

## AFAANZ Grant Outcomes Report – Charity Trust and Accountability

### (1) Name, Position, Contact Details for each applicant

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### (2) Project Title:

**Original:** *Sporting Personalities and Charities in Australia - a Question of Accountability?*

**New title:** *Charity Accountability: the 2020 Bushfire Crisis  
Accounting terminology and tone in Facebook comments*

### (3) Updated Project Summary

The project outlined in the original application intended to exam the level of accountability discourse, funding and media attention of sporting personality endorsed charities. A preliminary sample of these charities was identified, but it became evident that classifying and identifying charities as celebrity endorsed was somewhat problematic. Before further data collection was undertaken, the 2019/20 bush fires hit in NSW. Australian Charities received record breaking donations of funds from the public, accompanied by increasing scrutiny and criticisms regarding the distribution of these donations.

Donated funds reached a record level of \$115 million by mid-January 2020, and a crisis of image unfolded for charities. The crisis reached peak levels when negative comments by the NSW minister Andrew Constance was broadcast on news-streams, and posted in Facebook feeds by various media outlets on 22 January, 2020. Three large Australian charities were singled out and criticised, and each of the charities responded with media releases and posts on Facebook, but the public response was intense and bitter. As the crisis continued to unfold, some scam fundraisers appeared, attracting further interest from the public and media. Charity accountability was widely criticised and at this point it was decided to divert the research assistants time to collecting and coding discourse by the public on the Facebook posts of the most affected charities.

A substantial quantity of mainstream and social media criticism focused on *distribution* of funds by the Australian Red Cross (ARC), St Vincent De Pauls and Salvation Army. These charities were accused of drip-feeding donations to fire-affected communities, and stockpiling money for future emergencies. The Australian Red Cross in particular, was slammed in the media for a perceived reluctance to distribute emergency funds following comments that they would use 10% to cover administration cost. The Australian Red Cross was criticised most widely, with calls from the public for it to be de-registered as a charity. To examine the role of discourse in accountability and trust, data was collected on the

organisation's Facebook responses to the crisis, and public comments attached to these posts. This data was compiled and a paper written and submitted to AFAANZ 2020.

#### **(4) Funds Granted**

\$6 000

#### **(5) Detailed Report on Expenditure of Funds against Budget Items, with variations explained**

All funds were spent on research assistant salaries for data collection and coding as requested in the original grant application:

<b>As at 14 Dec 2020</b>					
	<b>Balance to End of Previous Year (Actual)</b>	<b>Current Year to Date (Actual)</b>	<b>Life to Date (Actual)</b>	<b>Estimated Funds</b>	<b>Life of Project Budget</b>
<b>Industry Contracts</b>	<b>6,000</b>	-	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>
<b>Income</b>	<b>6,000</b>	-	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>
<b>Salaries(Casual)</b>	<b>1,154</b>	<b>4,888</b>	<b>6,043</b>	<b>6,043</b>	<b>6,000</b>
<b>Other Expenses</b>	-	-	-	-	-
<b>Expenses</b>	<b>1,154</b>	<b>4,888</b>	<b>6,043</b>	<b>6,043</b>	<b>6,000</b>
<b>Project Balance</b>	<b>4,846</b>	<b>(4,888)</b>	<b>(43)</b>	<b>(43)</b>	-
<b>114275 - 19-Wills-Sporting Personalities and Charities in Australia</b>					

#### **(6) Outcomes:**

The resulting paper was submitted for consideration for the AFAANZ 2020 conference and accepted. The paper abstract is provided here:

##### **1. AFAANZ Conference Paper**

###### **Abstract**

###### ***Purpose:***

This paper examines public responses to the use of accounting terminology by the Australian Red Cross as an accountability tool following criticisms in the media of the organisation's distribution of funds raised for the 2019/20 Australian Bush Fires.

###### ***Research Method:***

An exploratory qualitative content analysis of public responses to Facebook posts by the Australian Red Cross was undertaken. The analysis examined the use of accounting terms and tone of the discussion before and after the legitimacy crisis escalated following negative comments about the Red Cross in the media in January 2020.

***Findings:***

The preliminary results collected in this study indicate that negative comments by Facebook users increased following the crisis point. Comments were predominantly framed around delays in distribution of funds, and concerns over the use of funds to cover administration costs, which was described as theft and fraud by Facebook users. The focus on administration costs frequently centred around CEO salaries, with an increasing focus on the dollar value of these costs. It was noted that Facebook users largely used emotive expression to highlight their opinions, and negative comments provided less supporting evidence for their claims, with the supporting evidence provided for negative comments commonly involving misused accounting terminology.

***Originality/value:***

This paper extends existing literature on accountability and legitimacy management, studying a large Australian Charity in the face of a legitimacy crisis. The findings contribute to our understanding of the complexities of managing legitimacy and demonstrating accountability for charities, suggesting a mismatch of understanding between charities, regulators, and donors on what comprises accountability. This research provides new insights into the role of social media in fuelling a legitimacy crisis, and the importance of accountability in legitimacy management.

***Keywords:*** Legitimacy, accountability, governance, Australian Bush Fires, Australian Red Cross

***Paper type:*** Research paper

**2. Other Outcomes:**

- Article in The Conversation on March 9
- Radio interview: 11 March with 2 SER 107.3FM
- Radio interview: 11 March with 2 NUR 103.7FM

**(7) Future Intentions for this Project (give full details)**

The paper is currently being revised and a decision being made on whether further data collection is needed, and which journal the paper will be submitted to.

**(8) Summary of Outcomes and Benefits**

- 1 AFAANZ 2020 conference paper
- 2 Article in The Conversation on March 9
- 3 Radio interview: 11 March with 2 SER 107.3FM
- 4 Radio interview: 11 March with 2 NUR 103.7FM