



Australian Government



Guide to Developing an Ethical Decision-Making Policy

Making ethical decisions is crucial for maintaining integrity, building trust and upholding the values that underpin an organisation's vision and mission. By establishing a robust ethical decision-making policy, arts and cultural organisations can navigate complex challenges, mitigate risks and ensure that actions align with the values of the organisation and expectations of its stakeholders, including relevant communities of interest, artists, staff, audiences, partners or the public.

This factsheet and example policy provides guidance for arts and cultural organisations in developing an ethical decision-making policy.

This guide and template may assist boards and board members of all arts organisations to engage in better practice and meet their legal obligations. All organisations should check relevant state, territory and federal legislation for any specific legal requirements.

The responsibility for creating and managing the ethical decision-making policy within the organisation lies with the board, working in collaboration with the CEO or executive leadership, as the people that are accountable for all decisions made on behalf of the organisation. Staff engagement with the ethical decision-making policy development should be encouraged through regular communication and involvement.

When do you need an ethical decision-making policy?

The following are just a few common examples of when an art and cultural organisation might need this type of policy.

- **Accepting funding or sponsorship:** Organisations might use an ethical decision-making policy when considering whether to accept funding or sponsorship, ensuring alignment with the organisation's values.
- **Entering a new partnership:** Organisations might consult an ethical decision-making policy when assessing a potential partner's ethical track record, safeguarding the organisation's integrity.
- **Changes to programming and practice:** An ethical decision-making policy might be applied when navigating or considering core changes to the organisation, ensuring ways of working continue to align with its values. This can include ensuring communities are engaged respectfully and inclusively, fair treatment of staff, promotion of environmental sustainability, fostering respectful intercultural exchange or protection of stakeholder data.

Steps to develop an ethical decision-making policy

Step: 1

Define ethical principles

- Identify the core values and ethical principles that guide your organisation. These principles should align with your vision and mission and the expectations of stakeholders.

Step: 2

Assess ethical risks

- Conduct an assessment of potential ethical risks and challenges your organisation may face. Consider risks related to:
 - conflicts of interest
 - diversity, cultural sensitivity and safety
 - climate and environment responsibility
 - organisational sustainability
 - funding and sponsorship
 - intellectual property and copyright
 - working with First Nations peoples and cultures
 - modern slavery
 - artistic integrity and representation of sensitive issues
 - community and social impact
 - collaboration and partnerships
 - public engagement and advocacy
 - touring and international engagements.

Step: 3

Establish decision-making criteria

- Develop a set of criteria that will be used to evaluate ethical dilemmas and guide decision-making. These criteria should be clear, comprehensive, and reflect your organisation's values and ethical principles.
- The board has a leading role in establishing these criteria as board members hold the fiduciary responsibility to act in the best interest of the organisation and its stakeholders.

- These criteria might include positive criteria, (for example 'we will work with partners who have an environmental action plan or equivalent in place'), and negative criteria, (for example 'we will not work with partners who invest in fossil fuels').
- Consider how the criteria will take into account:
 - the organisation's direction
 - the organisation's values and obligations
 - the consequences of decision-making
 - risk identification and management
 - accountability and transparency
 - legal compliance.

Step: 4

Involve stakeholders

- Seek input and perspectives from key stakeholders, such as staff and volunteers, artists, funders and representatives of your community. Their diverse viewpoints can provide valuable insights and ensure a more inclusive decision-making process.

Step: 5

Consult ethical guidelines and standards

- Refer to established ethical guidelines, codes of conduct and industry-specific standards to inform your decision-making policy. These resources can provide valuable frameworks and best practices.

Step: 6

Develop decision-making processes

- Create a clear and transparent process for making ethical decisions within your organisation. This may include establishing decision-making committees, defining roles and responsibilities, and ensuring accountability for ethical choices.
- Cultivating strong interaction and collaboration between the board and management is vital for developing and implementing these frameworks. Regular communication and engagement can enable the exchange of diverse perspectives, expertise and insights on the organisation and its context and more well-rounded and informed decisions.

Step: 7

Communicate and train

- Communicate the ethical decision-making policy to all employees and stakeholders clearly.
- Provide training and education resources where possible to enhance their understanding of ethical principles and how to apply them in practice.

Step: 8

Monitor and review

- Assess the effectiveness of your ethical decision-making policy regularly and make adjustments as needed. Monitor compliance, gather feedback from stakeholders and stay updated on evolving ethical considerations that may impact your organisation.

Example: Ethical decision-making policy

The following is an example ethical decision-making policy

Author:

Review period:

Date published:

Next review:

Purpose

[Organisation name]’s Ethical Decision-Making Policy serves as a framework for key decision-making processes. This policy aims to provide practical guidance to [Organisation name], its board, executive and staff in reducing conflicts, addressing dilemmas and identifying ethical courses of action on behalf of the organisation. It reinforces the organisation’s mission, goals, principles and strategic objectives, ensuring they are embedded in an ethically sound decision-making framework.

Scope

This Ethical Decision-Making Policy applies holistically to [Organisation name], from governance through to all artistic activities, events and operations. This policy is applicable to all board members and employees who are expected to familiarise themselves with its principles and apply them in all decision-making, planning and goal-setting responsibilities.

Example: Ethical decision-making policy (continued)

Principles and criteria

[Note: Organisations should define positive and/or negative criteria against each of the principles identified in Step 1 above, and link any relevant policies and action plans to relevant sections.]

Organisational sustainability

- Our governance practices will help ensure sound financial management and accountability to stakeholders.
- We will comply with all relevant laws, regulations and industry standards.
- We will proactively identify and manage risks that may impact the organisation's operations, reputation or stakeholders.
- We will not engage in actions that may jeopardise the organisation's operations, reputation or the interests of our stakeholders.

Accessibility

- We will proactively seek to make all organisation activities and programming accessible for individuals.
- We will not discriminate against or exclude individuals based on disabilities or any other characteristics that might hinder their access to our organisation's activities or programming.

Diversity and inclusion

- We will actively foster and support diversity and inclusion.
- We will not engage in actions that discriminate against individuals based on their backgrounds, characteristics or identities, or compromise their safety.

Artistic integrity

- We will prioritise the protection of intellectual property rights, including Indigenous Cultural and Intellectual Property, and uphold artistic integrity.
- We will not engage in activities that compromise intellectual property rights or undermine artistic integrity.

Community empowerment

- We will collaborate with our communities [Note: Define who these communities are] to amplify their voices and enhance positive impacts and outcomes.
- We will not engage in activities that ignore or diminish the voices of our communities or hinder their collaboration in our activities.

Social responsibility

- We will seek partnerships with organisations and sponsorships that align with our ethical values and support our mission.
- We will not partner with or accept sponsorship from companies that have a proven track record of ethical misconduct.

Transparency and accountability

- We will maintain open, honest and transparent communication with stakeholders, providing regular updates on our activities and decision-making.
- We will not engage in deceptive or non-transparent communication with stakeholders, and we will not withhold relevant updates on our activities and decision-making processes.

Example: Ethical decision-making policy (continued)

Climate and environment responsibility

- Where possible, we will ensure our organisation and activities minimise their impact on the environment.
- We will collaborate with partners that prioritise climate and environmental actions.
- We will not partner with or accept sponsorship from companies invested in fossil fuels.

Respect for First Nations peoples and cultures

- We will proactively strive to ensure cultural safety for all First Nations peoples.
- We will not engage in actions that compromise cultural safety for First Nations peoples or disrespect their cultures.
- We will adhere to the Creative Australia [Protocols for Using First Nations Cultural and Intellectual Property in the Arts](#).

Data privacy and protection

- We will safeguard the privacy of stakeholder data and information, following best practices in data protection.
- We will not use systems or participate in cyber activity that puts the organisation and our stakeholders at risk or vulnerable.

Fair and safe working conditions

- We will provide fair and safe working conditions for all employees, ensuring fair wages, reasonable working hours and a safe work environment.
- We will not subject employees to unfair wages, unreasonable working hours or unsafe working conditions.

Decision-making process

To effectively address ethical dilemmas, [Organisation name] will undertake the following steps.

Step: 1 Identify and understand

- **Analyse the nature of the dilemma or issue requiring a decision:** When faced with an ethical dilemma or decision, the board and CEO will thoroughly analyse and understand the specific situation, its implications and the values at stake.
- **Evaluate potential negative effects or unequal benefits:** We will carefully consider the potential consequences of each available option, assessing whether any option could result in harm or disproportionately benefit certain stakeholders.
- **Assess the availability and completeness of information:** We will ensure that decision-makers have access to accurate and comprehensive information relevant to the ethical dilemma. This may involve consulting various sources and experts to make well-informed choices.
- **Identify relevant stakeholders and their concerns:** We will recognise and involve all relevant stakeholders who may be impacted by the decision. Understanding their perspectives and concerns is crucial in ethical decision-making.
- **Encourage the generation of creative options through consultation:** Our decision-makers will foster an environment that encourages open communication and diverse perspectives.

Example: Ethical decision-making policy (continued)

- **Explore different options and avenues for resolution:** Instead of rushing into a decision, we will explore multiple options and alternative solutions to identify the most ethical and suitable course of action.

Step: 2 Evaluate

The ethical decision-making principles and criteria will be used for all decisions made on behalf of the organisation, including all board members and management. Depending on the scale and nature of the ethical issue, [Organisation name] may include representatives from key staff, artists, community members, key stakeholders and experts from relevant fields in our evaluation of the ethical issue.

We will assess each option against the following evaluation criteria:

- Respect for individuals, principles and values.
- Fair treatment of people involved.
- Greatest overall good and harm reduction.
- Alignment with the organisation's purpose and mission.
- Consideration of stakeholders' relationships, concerns and feelings.

Step: 3 Test and refine

We will compare different options and scenarios, including any identified consequences based on the evaluation criteria above. We will:

- Consider external perspectives and potential outcomes.
- Determine the best option that addresses the situation and stakeholder concerns.

Step: 4 Take action

Following assessment of decisions options and avenues for resolution using the decision-making criteria, [Organisation name] will enact the decision through the following phases.

1. **Implementation:** Once the decision is made, [Organisation name] will put the preferred option into action. This may require strategic facilitation by the board and management to support a cohesive 'voice'. This may be needed to mitigate risk and navigate multiple stakeholders and areas of sensitivity, and to support stronger organisational governance and oversight.
2. **Monitoring:** During the implementation phase, [Organisation name] will actively monitor the outcomes and effects of the decision. This will be done by gathering feedback from stakeholders involved in or affected by the decision, as well as collection of data where applicable. This may include tracking attendance, measuring audience satisfaction and assessing impact on the community.
3. **Further action and adjustments:** Through the monitoring process, [Organisation name] may take further action or make adjustments to ensure the ongoing effectiveness or positive effects of the decision made.

Example: Ethical decision-making policy (continued)

Step: 5 Reflect

Following enactment of the decision, [Organisation name] will undertake the following process to reflect on the decision and its implications.

1. **Reflection:** After the defined period of implementation, the organisation will conduct a structured review session involving key stakeholders, such as board members, management, artists and community members. During this session, they will discuss the results, successes, challenges and any unforeseen consequences that emerged from the decision.
2. **Lessons learned:** Through the reflection process, the organisation will identify valuable lessons learned from the decision-making experience by analysing what worked well and what could be improved for future decision-making processes.
3. **Areas for improvement:** Based on the insights gained during the reflection, the organisation may identify specific areas where improvements can be made. This could involve refining processes, adjusting strategies or addressing shortcomings to enhance future decision-making outcomes.

Breaches or misconduct

[Organisation name] maintains clear expectations and consequences for breaches of ethical conduct or policy non-compliance. We have established procedures for reporting and addressing ethical concerns or misconduct within the organisation. Appropriate measures, including disciplinary actions, if necessary, are in place to address breaches and ensure accountability and integrity.

Policy evaluation

[Organisation name] is committed to regularly evaluating the effectiveness of this Ethical Decision-Making Policy. We actively monitor compliance with the policy's principles and procedures. Feedback from stakeholders is actively sought and considered to gather diverse perspectives and make adjustments as needed. Continuous evaluation and improvement are integral to our ethical decision-making processes.

Resources

Australia Institute of Company Directors: Ethics in the Boardroom – A guide to decision making

A guide to ethical decision-making for boards and leaders.

The Ethics Centre: A Guide to Purpose, Values, Principles

Resources, training, key articles and guides for understanding ethics and ethical dilemmas.

PVI Collective: Code of Ethics Framework and Template

A framework template and one-pager for independent artists and arts organisations.

NAVA: Principles, Ethics and Rights

A comprehensive guide to an ethical framework for those working in the visual arts, craft and design sector.

PAC Australia: Governance Led Ethical Partnerships

[Note: Performing Arts based.] A PDF guide with example framework for understanding and developing an ethical partnership framework.