to achieve the benchmarks in its humanitarian work.

Attachment 2: Charity Commission of England and Wales Publication CC10 - The Hallmarks of an Effective Charity

(Version July 2008)

The Hall marks at a glance

Hallmark 1: Clear about its purposes and direction

An effective charity is clear about its purposes, mission and values and uses them to direct all aspects of its work.

Hallmark 2: A strong board

An effective charity is run by a clearly identifiable board or trustee body that has the right balance of skills and experience, acts in the best interests of the charity and its beneficiaries, understands its responsibilities and has systems in place to exercise them properly.

Hallmark 3: Fit for purpose

The structure, policies and procedures of an effective charity enable it to achieve its purposes and mission and deliver its services efficiently.

Hallmark 4: Learning and improving

An effective charity is always seeking to improve its performance and efficiency, and to learn new and better ways of delivering its purposes. A charity's assessment of its performance, and of the impact and outcomes of its work, will feed into its planning processes and will influence its future direction.

Hallmark 5: Financially sound and prudent

An effective charity has the financial and other resources needed to deliver its purposes and mission, and controls and uses them so as to achieve its potential.

Hallmark 6: Accountable and transparent

An effective charity is accountable to the public and others with an interest in the charity (stakeholders) in a way that is transparent and understandable.

<http://www.charity-commission.gov.uk/publications/cc10.asp>