

Socialising Accountability for the Sacred:

A Study of the Sanitarium Health Food Company

Submitted by

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Dedicated to Cathy and Alessandra

Let me not to the marriage of true minds
Admit impediments; love is not love
Which alters when it alteration finds,
Or bends with remover to remove.
O, no, it is an ever-fixed mark
That looks on tempests and is never shaken;
It is the star to every wand'ring bark,
Whose worth's unknown, although his height be taken.
Love's not Time's fool, though rosy lips and cheeks
Within his bending sickle's compass come;
Love alters not with his brief hours and weeks,
But bears it out even to the edge of doom.
If this be error and upon me proved,
I never writ, nor no man ever loved.

(Shakespeare - Sonnet 116)

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LIST OF ABBREVIATIONS

AAF	Association of Adventist Forums
ABC	Australian Broadcasting Commission
ACA	Australasian Conference Association Ltd
ADRA	Adventist Disaster and Relief Agency
AFR	Australian Financial Review
AMWU	Australian Manufacturing Workers Union
AOS	Accounting, Organizations and Society
ASIC	Australian Investment and Securities Commission
Adventist	Seventh-day Adventist Adherent
Adventism	Seventh-day Adventist Beliefs
BRW	Business Review Weekly
CEO	Chief Executive Officer
DSF	Dick Smith Foods
Division	South Pacific Division of Seventh-day Adventists (previously known as the Australasian Division)
GM	Genetically Modified
Sanitarium	Sanitarium Health Food Company
SBS	Special Broadcasting Service
SDA	Seventh-day Adventist
SHF	Sanitarium Health Food Company
SPD	South Pacific Division of Seventh-day Adventists
SMH	Sydney Morning Herald
NES	Nutritional Educational Service
NSW	New South Wales (Australia)
NZ	New Zealand
NZH	New Zealand Herald
UN	United Nations
USA	United States of America

Abstract

Accounting and accountability researchers have shown new interest in the study of religious organizations by exploring how secular practices associated with accounting and accountability mesh with religious goals and activities. Despite burgeoning research into accountability relatively little is known about the nature of accountability in religious organizations. The present study seeks to address this need by exploring the accountability practices of a business entity owned and operated by an Australian religious minority.

This study focuses on the accountability practices of the Sanitarium Health Food Company (SHF), a food manufacturing business owned and operated by the Seventh-day Adventist Church. SHF is a non-profit organization whose annual gross revenue is estimated at between A\$300m to A\$400m, making it one of Australia's top earning charities. SHF provides no formal financial reporting to church members and only a handful of church elites know the financial details of this organization. As a charity SHF is not required to pay income tax; as a department of the Adventist Church it is subjected to minimal regulatory requirements and therefore justifies not disclosing its financial details to church members or the public. However, as a charity there is an expectation that the organization would detail how profits are used, the causes it supports and the extent of that support. This information has not been readily forthcoming from the organization.

Church members view SHF as being an Adventist organization upholding and promoting denominational teachings, values and practices; to the public the organization presents itself as a charity promoting disinterested humanitarianism. This case study combines historical and field research methodology. It draws on archival and published material relating to the SHF and Adventist community and data from interviews with a range of stakeholders. The primary focus of the study is the period between 1970 and 2005, during which time SHF grew significantly and underwent major restructuring of its operations, management and orientation.

The study reveals that while SHF presents minimal formal reporting, the organization has evolved a sophisticated socialising accountability, aimed at promoting the operation to church members as an Adventist institution and to the wider public as a mainstream charity. The study highlights that a feature of Adventist accountability relates to a unique interpretation of the notion of being accountable to God. Adventists believe in a *literal* investigative audit in heaven commencing in 1844. This teaching differentiates Adventists from other religious groups. The teaching provides the primary focus of Adventist accountability, motivates social action and regulates Adventist organizational behaviour.

The study of SHF provides a vantage point from which to examine the role that religious beliefs play in promoting commercial activities. In the study of SHF, religious beliefs and secular business practices overlap, each reinforcing the other. The evidence presented in relation to SHF highlights a meshing of religious values and secular operations in ways that make it impossible to compartmentalise sacred and secular activities within the Adventist organization.

Declaration

This work contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text.

I give consent to this copy of my thesis, when deposited in the University Library, being available for loan and photocopying.

..... Les Hardy

..... Date

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