



AUSTRALIAN  
CONSERVATION  
FOUNDATION

## 2006-07 ANNUAL REPORT

The Australian Conservation Foundation is committed to inspiring people to achieve a healthy environment for all Australians. For 40 years we have been a strong voice for the environment, promoting solutions through research, consultation, education and partnerships. We work with the community, business and government to protect, restore and sustain our environment.



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Dear ACF Supporters

More than ever, 2007 has reminded me that ACF's strength is you and our other supporters. In this election year, you were one of more than 30,000 members and supporters who enabled the organisation to expand its environmental programs and wield greater political clout. You helped us to influence governments

and policy makers to move the environment towards the top of their priorities. Over the last 18 months an increasing number of supporters have invested the ultimate contribution to ACF in the form of a bequest. The impact and sentiment of confidence created by these legacies has touched me and the organisation as a whole. Establishing these long-term foundations enables ACF to continue raising awareness of the serious environmental challenges we face.

During the last 12 months ACF increased its work to combat the dangerous threat of climate change. As the campaigns and communications teams have expanded their efforts and outreach, I have been inspired by the efforts of members, supporters and volunteers who have concurrently played a direct role. In November 2006, over 2000 people sent letters to their state senators appealing for urgent action on climate change. The action was repeated in May 2007. These direct actions, combined with the response of ACF supporters to three successive fundraising appeals, helped make climate change a crucial issue in the Federal Election.

In March 2007, more than 2000 messages were delivered to John Faulkner urging him to vote to retain the Australian Labor Party's 'no new uranium mines' policy at the party's National Conference. Though the ALP reversed the policy, ACF supporters sent a strong message that nuclear energy cannot play a part in a sustainable future. We can now build on the strength of this message to work towards a non-nuclear future. I have also seen ACF's volunteers make invaluable contributions: research projects conducted by interns, professionals who provide pro-bono support and expertise, and, of course, the tireless support of those who assist with critical campaign mail-outs and office administration.

You have helped ACF to cement itself as an organisational and strategic leader in the battle to protect Australia's fragile ecosystems. I want to thank you for your tireless support and congratulate you for your efforts. ACF's members and supporters continue to provide the organisation with 93 per cent of its income. Please continue to help ACF maintain the pressure for a healthy and sustainable Australia, the most important legacy we can leave to future generations.

**Professor Ian Lowe**

## THE AUSTRALIAN CONSERVATION FOUNDATION'S 10-YEAR STRATEGY: 2005–2015

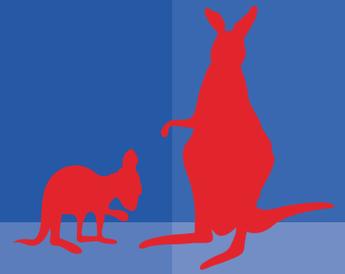
During this year ACF analysed the growing threats to our great continent to inform a 10-Year Strategy that will steer the organisation on a new course to achieve sustainability within a generation.

In 10 years' time ACF wants to see Australians acting together to:

- Avoid dangerous climate change;
- Create an ecologically sustainable Australia;
- Protect and manage the natural environment; and
- Care for Country in Northern Australia and Asia-Pacific.

We have a responsibility, not just to our own descendants, but to humanity and the rich natural world of which we are an integral part, to redirect our efforts toward an environmentally sustainable future. The next decade is absolutely crucial if we are to avoid wide-reaching impacts on our environment, our society and our economy. ACF's 10-Year Strategy commits the organisation to work with renewed purpose and energy to protect our cherished environment and way of life.

To see how ACF worked towards these goals, turn to page 3.



Dear ACF Supporters

2007 has been a year of tireless and successful activity for ACF – staff, Board, Council, and, most importantly, our members and supporters alike. The efforts of the organisation as a whole have reaped great positive outcomes for the environment. Positioning climate change; the state of the Murray-Darling Basin,

and a nuclear-free Australia at the head of the social, political and environmental agenda has been an integral step in our 10-year strategic plan, and the subsequent inroads we have all made together have been profound.

This year, more than ever, we escalated our work on increasing awareness about the dangerous threat of climate change. Continuing the success of the ACF-led Australian Business Roundtable on Climate Change in 2006, we collaborated with aid and development organisations, churches, miners, the property and building sectors, farmers, doctors and other environmental organisations to continue to call for urgent action. ACF also joined forces with The Australian Council for Social Services and the Australian Consumer Association to urge action to ensure the poor and disadvantaged are assisted to deal with the costs and opportunities of our responses to climate change.

Australian households rose to the occasion, and 61,000 people requested our free Climate Action Kit, which contains tips for householders to reduce greenhouse pollution and effective methods to address the impact of climate change. In conjunction with our ever-growing GreenHome program, we have given Australians simple and effective methods to reduce their environmental footprint, resulting in saving 31 million litres of water, 3000 tonnes of greenhouse pollution and 250,000 litres of waste from going to landfill.

With Cate Blanchett's fine encouragement, the Who on Earth Cares online community has recently committed to reduce their emissions by the equivalent of taking more than 22,000 cars off the road and to send over 9000 personalised letters to their Federal representative.

This year we also furthered our partnership with Former US Vice President and now Nobel Peace Prize-recipient Al Gore, and hundreds of presentations have now been given to tens of thousands of Australians all around this great land on the issue and the solutions. Their efforts have been superb and we salute them.

A recent phone call of congratulations from Al Gore is also a reminder of how much personal effort and commitment Mr Gore has been prepared to put into this effort with ACF. Thank you from the bottom of our hearts Mr Gore – you have inspired Australians to make a big difference.

We now have bi-partisan support for Kyoto Ratification, a strong national 20 per cent by 2020 renewable energy target, solid energy efficiency measures and the Prime Minister, Treasurer, Minister for Climate and Water, and Minister for Environment, Heritage, and the Arts all undertaking to act on climate change. Look at the impact 'we the people' can have!

ACF has also continued its long campaign to establish a nuclearfree Australia by collaborating with the Poola Foundation and Friends of the Earth to present a consolidated front as the Beyond Nuclear Initiative. Working with the Medical Association for the Prevention of War, we have drawn on experts to promote the reality that renewables, not reactors, are the solution to climate change.

The work ACF has done to save the fragile Murray-Darling Basin has also been relentless. But so is ongoing degradation of this great river system. In conjunction with six other conservation organisations, ACF is advocating hard for commitments to water recovery, effective floodplain management and national wetland legislation. The fight to save the Murray-Darling Basin is at a critical juncture, and we will maintain pressure on the State and new Federal Governments to take the urgent action needed to save these rivers.

And, of course, our crucial efforts in Northern Australia, for our forests, and for our marine environment continue.

In this election year there were great wins for the environment, and as members and supporters you have played a key role in making this a reality. I sincerely thank you and optimistically look to the future and our continuing work to protect the rich diversity of life we share this planet with and which we cherish and enjoy. With your support, together we have the opportunity to make an even bigger difference for the future. Let's seize the day – for tomorrow's sake.

**Don Henry**





'Yellowcake for Ziggy' protest PHOTO: Josh Meadows



This year marks four decades of dedication to our environment by the ACF and its partners in action, from individual supporters to community and business groups, government authorities and fellow conservation organisations. Acknowledging this milestone made us remember what had been achieved, but also reminded us of how much more there is to do. With this in mind, and equipped with a newly minted 10-year vision of conservation and sustainability, we have been campaigning with renewed vigour. Our focus is ever the future, and we hope that all of our supporters will continue to help us to inspire Australians to act together on the issues confronting us.

In this Federal Election year, ACF encouraged Australians to think about the future they want for their families and demand it from their local candidates. To support these efforts we launched the *National Agenda for a Sustainable Australia* ([www.acfonline.org.au/nationalagenda](http://www.acfonline.org.au/nationalagenda)), which clearly states the commitments we need from our political parties to deliver the future articulated in our plan for the next decade.

## AVOIDING DANGEROUS CLIMATE CHANGE

One of the key goals of our 10-year plan is to avoid dangerous climate change by increasing awareness of the threat it poses and lobbying for the adoption of renewable energy sources over nuclear power. Several major ACF campaigns have set out to achieve these aims over the past year, and on the most recent World Environment Day (5 June) we joined with other Australian environment organisations to call for firm timelines and targets to tackle climate change.



ACF delivers postcards to BHP Billiton PHOTO: Josh Meadows

### Climate Change Roundtables

Early last year the ACF-led Australian Business Roundtable on Climate Change made a convincing business case for early action on climate change. Bolstered by this, ACF joined forces last October with aid, development, church and other environment organisations to call for action on climate change in our region. The joint report *Australia Responds: Helping Our Neighbours Fight Climate Change*, which included CSIRO research, warned that efforts to end poverty among our poorest neighbours will fail without urgent action to reduce greenhouse pollution, and that millions of people in the Asia-Pacific region will be forced from their homes by sea level rises of up to 50cm by 2070.

Then in March, ACF, The Climate Institute, the National Welfare Rights Network and the Brotherhood of St Laurence set about addressing the social impact of climate change in Australia, including the effects of climate change and anti-climate change measures on socially disadvantaged people. Tony Nicholson, Executive Director of the Brotherhood of St Laurence, said: "Low-income households are most vulnerable to the impact of climate change. They will need special assistance to deal with the costs and opportunities that will be inherent in our responses to climate change".



### Climate Change Action Kit

Distribution of the free Climate Change Action Kit was intended to harness the awareness prompted by Al Gore's *An Inconvenient Truth* and has been very successful. The kit contains tips for householders to reduce greenhouse pollution, plus the booklet *Australia's Inconvenient Truth*, which details ways in which we can address the impact of climate change on this country. The demand for information by Australians on dangerous climate change is clearly demonstrated by the more than 50,000 kits that we have so far sent out.

### The Climate Project – Australia

Former US Vice President Al Gore partnered with ACF in November last year to train 84 people to deliver an antipodean version of his slide show, the first such endeavour outside the United States. In the eight months since *The Climate Project – Australia* was launched, hundreds of presentations have now been given to tens of thousands of Australians.

### Green Electricity Watch

Another major initiative was the release in November last year of the *Green Electricity Watch* report. Co-produced by ACF in partnership with the Total Environment Centre and WWF Australia, the report ranked accredited 'green' electricity products according to their effectiveness in helping to reduce global warming. It aims to help Australians rid themselves of their reputation as the worst greenhouse gas polluters per capita in the industrialised world, thanks (or no thanks) to our electricity consumption.



Alpine Ash forest  
PHOTO: Ivan Carter

Green turtle hatchlings PHOTO: Justin McCaul



### Lights Off Australia

Earlier this year, Lights Off Australia, initiated by ACF and Channel 7's morning television program *Sunrise*, asked residents and businesses to turn off all unnecessary lighting on the night of the first Wednesday of each month. Within a month of the inaugural turn-off night in March, over 14,000 residents and 1100 businesses had signed up for the program via the Cool The Globe website. "While we're encouraging action just one day per month, we genuinely hope this starts to change people's old habits and that being energy smart becomes a part of everyday life", said *Sunrise* Executive Producer Adam Boland

### A Bright Future

The key finding of the report *A Bright Future*, released in April by co-authors ACF, Greenpeace and the Climate Change Action Network, was that the introduction by 2020 of a 25% renewable energy target would reduce Australia's annual greenhouse emissions by 69 million tonnes. It would also create 16,600 new jobs and power every home in the country with renewable energy.

"Legislating a renewable energy target of 25 percent, coupled with energy efficiency measures, could actually save Australian households around \$84 each year on their electricity bills," said Don Henry, ACF Executive Director.





## A NUCLEAR-FREE AUSTRALIA

Our efforts to encourage recognition that renewables, not reactors, are the solution to climate change have been spearheaded over the past 12 months by the Beyond Nuclear Initiative, which was jointly established last year by the Poola Foundation (Tom Kantor Fund), Friends of the Earth Australia and ACF to consolidate Australian nuclear-free campaigns. The Initiative staged a two-day symposium last September that allowed experts on nuclear power and renewable energy sources to share knowledge and debate strategies.

The symposium was bookended by direct action. In August, 2800 written submissions from ACF members and supporters were presented to the then Prime Minister's nuclear energy taskforce, collectively demanding an accurate comparison of nuclear power with alternative energy options. Then in November, ACF and the Medical Association for Prevention of War released the report *An Illusion of Protection*, which questioned the effectiveness of safeguards on how uranium exported to China might be used.

ACF campaigned hard to convince the Australian Labor Party not to discard its 'no new uranium mines' stance at its 2007 National Conference. Unfortunately the policy was changed (albeit with a very narrow majority). ACF vows to continue its vigorous opposition to expanded uranium mining. As ACF Executive Director Don Henry said during a speech at a recent energy forum, "Like radioactive waste, this issue is a long way from dead".

## A SUSTAINABLE AUSTRALIA

Another theme that was at the forefront of our campaigning over the past year was sustainability. ACF's view of the importance of sustainability to Australia's future health is summed up in our 10-year strategy, where we commit to creating an ecologically sustainable Australia by putting all of our resource consumption under the microscope, and by determining what it really means to live within our means.

### GreenHome

More and more people have taken the motto of our GreenHome program to heart by taking action for a better world at home. Through detailed workshops and state-specific guides, the GreenHome scheme teaches people how to make simple changes at home that benefit the greater environment, including cutting waste, reducing water and energy consumption, and making smart transport choices.

The first of the GreenHome workshops took place two years ago in Bankstown and were subsequently held in other Sydney suburbs. By September 2006, 335 participants had effectively saved 31 million litres of water, 3000 tonnes of greenhouse pollution and 250,000 litres of waste from going to landfill.

In mid-2006 ACF and the Victorian Government launched GreenHome workshops in Victoria. Since then a series of workshops has commenced in Frankston, Dromana and Casey. The Dromana workshops involved 100 residents, who then shared their new knowledge of topics such as water-efficient gardens with the wider community. This crucial ripple effect was achieved with the help of the local council, schools and other organisations.

Australia's rivers are in crisis PHOTO: Adam Majcher



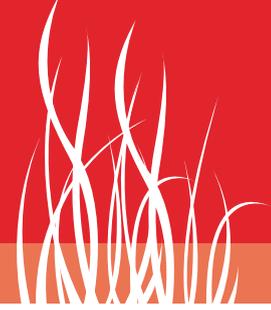
## PROTECTING AND MANAGING THE NATURAL ENVIRONMENT

In line with our priorities for the next decade, we want to help Australians act to restore, protect and manage our ecosystems and the biodiversity that flourishes within them. A look at recent conservation campaigns reveals that river management, landcare, forests and oceans have been our conservation priorities.

### Murray-Darling Basin

The effects of drought, climate change and water diversion for irrigation on the Murray-Darling Basin has been the subject of intense advocacy and community engagement by ACF in recent times.

Following the then Federal Government's announcement of a National Plan for Water Security in January, ACF, along with other conservation organisations, outlined six critical issues for any Murray-Darling Plan. These included commitments to water recovery, effective floodplain management and national wetland legislation. Describing the urgency of restoring river health, ACF's Dr Arlene Buchan said: "Our rivers are dying for a drink, waterbird numbers across eastern Australia are declining and the wetlands that are magnets for wildlife are in serious trouble". Urgent action is ACF's catchcry as this campaign continues. The then Federal Government's May revealed an unwillingness to spend much money on the Murray-Darling Basin over the next financial year. We will continue to work to have the Federal and State Governments bring forward their spending to save these rivers.



## Rural Revolution

The sad passing of Landcare champion Rick Farley gave us pause for thought, and a chance to celebrate his legacy of Landcare and reconciliation. It was Rick Farley, then head of the National Farmers Federation and then ACF Executive Director, Philip Toyne who worked together in the early 1990s to bring about the national Landcare movement. In his address to the International Landcare Conference last October, ACF Executive Director Don Henry reminded us all that farmers and environmentalists have a lot more in common than many people might think, not least because they “share the same future”. His closing remarks expressed the collective goal: “Together we can inspire the Australian community to support the investment and political leadership needed for a sustainable future for that most precious of all our resources, a healthy land and all the life, people included, that depend upon it”.

## Healthy Forests

In the lead up to the 2006 Victorian election, ACF worked with other environment groups including The Wilderness Society, to articulate long-term forestry goals in the report *Choosing a Future for Victoria's Forests*. The detailed report makes the case for protecting not just old-growth forests but the water catchments and interconnected habitats of vulnerable species within them from logging.

Six months later, ACF participated in the launch of the Forest Stewardship Council (FSC) timber products certification system in Australia. It's the only such scheme that is internationally recognised by governments, conservation organisations and industry, and ACF is proud to be a founding member organisation of FSC Australia. “When people buy FSC-certified products they can be confident the wood comes from responsibly managed forests,” said ACF Forests Campaigner Lindsay Hesketh.

## Ocean Wise Australia

One of our newest initiatives on the sustainability front is Ocean Wise Australia, which we hope will mirror the success of the Canadian Ocean Wise program launched by the Vancouver Aquarium. The program's core aim is to entrench the concept of ‘sustainable seafood’ – seafood sourced with minimal damage to marine habitats – in the minds of restaurateurs and their patrons. A menu-assessment component will emphasise the consequences to our oceans of serving up overfished species such as broadbill swordfish and orange roughy, while simultaneously praising restaurants that make positive changes. The scheme is under development for 2007/08.

## Out of the Blue – an Act for Australia's Oceans

Early in 2006, ACF kickstarted a debate on national guidelines for the use and protection of Australia's oceans when we released the discussion paper *Out of the Blue*, which was co-authored with the National Environmental Law Association. The paper raised the idea of an Oceans Act to replace the inadequate patchwork of marine laws currently in place. Since then, we have carried out extensive consultation with environment groups and Indigenous communities. We are now consulting with industry stakeholders and will update our proposal in the coming months.

## CARING FOR COUNTRY

By 2015 we want to see ecologically sustainable development, including the recognition of natural and cultural values, established as the norm in northern Australia. We also want to be able to look back on the active promotion of this approach in the wider Asia-Pacific region. Recent work has generated momentum for these aims.

### More Land Handover on Cape York Peninsula

ACF has been urging the Queensland Government to hand back land within existing national parks to Indigenous people to achieve land justice and provide a basis for economic development. These efforts were rewarded with an agreement between the Queensland Government and Aboriginal traditional landowners last December that created new protected areas on Cape York Peninsula. In the past two years, almost half a million hectares of peninsula land has been handed over to extend Indigenous land, national parks and other conservation reserves.

### Kimberley Partnerships

A report released mid-2006 by The Kimberley Appropriate Economies Roundtable documented how people in Western Australia's Kimberley region want its globally significant natural and cultural values supported, not diminished, by future economic development. The report was released in the wake of a landmark two-day workshop held in Fitzroy Crossing the previous October, which brought together over 100 Australian and international participants including traditional landowners, pastoralists, environmentalists and financiers. The report embodies the ongoing efforts of locals to dispel the image of remote Aboriginal communities as dysfunctional and directionless.

### Cashing in on Trees in PNG

Last August, ACF published *Bulldozing Progress: Human Rights Abuses and Corruption in Papua New Guinea's Large-scale Logging Industry* in conjunction with Papua New Guinea's (PNG) Centre for Environmental Law and Community Rights. Praised by local environmental spokespeople and church leaders, the report details widespread cultural neglect and the abuse and intimidation of landowners. It calls for anti-corruption and human rights commissions, and urges Australians not to buy illegally sourced PNG wood products.

In April, ANZ's financing of PNG logging was the subject of a video petition by bank customers and shareholders. The opinion voiced by ANZ customer Jonathan Bentley was typical: “I'm not going to sit by and watch ANZ use my money to finance illegal logging in PNG. So I'm withdrawing my money ... and I'm going to invest with a more socially responsible bank”. ACF created and then presented the six-minute video to the bank to dissuade it from supporting unsustainable logging in PNG.





Local PNG children PHOTO: Lee Tan



In last year's *Annual Report*, ACF Director of Marketing Michael Fogarty outlined the key commitment we made for our vision for the next decade: "Our 10-year strategy to achieve sustainability within a generation will require ACF to be an inspiring and influential Australian leader focused on the critical issues; a catalyst for positive change; deeply engaged with the community; and highly effective". Over the past 12 months ACF staff has been putting these aspirational words into practice, adding to a legacy of environmental and social leadership that stretches back over 40 years.

People working throughout ACF, from volunteers to board members, have taken a hands-on approach to the sustainability ideal. This effort was boosted by a mid-2006 constitutional makeover that modernised our governance structure and systems. The changes to our constitution were prompted by increased community expectations for accountability and by a desire to be as effective as possible by maintaining best practice.

But the fundamental driver of this collective will is ACF's very positive internal culture. This was identified by a survey of staff values taken earlier this year, which gave a valuable insight into how employees regard the organisation. Conducted in conjunction with Learning Dimensions and the US-based Values Center, the survey revealed a strong alignment of personal and organisational values. The independent assessment of the Values Centre was that "ACF staff display a strong sense of commitment in their workplace.

The use of public transport in Australia has increased only two per cent in a decade PHOTO: ACF



"Much of this commitment comes from the ability to make a difference through their work. Consequently, there is a strong sense of passion throughout the organisation. People display accountability to each other and are professional in their performance. Attention is being paid to leadership development and the organisation is active in developing strategic alliances. Relationships are important to ACF staff as they like to work in collaboration. Staff show a strong sense of integrity." The translation of personal belief into influential action is at the heart of ACF's social and environmental philosophies.

## Getting to Work

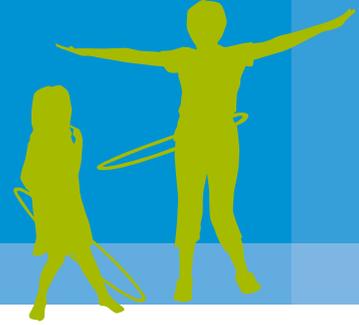
An Australian Bureau of Statistics study in March 2006 found that of the people surveyed, 80 per cent used a private vehicle to get to work or study, while only 14 per cent used public transport and six per cent either walked or rode a bike. It's obvious from this that many Australians remain reliant on the emission-heavy motor vehicle for work-related transport – in fact, the use of public transport had increased a mere two per cent since a similar study was conducted a decade earlier.

ACF staff is bucking this trend, however, according to the results of a recent internal survey. Of the 70 respondents, close to 80 per cent got to work by public transport, bicycle or on foot. Out of the 16 staffers who nominated motor vehicles among their transport choices, only three relied on them exclusively.

The 60L Green Building, home of ACF's Melbourne office, facilitates these behaviours by providing extensive, undercover bike racks and showers on every level, and by providing no on-site car parking – a deliberate decision to encourage people to walk, ride and use public transport.

## A Healthy Challenge

Foot-power is clearly favoured by the sixteen staff taking part in this year's Global Corporate Walking Challenge. The challenge aims to encourage healthier, more sustainable workplaces by getting participants to increase the number of steps they take each day until their daily average step count is at least 10,000. ACF participants reported that the challenge (and friendly rivalry between the two ACF teams) resulted in them walking more often: some walked their neighbourhood and others got off the train a few stops early on the way to work. One of ACF's participants, Direct Marketing Coordinator Adam Walsh, says, "Being involved



in the challenge has been a great opportunity for the participants to improve their health and fitness, and also to work as a team with colleagues outside of their regular work groups”.

### Neutralising Emissions

In addition to being an organisation that leads the way in the use of cleaner, greener forms of transport, and in promoting general workplace health, ACF has continued its well-established practice of purchasing carbon credits to offset the greenhouse emissions resulting from staff travel in planes and cars, and all the electricity for our offices is certified 100 per cent Green Power. Not only is this reducing greenhouse pollution but it is increasing demand for clean, renewable energy.

### Climate Action Workshops

As the financial year drew to a close, ACF began a new community engagement initiative. Heeding requests from supporters for advice on how to take effective, ongoing action against global warming, we began a series of Community Climate Action Workshops across the country. ACF Climate Campaigner Phil Freeman, who has led all nine of the workshops held to date, says attendees were “convinced of the need to act and wanted to know what they could do”. He says the main aim of the two-hour workshops was to bring like-minded community members together and advise them on everything from campaign skills to broad climate change policy solutions. He adds that the response from participants has been fantastic and their skills and enthusiasm are now permeating their communities.

### Super Responsible

The appropriate investment of financial resources can create significant environmental outcomes, which is why ACF participates in a socially responsible superannuation scheme and strongly advocates that other organisations and individuals follow our lead. So firm is this conviction that it is written into our enterprise agreement, which stipulates that ACF shall make staff superannuation payments “into an approved ethical fund”.

Chuck Berger, ACF's Director of Strategic Ideas, says, “It is vital that we ensure that our superannuation is invested in businesses that are actively pursuing a path towards sustainability. For Australia generally, responsible investment holds great promise for reducing the environmental footprint of domestic businesses. And by the way, it turns out that investing in sustainable businesses over the long term is just plain good investment sense”.

### A Recycling Effort

As reported in last year's *Annual Report*, it is everyday practice at ACF to recycle food and beverage containers and paper products, and to compost green waste. This ethos also applies to our publications, which are printed on recycled post-consumer waste. In addition, paper usage is reduced wherever possible.

A case in point is the information on proposed constitutional changes that was sent out at the beginning of the 2006–07 financial year to around 21,000 ACF members. By supplying the material on minidisks, over 800,000 sheets of A4 paper were saved and the cost of the exercise was significantly reduced, allowing more money to be spent on conservation work. Furthermore, recipients of the minidisks were encouraged to return them to ACF for recycling.

Wind farm at Esperance, WA PHOTO: Verve Energy



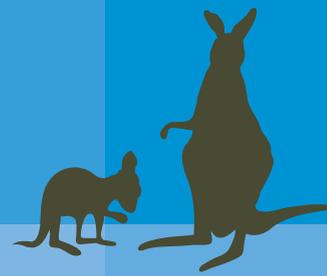
Recycling and re-use are also prominent in ACF's IT management. David McLean, our Information and Communications Technology Coordinator, explains that ACF tries to consider the total cost (financial, environmental and social) of owning equipment – from its manufacture, purchase and maintenance through to what happens when it's time to dispose of it – and is constantly trying to find ways to reduce energy consumption and extend system life.

This was the rationale three years ago when ACF chose not to upgrade its energy-intensive desktop computers, each of which chewed through 50 watts when running, and instead implemented a terminal server that runs virtual desktops on low-maintenance ‘thin client’ computers. The system now covers 40 desks and has reduced the energy consumed by each computer by about 70 per cent.

When it became time last November to dispatch unneeded equipment, McLean says that the first step was to give away as much as possible. A fellow NGO and some individuals made use of redundant equipment, on the proviso that the material be disposed of appropriately when no longer useful – with ACF's help if needed. The equipment not re-used directly was handed over to a e-recycling service committed to re-using as much material as possible, safely disposing of hazardous waste and not sending material to offshore facilities that may get rid of waste inappropriately or have dubious occupational health and safety standards.

### Green Makeover

ACF's efforts over two-and-a-half years to inspire environmentally sustainable behaviour by householders through the ACF GreenHome program were recognised in July 2007, when the program won the Banksia Education Award, one of Australia's most prestigious environmental accolades. GreenHome has successfully promoted sustainable living by advising people on environmentally friendly domestic practices, such as having shorter showers and reducing waste, and by advocating sustainable home design.



ANU solar dish PHOTO: Josh Meadows



We followed our own advice on building design when we undertook a green renovation of an apartment at McMahon's Point, Sydney, that was bequeathed to us five years ago and subsequently leased. When the two-bedroom apartment became vacant, ACF set out to make it as energy- and water-efficient as possible for the next tenant and as an example from which others can learn.

As the apartment faces south, one of the key aims was to retain as much warmth as possible during winter. Double glazing was used which reduced heat loss by 40 per cent. A further 20 per cent reduction in heat loss was achieved by installing thick, lined, hemp curtains and sealed pelmet boxes. The apartment's dearth of natural light was tackled by replacing the existing carpet with low-maintenance, durable bamboo flooring, and by repainting the walls with non-toxic paint. An extra advantage of the bamboo and the paint is that neither contains VOCs (volatile organic compounds) and so helps to maintain good indoor air quality.

An extremely water-efficient showerhead and dual-flush toilet were installed in the bathroom, while the kitchen received a single-drawer dishwasher that eliminates the temptation for users to only half-fill a larger machine. The apartment also gained a front-loading washing machine that senses the size of the load and adjusts the water volume accordingly.

An ancient combination electric cooktop and oven was replaced by a very energy-efficient induction cooktop and fan-forced quadruple-glazed oven – gas appliances were not an option as the apartment block has no access to gas. All incandescent globes were replaced by compact fluorescent globes, reducing the energy expended on lighting by 75 per cent. In addition, the requirement for 100 per cent green power is written into the lease.

New tenants moved in in October 2007 and received an ACF-produced manual that details how to make optimal use of all the apartment's eco-features and gives tips on cleaning without the use of toxic chemicals.

ACF was greatly assisted with the renovation by many businesses who gave advice, donated products or who gave significant discounts as their way of contributing to ACF's work. Further information can be found about the renovation and these businesses on the GreenHome section of ACF's website.

### Strengthening the Environmental Movement

ACF is committed to working cooperatively with others in the environmental community and other social-change groups to achieve shared environmental objectives.

An example of ACF's assistance is the guidance that ACF staff gave to the CEO of Engineers without Borders, Daniel Almagor, on human resource, administration and marketing matters. Almagor, who sought advice on how to manage and fund the growth of his small but rapidly growing organisation, says, "Thank you to ACF staff for finding the time to sit with me and my staff and guide us through some of the issues we are facing in the nonprofit world. It is great that ACF is available to help smaller nonprofits like us. You are doing awesome work".

In addition to providing such direct assistance, ACF has continued to participate in a number of NGO forums. We were one of the 17 agencies that came together to form the National Roundtable of Nonprofit Organisations, and we actively support it as a national forum for nonprofit groups to exchange information, research and knowledge. We have done likewise with the Australian Collaboration, where we join like-minded independent organisations in promoting ecological, social and cultural sustainability. We also had a seat at the inaugural National Civil Society Dialogue in Canberra in October 2006, where representatives of organisations – as diverse as trade unions, churches and the Australian Council of Social Services – canvassed issues of poverty and inequality, values, national governance, sustainability, diversity and inclusiveness, shared values and the role of non-government organisations.





**Helping Out in the Maldives**

In mid-2007, Belinda O'Brien, who works at ACF as a Data Entry Operator, attended a wedding in the Maldives. In the following interview, she explains how she was inspired to take with her the gift of sustainability.

**You worked as a volunteer in the Maldives before starting at ACF. When, and on which island, did you do this?**

Between 2001 and 2002 I worked as a volunteer through the Australian Youth Ambassadors for Development Program. I worked on a small island called Guraidhoo, which is part of Thaa Atoll. The island has a population of 1,500 and you can walk around it in 1½ hours. I was the first Caucasian to live there.

**What did this volunteer work involve?**

I worked as an Agricultural/Horticultural Trainer. The aim of my job was to establish a sustainable agricultural market garden that would improve the community's nutritional status and generate income. My work included building shade houses, organising workshops and helping to grow and harvest vegetables to sell in a local shop managed by the local women. Money raised from the project was put back into the community.

**After joining ACF you were invited back to the Maldives to attend a wedding. Whose wedding was this?**

I was invited to the wedding of my friend Usha Moosa – her husband's name is Xyme. Usha refers to me as her dhontha, which means 'big sister' in the local Dhivehi language. When she invited me to her wedding, she said, "Please don't be upset with me dhontha, but I'm getting married and I want you to come to my wedding". I asked her why I would be angry and she replied, "Because you are my big sister and I'm getting married before you". It was a lovely example of the respect Maldivian people show for their elders.

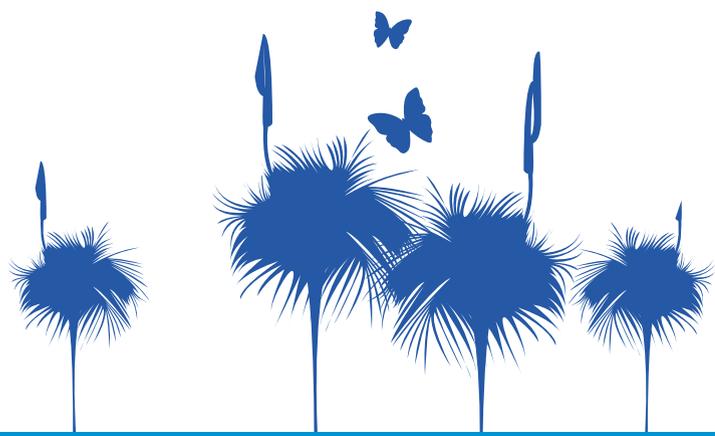
**You asked ACF staff to help buy a gift for the community. What was your idea?**

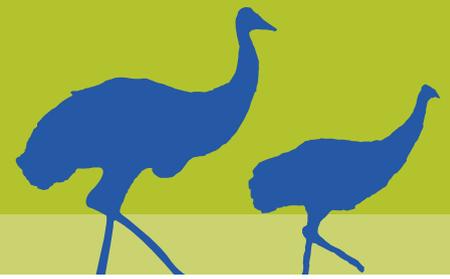
I work for an organisation that promotes sustainable living. I was returning to a place where I had worked on a sustainability project and I felt that there may be something ACF could do to encourage sustainable practices and make use of the opportunity of my visit to the Maldives.

Local fishermen are constantly fishing for tuna, the staple Maldivian meat, and they use a lot of batteries to power small handheld objects such as torches on their fishing boats. Spent batteries are discarded on a rubbish pile on the edge of Guraidhoo, where some are burnt and others are washed into the sea. I saw an opportunity to encourage the use of rechargeable batteries. This idea was embraced by ACF and many staff members contributed money to buy two battery chargers and about 30 rechargeable AA batteries.

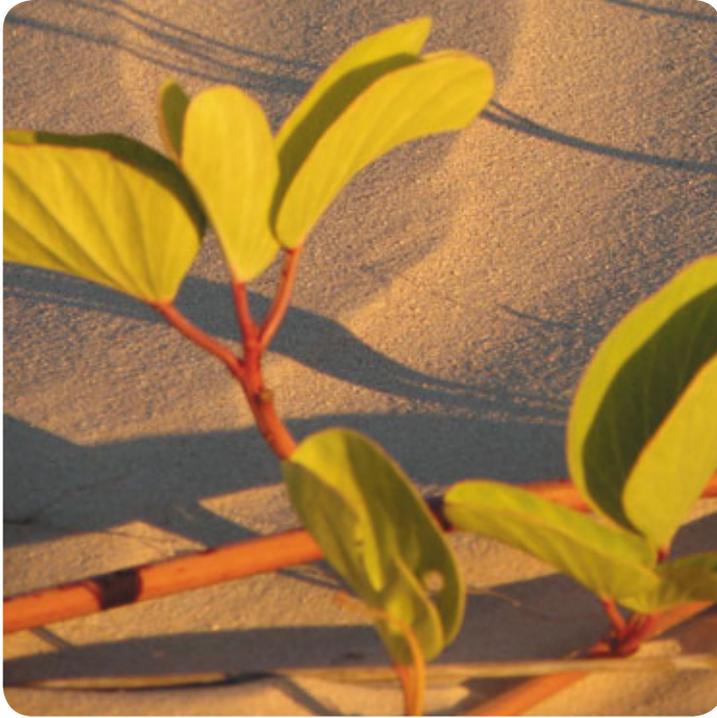
**How was your gift received?**

It proved difficult to meet with the island chief or the head of the women's committee to give them this gift, so in the end I gave it to the bride's father. His comment upon receiving the gift was, "This is very important; this is a very good idea". He knew what it was and the smile on his face said it all.





Tracks on sand dune PHOTO: Justin McCaul



### Thank you

We would like to thank all ACF supporters for working with us over the past 12 months to respond to the threat of climate change, shape a sustainable and equitable society, and protect and nurture Australian ecosystems. Your dedication to improving the health of the natural environment and all who live within it, and your willingness to take immediate, effective action to achieve this, provide the inspiration and the energy for all ACF campaigns. Looking ahead, we can be excited by the momentum we have gained thanks to this collective desire for positive change.

### ACF supporters – helping ACF to achieve our aims

ACF is only as strong as the people who support us, and we have drawn great strength from the more than 30,000 people who over the past year have given – and in many cases continue to give – generously of their money, time and enthusiasm. Former ACF Marketing Manager Jock Beveridge says, “Members and supporters have always been at the heart of ACF’s existence, and this will continue to be the case in the years ahead. They provide ACF with the financial means to run its campaigns, and the political clout to influence governments and policymakers. And they make sure ACF’s voice is heard loud and clear”.

Over 90 per cent of the money that we need to fund our environmental campaigns, public education, workshops and other activities is provided by individual members and donors. Most of these contributors give modest amounts, and this financial goodwill quickly adds up and it is this ongoing support that is so crucial to the longevity of our efforts. One of the ultimate expressions of confidence and belief in an organisation is a bequest, and we were touched by the number of people who, during the past year, confirmed that they had included ACF in their will.

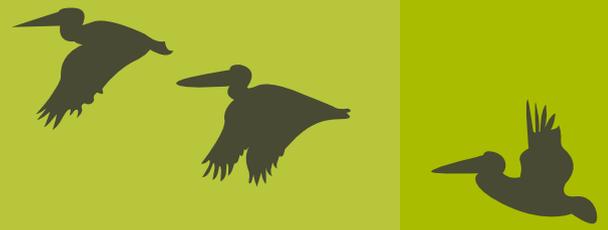
Equally important to the continuing effectiveness of ACF is the support provided by numerous volunteers. Volunteers share their time and their expertise with us, from those who stuff envelopes for critical campaign mail-outs and carry out office administrative duties on a regular basis, to the students, interns and professionals who undertake specific research projects for our various campaign teams. This invaluable support is provided not just within our offices, but often well outside our office walls too.

Becoming involved in campaigns is another potent way in which ACF’s supporters devote themselves to the common good, and there were many prominent examples of this over the past year. In November 2006, over 2,000 people sent letters to their respective state senators asking for immediate action on climate change, an effort repeated in May this year. Also last November, 84 people were trained by Al Gore as presenters for The Climate Project – Australia, a program that has since spread the climate change message across the country. In March 2007 Senator John Faulkner received 2000 messages urging him to vote against changes to the ALP’s ‘no new uranium mines’ policy at the party’s National Conference. Although the vote was lost, the response of ACF supporters to our call to action made it a tight contest.

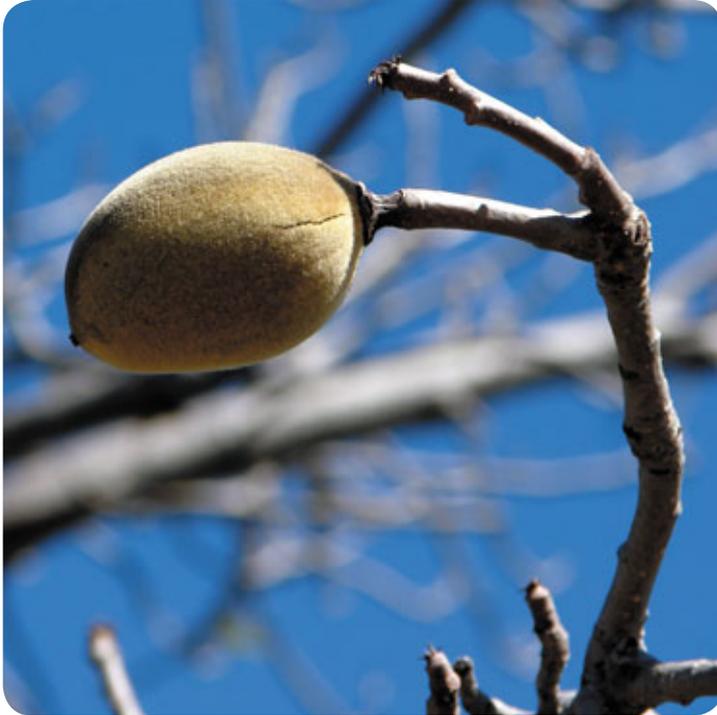
Then there were the 60,000 people who ordered Climate Change Action Kits, sent letters to their political representatives and many went on to become ACF members and EarthVoice donors. It was no coincidence that a great deal of ACF’s supporter engagement efforts focused on climate change during the past financial year.

“Three successive fundraising appeals and thousands of letters to politicians have helped strengthen ACF’s climate change campaign, and made climate change a key issue leading up to the 2007 Federal Election,” says Jock Beveridge.

We acknowledge that in addition to these impressive achievements, our supporters do much more. At a time when ACF is demonstrating organisational leadership in the quest for sustainability within a generation, our members and other supporters are also leading by example by adopting sustainable living practices in their own communities and inspiring those around them to do the same.



Boab tree nut PHOTO: Justin McCaul



### Legacies living on

ACF's conservation programs have been greatly strengthened this year with bequests from the following people:

- Miss Shirley Allen, SA
- Ms Noreen Butterley, NSW
- Miss Aleen Hanley, NSW
- Miss B Hotchin, Vic
- Ms Joan Longmore, Qld
- Ms Beryl Phillips, Vic
- Mr Maxwell Sturcke, WA
- Mr Bruce Symonds, NSW

We would like to express our appreciation to their families, friends and associates for these kind and generous gifts.

ACF is deeply grateful for the forethought and commitment of those people who have included a gift in their will. To find out how you can support ACF in your will, please contact John Free on 1800 332 510 or email [bequests@acfonline.org.au](mailto:bequests@acfonline.org.au) and ask for a copy of our *Living Legacy* booklet.

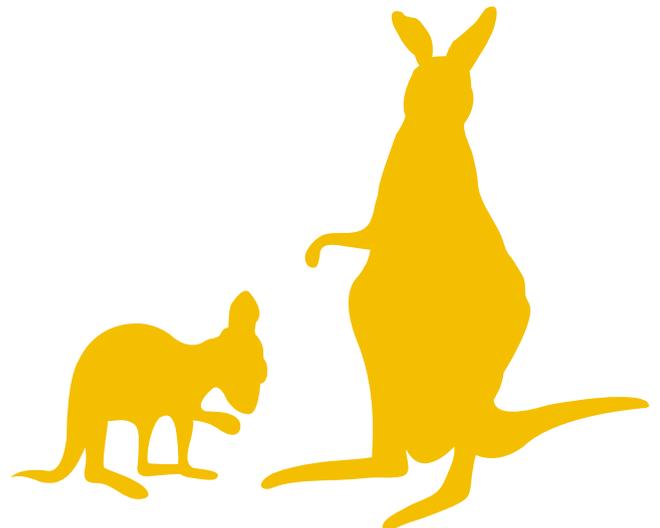
### A special bequests story – Shirley Allen

On 8 August 2006, at the age of 89, Miss Shirley Allen passed away, leaving a substantial bequest to ACF in her will. Miss Allen was an ACF member for 36 years (34 of them as a Life Member) and gave us unwavering and generous support throughout that time.

She was a knowledgeable and committed environmentalist, a conviction she exercised in her work with various nature-focused societies and in her communications with politicians about what she saw as the inadequate funding of conservation efforts. Her devotion to the protection of our ecosystems and wildlife, and to the pursuit of social and environmental sustainability through economic reform, was matched only by the intensity of her aversion to snobbery or pretension.

Miss Allen studied science at the University of Adelaide. She graduated in 1943 and went on to join the CSIRO, where she worked closely with biochemist Hedley Marston. After his death she prepared his experimental data on the effects of vitamin B12 and cobalt deficiency for publication. Her long association with the university culminated in her bequest to the institution of Marston's papers, several notable works of art and a collection of books on science and art. She also bequeathed a property in Adelaide to the city's Royal Botanic Gardens, which seems fitting considering her deep appreciation of nature. Her letters from nuclear physicist Sir Mark Oliphant were entrusted to the Australian Academy of Science. Sir Mark made international appeals against the use of nuclear weapons and served as ACF president in 1977.

In recognition of Miss Allen's significant gift through her will, and of her long-term support, ACF will identify a major project each year that will be named in her honour. ACF staff and supporters will remember her support for the organisation, her passion for the environment, and her ongoing contribution to ACF's work through her generous and lasting legacy.





**William Buck**  
Business Advisors  
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT**

**To the members of**

**AUSTRALIAN CONSERVATION FOUNDATION INC.**

We have audited the accompanying financial report, being a summarised financial report, of the Australian Conservation Foundation Inc, which comprises the balance sheet as at 30 June 2007, and the income statement for the year then ended.

The summarised financial report is derived from the Foundation's annual financial report. In our audit report to the members dated 11 September 2007 on the annual financial report, we expressed a qualified opinion that it was not practical for the Australian Conservation Foundation Inc to maintain an effective system of internal control over certain fundraising activities until their initial entry in the accounting records. Accordingly, our audit in relation to certain areas of fundraising was limited to the amounts recorded.

In our opinion, the information reported in the summarised financial report is consistent with the annual financial report from which it was derived and upon which we expressed the qualified audit opinion referred to in the previous paragraph. For better understanding of the scope of our audit, this report should be read in conjunction with our audit report on the annual financial report.

William Buck  
Chartered Accountants

Simon Hourigan  
Partner

Dated this 11th day of September 2007.

Melbourne, Australia.

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**ACF'S CONSERVATION WORK IS GREATLY STRENGTHENED BY THE GENEROUS ASSISTANCE, FINANCIAL AND IN-KIND, OF THE FOLLOWING ORGANISATIONS**



**Supporting ACF and our conservation programs: trusts, foundations and businesses providing significant financial or in-kind support for ACF**

100 Mile Café (formally SOS)	<i>Ocean Wise Australia program</i>
Arnold Bloch Leibler	<i>Strategic legal advice and representation</i>
AusAID	<i>Asia Pacific Program</i>
Avant Card	<i>Promotion of ACF events</i>
Bendigo Bank	<i>Northern Australia Program</i>
CHE	<i>Strategic communications advice</i>
Darinka Pty Ltd	<i>ACF's legal work</i>
Dept of Families, Community Services & Indigenous Affairs	<i>Asia Pacific/Women's Leadership Program</i>
Dept of Sustainability & Environment VIC	<i>GreenHome Victoria</i>
Fosters Group Limited	<i>Biodiversity project</i>
H2o Architects	<i>ACF's sustainable office fitout</i>
Intrepid Travel	<i>ACF's free Climate Change Action Kit and Asia Pacific Program</i>
Kafig Pty Ltd	<i>Ocean Wise Australia program</i>
La Luna Bistro	<i>ACF programs</i>
Land & Water Australia	<i>Northern Australia Program</i>
Learning Dimensions	<i>Leadership development and coaching</i>
Lumsden Pty Ltd	<i>ACF's conservation programs</i>
Mojo Publicis	<i>Advertising concepts</i>
Moonlight Cinema	<i>Charity partner for the 2006/07 summer season</i>
Norman Wettenhall Foundation	<i>Inland Rivers Network</i>
NRMjobs	<i>Recruitment support</i>
NSW Cabinet Office	<i>GreenHome Water Education Program</i>
NSW Environmental Trust and Department of Environment & Conservation	<i>GreenHome Program, sustainable strategies research and ACF's conservation programs</i>
One Little Indian Enterprises	<i>ACF's conservation programs and ACF's partnership with His Holiness the Dalai Lama's Australian tour</i>
Over E#posure	<i>Climate Change bus shelter advertisements</i>
Photon Group	<i>Market research and strategic communications advice</i>
Pratt Industries USA	<i>Climate Change campaign</i>
Rawson Pty Ltd	<i>ACF's conservation programs</i>
Reichstein Foundation	<i>ACF's conservation programs and The Mittagong Forum</i>
Ritchies Supermarkets	<i>Community Donation Program</i>
RSIGuard	<i>Ergonomic software</i>
Sustainable Impact Pty Ltd	<i>ACF's conservation programs</i>
The Body Shop	<i>Spoil Yourself Not The Planet campaign</i>
The Christenson Fund	<i>Northern Australia Program</i>

The Myer Foundation	<i>The Mittagong Forum</i>
The Poola Foundation (Tom Kantor Fund)	<i>Northern Australia Program</i>
UIP/Paramount	<i>An Inconvenient Truth promotional campaign</i>
Victorian Water Trust/Dept of Sustainability & Environment VIC	<i>Werribee Plains Regional Sustainability Framework</i>
William Buckland Foundation	<i>Land Stewardship Project</i>

**Workplace giving programs: employees and employers working together to support ACF's conservation work**

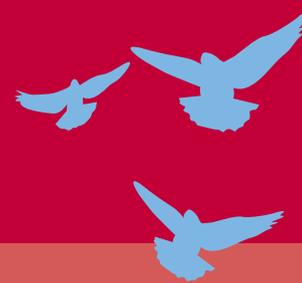
Allens Arthur Robinson	HOK Sport & Venue & Event
Amcor Australasia	KBR G&I
Australian Charities Fund	Lion Nathan
Australian Taxation Office	Macquarie Bank
Aviva Australia	Mallesons Stephen Jaques
Blackmores	MBF Australia
BP Australia	Melbourne Water
Catholic Development Fund	Mount Isa City Council
Charities Aid Foundation Australia	National Wealth Management
Charles Sturt University	NSW Heritage Office
Corrs Chambers Westgarth	Origin Energy
Department for Victorian Communities	Powercor CitiPower Australia
Department of Foreign Affairs and Trade	Reserve Bank of Australia
Department of Health and Ageing	SAP Australia Pty Ltd
Department of Human Services VIC	Swinburne University
Dun & Bradstreet (Australia)	Sydney Harbour Federation Trust
Ernst & Young	Sydney Water Corporation
Ethical Investment Services	Therapeutic Goods Administration
Foster's Group Limited	Toyo Tyre and Rubber Australia
Freehills	University of Wollongong
Gold Coast City Council	Westpac Banking Corporation

To find out how your organisation can support ACF through workplace giving, please contact Alison Perry (02 8270 9910, email [workplacegiving@acfonline.org.au](mailto:workplacegiving@acfonline.org.au)) or visit [www.acfonline.org.au/workplacegiving](http://www.acfonline.org.au/workplacegiving)

**The Climate Project Australia**

ACF is the Australian partner for Al Gore's Climate Project. The following trusts, foundations, businesses and individuals have, along with Al Gore and his staff, notably Roy Neel and Jenny Clad, supported ACF in the training and ongoing support of Australian presenters:

ANDYINC Foundation Ltd; Annamila Pty Ltd; Baker & McKenzie; Castan Family; Clare Cannon; Climate Friendly; Daniel Almagor and Berry Liberman; Donkey Wheel Fund & Charitable Trust; Ede Horton Family Trust; Fouress Foundation; Great Barrier Reef Foundation; Helen and Bori Liberman Family Foundation; Hunter Hall International; Ian & Min Darling; Melbourne Community Foundation (Coronella Fund); Melbourne Community Foundation (P&M Brancroft Family Charitable Fund); Mr and Mrs Childs Wijk; Mr John and Mrs Jo Grigg; Mr Michael Kantor & Ms Silvia Frassoni-Kantor; Mrs Bindy Gross; Mrs Marj White; Over E#posure; Pratt Foundation; Reichstein Foundation; Ricci Swart and Family; River Capital Pty Ltd; The Mullum Trust; The Myer Foundation; The Trawalla Foundation Trust; Victorian Community Foundation - Ruffin Falkiner Foundation; Virgin Unite Foundation.



The year ended 30 June 2007 was a significant year for ACF from a financial perspective. ACF recorded a surplus for the year of \$4,764,952 which is the strongest result in the organisation's history. This was due to a number of positive factors, the largest of which was the Shirley Allen bequest as profiled elsewhere in the Supporters' Report.

Revenue for the financial year increased to \$14,660,329 from \$7,969,480 in the 2006 financial year, which represents a 84 per cent increase. This increase was primarily driven by significantly higher legacies and bequests in the current year of \$5,176,399, compared with legacies and bequests of \$527,853 in the 2006 financial year. It is noteworthy that the revenue from all major income sources increased in 2007 relative to the 2006 financial year.

Expenses for the financial year increased to \$9,895,377 from \$7,927,697 in the 2006 financial year, which represents a 25 per cent increase. Environmental program expenditure, a key measure for the organisation, increased by 27 per cent to \$5,391,328 from \$4,252,967 – primarily due to increases in expenditure on Climate Change related projects and the GreenHome program.

In addition total fundraising costs increased by 25 per cent or \$676,356 as ACF seeks to broaden and strengthen its fundraising efforts. Administration costs for the financial year increased by 15 per cent to \$1,174,378 from \$1,021,415 in the 2006 financial year.

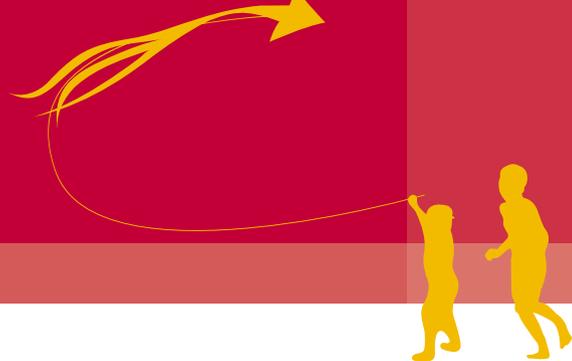
As a consequence of the strong result for the year ACF's balance sheet has been significantly strengthened with total equity of \$8,345,452 as at 30 June 2007 compared with \$3,580,501 as at 30 June 2006. Unrestricted reserves increased by \$1,300,000 and restricted reserves increased by \$140,011. The increase in unrestricted reserves reflects the Board's strategy of planned reserve increases to improve the financial strength and resilience of ACF.

The retained surplus as at 30 June 2007 was \$3,511,541 compared with \$186,601 as at 30 June 2006. The majority of these funds is expected to be spent on environmental program expenditure and fundraising over the next two financial years.

ACF's cash and financial assets total \$7,530,395 as at 30 June 2007. ACF continues to have a diversified investment portfolio with cash, fixed interest, property and equity investments.

As highlighted in this report, supporters of ACF contributed 93 per cent of ACF's income in the 30 June 2007 financial year. The Board thanks you for this support, which is so important to the success of ACF. We look forward to your continuing support to assist ACF to remain a strong voice for the environment in the future.

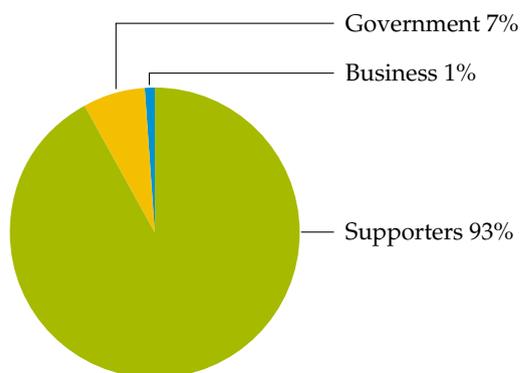
**Kester Brown**  
Treasurer



**Income Statement for the year ended 30 June 2007**

	2007	2006
	\$	\$
<b>Revenue from operating activities</b>	<b>14,660,329</b>	<b>7,969,480</b>
Environmental programs expenses	5,391,328	4,252,967
Fundraising expenses - recruitment of new supporters	1,700,193	1,246,304
Fundraising expenses - service and communication	1,629,478	1,407,011
Administration expenses	1,174,378	1,021,415
<b>Expenses from operating activities</b>	<b>9,895,377</b>	<b>7,927,697</b>
<b>SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES</b>	<b>4,764,952</b>	<b>41,783</b>

**ACF Income**



**Balance Sheet as at 30 June 2007**

	2007	2006
	\$	\$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	2,943,844	2,254,089
Trade and other receivables	73,308	117,980
Financial assets	4,586,551	300,000
Other assets	275,819	125,956
<b>TOTAL CURRENT ASSETS</b>	<b>7,879,521</b>	<b>2,798,025</b>
<b>NON-CURRENT ASSETS</b>		
Financial assets	1,711,122	1,547,165
Property, plant and equipment	368,876	338,778
Intangible assets	169,545	233,911
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,249,543</b>	<b>2,119,854</b>
<b>TOTAL ASSETS</b>	<b>10,129,064</b>	<b>4,917,879</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,071,067	723,792
Financial liabilities	-	26,618
Provisions	323,916	267,794
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,394,983</b>	<b>1,018,204</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	388,629	319,174
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>388,629</b>	<b>319,174</b>
<b>TOTAL LIABILITIES</b>	<b>1,783,612</b>	<b>1,337,378</b>
<b>NET ASSETS</b>	<b>8,345,452</b>	<b>3,580,501</b>
<b>EQUITY</b>		
Reserves	4,833,911	3,393,900
Retained surplus / (deficit)	3,511,541	186,601
<b>TOTAL EQUITY</b>	<b>8,345,452</b>	<b>3,580,501</b>

**AUSTRALIAN CONSERVATION FOUNDATION INC.  
BOARD REPORT  
FOR THE YEAR ENDED 30 JUNE 2007**



The undersigned Board members submit the financial report of the Australian Conservation Foundation Inc. for the financial year ended 30 June 2007.

**COUNCIL AND BOARD MEMBERS**

At the start of the financial year ended 30 June 2007, the Australian Conservation Foundation's (ACF) governing authority was the ACF Council, a 36-member body elected by ACF's membership. Subsequent to amendments to ACF's Constitution that took effect on 6 September 2006, ACF's legal governing authority is now the ACF Board, a body with between 7 and 11 members selected by the ACF Council. The current Council was elected in October 2006. The Board was appointed in March 2007.

At 30 June 2007 there were temporarily only 35 Councillors, as allowable within ACF's constitution.

The names of Council members throughout the year are set out below, with the members of the current Board indicated by an asterisk, and members who served during the year, but were no longer on the Council at 30 June 2007, marked by a #. Board members who are not also Council members are represented by a †.

President	Prof Ian Lowe *	
Vice-President	Dr Peter Christoff *	
Vice-President	Dr Rosemary Hill *	
Treasurer	Mr Kester Brown *†	
Mr Peter Barker #	Ms Helen Gee	Ms Adele Pedder #
Ms Georgina Beach #	Dr Elaine Harding	James Pilkington
Nicolette Boele	Mr Andrew Higham #	Rupert Posner
Mr Douglas Brown	Mr Angas Hopkins	Mr Jeff Richardson
Ms Irina Cattalini*	Ms Anna Hopkins #	Mr David Risstrom #
Dr Ralph Cobcroft	Ms Kristin Keane #	Charles Roche
Mr Tim Collins	Ms Caroline Le Couteur	Ms Nicola Saltman
Dr Sandy Cornell #	Dr Stephen Lightfoot	Ms Linda Selvey #
Louise Crossley	Gary Mack	Mr John Sinclair #
Dr John Coulter	Dr Phil McManus #	Mr Mark Snell #
Ms Nahrel Dallywater #	Dr Karyl Michaels	Mr Ross Tzannes
Mr Simon Divecha	Dr Geoff Mosley	Ms Lynda Wallace
Ms Tristy Fairfield	Leanne Muffet	Dr Colleen Watts
Mr Tony Flaherty #	Mr Warren Nicholls	Ms Katherine Wells*
Dr Robert Fowler *	Mr Patrick O'Leary #	Dr Geoff Wescott
Associate Prof. Don Garden	Ms Nikki Parker *	Ms Carol Williams #

**PRINCIPAL ACTIVITIES**

The principal activities of the Foundation during the year were -

- seeking to protect, restore and sustain the environment;
- raising awareness and understanding of environmental issues;
- support collaboration amongst persons, trusts, corporations, associations, institutions, governments, and other bodies concerned with conservation; and
- carrying out research on a broad range of current and future environmental issues.

**SIGNIFICANT CHANGES**

No significant change in the nature of these activities occurred during the year.

**OPERATING RESULT**

The surplus from ordinary activities amounted to \$4,764,952 (2006 surplus \$41,783).

Signed on behalf of ACF in accordance with a resolution of the Board.

Handwritten signature of Prof Ian Lowe in black ink.

.....  
President - Prof Ian Lowe  
11 September 2007

Handwritten signature of Kester Brown in black ink.

.....  
Treasurer - Kester Brown

**AUSTRALIAN CONSERVATION FOUNDATION INC.  
STATEMENT BY THE BOARD  
FOR THE YEAR ENDED 30 JUNE 2007**



In the opinion of the Board,

- (a) the financial report set out on pages 1 to 21 presents a true and fair view of the financial position of the Australian Conservation Foundation Inc. as at 30 June 2007 and of its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements, and other authoritative pronouncements of the Australian Accounting Standards Board.
- (b) at the date of this statement there are reasonable grounds to believe that the Australian Conservation Foundation Inc. will be able to pay its debts as and when they fall due.

Signed on behalf of ACF in accordance with a resolution of the Board.

Handwritten signature of Prof Ian Lowe in black ink.

.....  
President - Prof Ian Lowe  
11 September 2007

Handwritten signature of Kester Brown in black ink.

.....  
Treasurer - Kester Brown

**AUSTRALIAN CONSERVATION FOUNDATION INC.  
TREASURER'S DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2007**



Declaration to be furnished under the NSW Charitable Fundraising Act 1991. This declaration is made in accordance with Authority Conditions 7 (4) issued by the Minister under Section 19 of the Charitable Fundraising Act 1991.

I, Kester Brown, Treasurer of the Australian Conservation Foundation Inc. declare that in my opinion:

- (a) the Income Statement gives a true and fair view of all income and expenditure of the Australian Conservation Foundation Inc. with respect to fundraising activities;
- (b) the Balance Sheet gives a true and fair view of the state of affairs with respect to fundraising activities;
- (c) the provisions of the Charitable Fundraising Act 1991, the Regulations under the Act and the conditions attached to the authority have been complied with; and
- (d) the internal controls exercised by the Australian Conservation Foundation Inc. are appropriate and effective in accounting for income received and applied by the Australian Conservation Foundation Inc. from its fundraising activities.

Handwritten signature of Kester Brown in black ink.

.....  
Treasurer - Kester Brown  
11 September 2007

We certify the declaration by the Treasurer.

Handwritten signature of Don Henry in black ink.

.....  
Executive Director - Don Henry

Handwritten signature of Anna Molan in black ink, with a long horizontal line extending to the right.

.....  
Director of People & Operations - Anna Molan

**INDEPENDENT AUDITOR'S REPORT**

To the members of

**AUSTRALIAN CONSERVATION FOUNDATION INC.**

***Report on the Financial Report***

We have audited the accompanying financial report, being a general purpose financial report, of the Australian Conservation Foundation Inc, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by the Board.

***The Responsibility of The Board for the Financial Report***

The Board of the of the entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Standards Interpretations) and the Associations Incorporations Act (ACT)1991. The Board's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

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

***Independence***

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

## Qualification

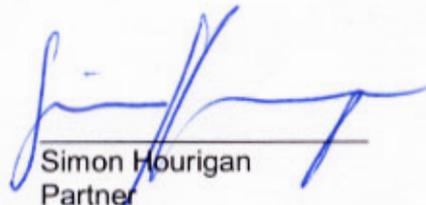
As is common for organisations of this type, it is not practicable for the Australian Conservation Foundation Inc to maintain an effective system of internal control over certain fundraising activities until their initial entry in the accounting records. Accordingly, our audit in relation to certain areas of fund raising was limited to amounts recorded.

## Auditor's Opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the limitation discussed in the qualification paragraph not existed, the financial report presents fairly, in all material respects, (or "gives a true and fair view of") the financial position of the Australian Conservation Foundation Inc as of 30 June 2007 and of its financial performance and its cash flows for the year then ended in accordance with Associations Incorporations Act (ACT) 1991 and other mandatory professional reporting requirements.



William Buck  
Chartered Accountants



Simon Hourigan  
Partner

Dated this 11<sup>th</sup> day of September 2007.

Melbourne, Australia.

**AUSTRALIAN CONSERVATION FOUNDATION INC.****INCOME STATEMENT****FOR THE YEAR ENDED 30 JUNE 2007**

	NOTES	2007 \$	2006 \$
<b>Revenue from operating activities</b>	<b>2</b>	<b>14,660,329</b>	<b>7,969,480</b>
Environmental programs expenses		5,391,328	4,252,967
Fundraising expenses - recruitment of new supporters		1,700,193	1,246,304
Fundraising expenses - service and communication		1,629,478	1,407,011
Administration expenses		1,174,378	1,021,415
<b>Expenses from operating activities</b>	<b>2</b>	<b>9,895,377</b>	<b>7,927,697</b>
<b>SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES</b>	<b>2</b>	<b>4,764,952</b>	<b>41,783</b>

The accompanying notes form part of this financial report.

**AUSTRALIAN CONSERVATION FOUNDATION INC.****BALANCE SHEET  
AS AT 30 JUNE 2006**

	NOTES	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,943,844	2,254,089
Trade and other receivables	4	73,308	117,980
Financial assets	5	4,586,551	300,000
Other assets	6	275,819	125,956
<b>TOTAL CURRENT ASSETS</b>		<b>7,879,521</b>	<b>2,798,025</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	5	1,711,122	1,547,165
Property, plant and equipment	7	368,876	338,778
Intangible assets	8	169,545	233,911
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,249,543</b>	<b>2,119,854</b>
<b>TOTAL ASSETS</b>		<b>10,129,064</b>	<b>4,917,879</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	1,071,067	723,792
Financial liabilities	10	-	26,618
Provisions	11	323,916	267,794
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,394,983</b>	<b>1,018,204</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	11	388,629	319,174
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>388,629</b>	<b>319,174</b>
<b>TOTAL LIABILITIES</b>		<b>1,783,612</b>	<b>1,337,378</b>
<b>NET ASSETS</b>		<b>8,345,452</b>	<b>3,580,501</b>
<b>EQUITY</b>			
Reserves		4,833,911	3,393,900
Retained surplus / (deficit)		3,511,541	186,601
<b>TOTAL EQUITY</b>		<b>8,345,452</b>	<b>3,580,501</b>

The accompanying notes form part of this financial report.

**AUSTRALIAN CONSERVATION FOUNDATION INC.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2007**



	<b>Restricted Environment Program Fund Reserve</b>	<b>Endowment Fund Reserve</b>	<b>Unrestricted Operating Reserve</b>	<b>Retained Surplus (Deficit)</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance 1 July 2006	1,401,900	1,342,000	650,000	186,601	3,580,501
Transfers from reserves	(860,585)			860,585	-
Transfers to reserves	1,000,597	650,000	650,000	(2,300,597)	-
Surplus / (deficit)	-	-	-	4,764,952	4,764,952
<b>Balance 30 June 2007</b>	<b>1,541,911</b>	<b>1,992,000</b>	<b>1,300,000</b>	<b>3,511,541</b>	<b>8,345,452</b>

**Purposes of Reserves**

*Environment program fund reserve* - represents unexpended grants, sponsorships, memberships and donations received to fund specific environmental programs.

*Endowment fund reserve* - represents reserves set aside to fund the future growth and development needs of ACF.

*Operational reserve* - represents reserves set aside to provide the working capital needed to met the cash flow requirements of ACF.

The accompanying notes form part of this financial report.

**AUSTRALIAN CONSERVATION FOUNDATION INC.**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2007**



	NOTE	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members, supporters and customers		7,407,197	6,591,490
Receipts from grants		1,598,393	844,157
Receipts from bequests		1,001,848	519,692
Borrowing costs paid		(95,512)	(80,767)
Payments to suppliers, contractors and employees		(9,138,422)	(7,843,505)
Interest received		128,727	130,686
Other investment income received		143,358	90,107
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>13</b>	<b>1,045,590</b>	<b>251,860</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds on sale of property, plant & equipment		-	200
Payment for property, plant & equipment		(160,752)	(68,672)
Payment for intangible assets		(8,619)	(76,721)
Proceeds on sale of financial assets		602,800	881,333
Payment for financial assets		(762,646)	(370,930)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>		<b>(329,217)</b>	<b>365,210</b>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		(26,618)	(16,290)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(26,618)</b>	<b>(16,290)</b>
<b>Net increase/(decrease) in cash held</b>		<b>689,755</b>	<b>600,780</b>
Cash at the beginning of the financial year	13	2,254,089	1,653,309
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>13</b>	<b>2,943,844</b>	<b>2,254,089</b>

The accompanying notes form part of this financial report.

## **1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act 1991.

The financial report covers the Australian Conservation Foundation Inc., its state offices, its unincorporated branches and its wholly owned subsidiary ACF Enterprises Pty Ltd as a consolidated entity. Separate disclosure is not made of ACF's separate financial performance and position, as ACF Enterprises ceased trading activities during the 1996/97 financial year. Therefore the financial performance and position of ACF is comparable to the consolidated results of ACF and its subsidiary. Australian Conservation Foundation Inc. is an association incorporated in the Australian Capital Territory under the Associations Incorporation Act 1991.

The financial report of the Australian Conservation Foundation Inc. as a consolidated entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by ACF in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### **Basis of preparation**

#### *Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets.

### **Accounting Policies**

#### **Taxes**

*Income Taxes* - ACF, as a charitable organisation is exempt from income tax under Section 50-5, Income Tax Assessment Act 1997. Under the New Tax System ACF was endorsed on the 8 June 2000 by the ATO as an income tax exempt charity from 1 July 2000.

*Fringe Benefits Tax* - ACF, as a charitable organisation is not exempt from Fringe Benefits Tax, although a rebate of up to 48% of the notional fringe benefits tax payable, for individual employees with less than \$30,000 in grossed up fringe benefits. Where applicable, the grossed up value of specified fringe benefits to individual employees in-excess of \$1,000 are included on each employees' payment summary.

*Capital Gains Tax* - ACF, as a charitable organisation is exempt from capital gains tax under Section 50-5, Income Tax Assessment Act 1997.

*Payroll Tax, Land Tax and Stamp Duties* - ACF is exempt from Payroll Tax, Land Tax and Stamp Duties in NSW, ACT, WA, QLD and Victoria. Exemptions from Payroll Tax, Land Tax and Stamp Duties are not available in South Australia.

*GST* - Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the cost of the item. Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CON'T.**

**Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value, less where applicable any accumulated depreciation and impairment losses.

*Plant and equipment*

Plant and equipment is measured on a cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by Board members to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to ACF and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

*Depreciation*

The depreciable amounts of all plant and equipment, are depreciated on a straight line basis over the useful lives of the assets to ACF commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of fixed asset	Depreciation rate
Office furniture and fittings	10 - 50%
Communications and information technology equipment	10 - 50%
Leasehold improvements	20-25%
Motor vehicles and accessories	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

**Leases**

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**Intangible Assets**

*Computer Software*

Computer software costs are capitalised only when the application delivers future economic benefits and these benefits can be measured reliably. Computer software costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the application.

## **1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT.**

### **Financial Instruments**

#### *Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### *Financial assets at fair value through profit and loss*

Financial assets held for trading incorporate investments in mortgages, property and equity trusts, equities, property and artwork. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

#### *Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

#### *Impairment*

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

### **Impairment of Assets**

At each reporting date, ACF reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, ACF estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### **Employee benefits**

Provision is made for ACF's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and long service leave which will be settled after one year, have been measured at their nominal amount and classified as current liabilities. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits and classified as non-current liabilities.

Contributions are made by ACF to an employee superannuation fund and are charged as expenses when incurred.

### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, and other short-term highly liquid investments with original maturities of three months or less.

### **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### **Critical Accounting Estimates and Judgments**

The Board members evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within ACF.

#### *Key Estimates — Impairment*

ACF assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

## **1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT.**

### **Restricted / Unrestricted Funds**

Restricted funds are funds received or reserves held that must be spent on the purpose for which they were received or are held. They comprise:

- Grant funding and related interest that must be spent in accordance with the terms of the funding agreement; and
- Significant donations, sponsorships, memberships and bequests where the supporter indicates a preference for how the funds should be spent.

All other funds are unrestricted in that the Board has the discretion to spend them on purposes for which ACF was established.

### **Revenue**

Membership income is recorded on a proportional basis taking into account the prepaid component of the membership. All grants are recognised as revenue when ACF has established that it has a right to receive a grant. Legacy and bequest income is recognised as revenue when ACF has established that it has a right to receive the bequest. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when ACF has established that it has a right to receive a dividend. Revenue from the sale of goods or services is recognised upon the delivery of goods or services to customers. All revenue is stated net of the amount of goods and services tax (GST).

### **Fundraising Activities**

NSW Charitable Fundraising Act 1991: this Act and supporting Charitable Fundraising Regulation prescribe the manner in which fundraising activities are conducted, controlled and reported in NSW. The amounts shown in the Income Statement on page 6 are in accordance with Section 23 (3) of the Act and Part 2 Sections 5,7 and 8 of the Regulations, unless otherwise indicated.

*Donations and Bequests:* are returned as income when ACF establishes that it has a right to receive the Donation or Bequest. As specified in the Act, unsolicited donations are not treated as fundraising income when determining information required under the Act. They are treated as gifts under the tax legislation.

*Fundraising Activities Income:* as prescribed in the NSW Charitable Fundraising Act, fundraising activities income excludes bequests, unsolicited donations and membership subscriptions from existing members (but not new members). While existing member donations to fundraising appeals have been included in fundraising income, it has not been possible for ACF to accurately separate all income from new and existing members and therefore the fundraising activities income does not include fundraising appeal or membership subscription income from new members. The effect of these omissions may have a material effect on the information reported in the Income Statement.

*Cost of Fundraising:* costs used in the Income Statement include all direct fundraising costs in accordance with the Act. The inclusion of indirect costs is discretionary. Indirect costs excluded, include overheads such as the time spent by accounting or office staff administering fundraising activities, cost apportionment of rent, light and power and insurance. Exclusion of the indirect costs decreases the cost of fundraising and increases the margins from fundraising shown in the Income Statement.

*Education cost allocation:* Education cost allocation: all fundraising activities are structured for the dual purposes of raising funds for expenditure on various services and to educate target groups about environmental issues, ACF and the services it provides. ACF is a signatory to the Australian Council for International Development Code of Conduct, which require that the costs of each fundraising activity are predominantly allocated to fundraising costs, rather than allocated proportionally between fundraising and education as is common within the charity sector. In line with the Code of Conduct the costs of each fundraising activity are fully allocated to fundraising costs with the exception of ACF's Supporter Newsletter (which has more than 90% of its cost allocated to environmental programs). Exclusion of education cost allocations increases the costs of fundraising and decreases the margins from fundraising shown in the Income Statement.

### **New Accounting Standard and AASB Interpretations**

Certain new accounting standards and AASB interpretations have been published that are not mandatory for 30 June 2007 reporting periods but contain an option for early adoption.

The Foundation has reviewed each of these new standards and interpretations and is satisfied that they have no impact on the reported financial position and performance of the Foundation for the year ended 30 June 2007 and therefore there has been no early adoption of these standards.

### **International Aid and Development Programs**

As a member of the Australian Council for International Development (ACFID) the financial report has been prepared in accordance with the ACFID Code of Conduct.

Detailed disclosures and information is outlined in Note 14. No single appeal or other form of fundraising for an international aid and development program designated purpose generated 10% or more of total income for the year under review. Gifts in kind of goods and services have been valued and included in the statement of financial performance of the program for the year as allowed by the Code of Conduct.

# AUSTRALIAN CONSERVATION FOUNDATION INC.

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007



2007  
\$

2006  
\$

### 2 OPERATING SURPLUS / (DEFICIT)

Surplus / (deficit) from ordinary activities has been determined after:

#### (a) Revenue

##### Operating activities

Donations	6,380,135	5,244,122
Legacies and bequests	5,178,399	527,853
Subscriptions	813,516	693,904
Grants	1,682,143	854,157
Merchandise and licensing	145,565	268,437
Other income	99,662	72,152
	14,299,420	7,660,625
<i>Non-operating activities</i>		
Investment income	246,800	239,423
Unrealised gains on financial assets	87,380	64,260
Net profit on disposal of financial assets	26,729	5,172
	360,909	308,855
	<b>14,660,329</b>	<b>7,969,480</b>

#### (b) Expenses

Cost of sales	40,001	31,381
Finance costs - banking transaction expenses	103,364	78,248
Finance costs - interest expenses	(114)	2,519
Depreciation of property, plant and equipment	126,917	125,805
Amortisation of intangible assets	72,985	65,442
Net loss on disposal of property, plant and equipment	3,737	8,933
Net loss on disposal of intangible assets	-	119
Doubtful debts expense (write back)	28,000	(2,426)
Remuneration of auditor		
- audit or review services	30,110	27,560
- other services	-	-
Total remuneration	30,110	27,560
Rental expenses		
- minimum lease payments on operating leases	223,174	53,305
- other rental expenses	85,837	227,389
Total rental expenses	309,012	280,694
Investment Property		
Rental income from investment property - included investment income note 2(a)	10,662	22,751
Net increase / (decrease) in fair value of investment property	-	-
Direct operating expenses from investment property	9,778	17,911
Net surplus / (deficit) on investment property	883	4,840

### Significant Events

Included in the above figures for Legacies and Bequests is a single extraordinary Bequest of shares to a market value of \$4,176,550

### 3 CURRENT CASH AND CASH EQUIVALENTS

Cash on hand	11,184	2,500
Cash at bank	1,179,310	347,563
Cash on deposit	1,753,350	1,904,026
	<b>2,943,844</b>	<b>2,254,089</b>

The effective interest rate on short-term bank deposits was 5.82% (2006: 5.45%); these deposits are currently available at call. The Commonwealth Bank of Australia holds a letter of set off over the Foundation's cash deposit account to the value of \$200,000 as security for the Foundation's direct credit facility. The Bendigo Bank holds a Bank Guarantee over a Term Deposit account of \$55,000 as security for Merchant Services liabilities.

### 4 CURRENT TRADE AND OTHER RECEIVABLES

Debtors - trade	84,746	109,131
Provision for doubtful debts	(28,000)	(9,612)
Debtors - non-trade	16,562	18,461
	<b>73,308</b>	<b>117,980</b>

# AUSTRALIAN CONSERVATION FOUNDATION INC.

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007



	2007 \$	2006 \$
<b>5 FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
Direct mortgage - at market value	410,000	300,000
Shareholdings - at market value	4,176,551	-
	<b>4,586,551</b>	<b>300,000</b>
<b>NON-CURRENT</b>		
Direct mortgage - at market value	264,000	-
Equity trusts - at market value	497,050	686,698
Property trusts - at market value	355,942	280,467
Property held for investment purposes - at market value	544,130	530,000
Artwork held for investment purposes - at market value	50,000	50,000
	1,711,122	1,547,165
	<b>6,297,673</b>	<b>1,847,165</b>

<b>6 CURRENT OTHER ASSETS</b>		
Prepayments	110,100	48,491
Accrued investment income	165,718	77,465
	<b>275,819</b>	<b>125,956</b>

<b>7 PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>NON-CURRENT</b>		
Office furniture and fittings - at cost	179,420	168,030
Accumulated depreciation	(82,971)	(70,417)
	96,449	97,613
Communications & information technology equipment - at cost	411,592	347,078
Accumulated depreciation	(215,599)	(177,180)
	195,993	169,898
Leasehold improvements - at cost	211,467	165,482
Accumulated depreciation	(159,525)	(130,854)
	51,942	34,628
Motor vehicles and accessories - at cost	60,732	60,732
Accumulated depreciation	(36,240)	(24,093)
	24,492	36,639
	<b>368,876</b>	<b>338,778</b>

### Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are as follows:

	Balance 1/7/06	Additions	Disposals / Adjustments	Depreciation expenses	Balance 30/6/07
	\$	\$	\$	\$	\$
Office furniture and fittings	97,613	16,196	(838)	(16,522)	96,449
Comm. & information technology	169,898	98,571	(2,899)	(69,577)	195,993
Leasehold improvements	34,628	45,985	-	(28,671)	51,942
Motor vehicles and accessories	36,639	-	-	(12,147)	24,492
	<b>338,778</b>	<b>160,752</b>	<b>(3,737)</b>	<b>(126,917)</b>	<b>368,876</b>

<b>8 INTANGIBLE ASSETS</b>		
<b>NON-CURRENT</b>		
Computer software - at cost	424,432	415,813
Accumulated amortisation	(254,887)	(181,902)
	<b>169,545</b>	<b>233,911</b>

# AUSTRALIAN CONSERVATION FOUNDATION INC.

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007



			2007	2006	
			\$	\$	
<b>8 INTANGIBLE ASSETS</b>					
<b>Movements in carrying amounts</b>					
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are as follows:					
	Balance 1/7/06	Additions	Disposals / Adjustments	Amortisation expenses	Balance 30/6/07
	\$	\$	\$	\$	\$
Computer software	233,911	8,619	-	(72,985)	169,545
	<b>233,911</b>	<b>8,619</b>	<b>-</b>	<b>(72,985)</b>	<b>169,545</b>

### 9 CURRENT TRADE AND OTHER PAYABLES

Trade creditors and accruals	655,776	328,561
Deferred membership income	415,291	395,231
Deferred investment income	-	-
	<b>1,071,067</b>	<b>723,792</b>

### 10 FINANCIAL LIABILITIES CURRENT

Hire purchase liability	-	26,618
	<b>-</b>	<b>26,618</b>

### 11 PROVISIONS CURRENT

Provision for employee benefits	323,916	267,794
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### NON-CURRENT

Provision for employee benefits	388,629	319,174
	<b>712,545</b>	<b>586,968</b>

### Movements in carrying amounts

Movement in the carrying amounts for each class of provision between the beginning and the end of the current financial year are as follows:

	Balance 1/7/06	Additional Provisions	Provisions Used	Balance 30/6/07
	\$	\$	\$	\$
Provision for employee benefits	586,968	337,328	(211,751)	712,545
	<b>586,968</b>	<b>337,328</b>	<b>(211,751)</b>	<b>712,545</b>

### Provision for Long-term Employee Benefits

A provision has been recognised for employee benefits relating to accrued salaries, annual leave and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave and long term annual leave, the probability of leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

### 12 LEASE COMMITMENTS

Operating lease commitments for rent of the Melbourne, Sydney, Cairns and Canberra offices.

	NOTES	2007	2006
		\$	\$
Payable within 1 year		125,565	189,309
Payable later than 1 but within 2 years		32,931	86,431
Payable later than 2 years but within 5 years		17,637	13,139
	<b>20</b>	<b>176,133</b>	<b>288,879</b>

2007                      2006  
\$                              \$

## 12 LEASE COMMITMENTS

The lease for the Melbourne property is a non-cancellable lease with a five year term, with rent payable monthly in advance. An option exists to renew the Melbourne lease at the end of the five-year term for an additional term of five years. The lease for the Sydney property is a non-cancellable lease with a three year term, with rent payable monthly in advance. The lease for the Cairns property is a non-cancellable lease with a three year term, with rent payable monthly in advance. An option exists to renew the Cairns lease at the end of the three-year term for an additional term of three years, and this has subsequently been taken. The lease for the Canberra property is a non-cancellable lease with a two year term, with rent payable monthly in advance.

## 13 NOTES TO STATEMENT OF CASH FLOWS

### (a) Reconciliation of Cash

For the purposes of the statement of cash flow, cash includes cash on hand, cash at bank and cash on deposit as per Note 3.

### (b) Reconciliation of net cash provided by operating activities to surplus from ordinary activities

Surplus / (deficit) from ordinary activities	4,764,952	41,783
<i>Non-cash flows from ordinary activities</i>		
Depreciation of property, plant and equipment	126,917	125,805
Amortisation of intangible assets	72,985	65,442
Provision for doubtful debts	18,387	(2,426)
Net loss on disposal of property, plant and equipment	3,737	8,932
Net loss on disposal of intangible assets	-	119
Net profit on disposal financial assets	(26,731)	(5,172)
Unrealised capital gains on financial assets	(87,380)	(64,260)
Bequest of non-cash Financial Assets	(4,176,551)	-
In-kind bequest of financial assets	-	(8,161)
<i>Changes in assets and liabilities</i>		
(Increase) / decrease in receivables	26,285	(81,537)
(Increase) / decrease in other assets	(149,864)	40,731
Increase / (decrease) in payables	347,275	30,290
Increase / (decrease) in provisions	125,578	100,314
<b>Net cash provided by operating activities</b>	<b>1,045,590</b>	<b>251,860</b>

(c) ACF has no credit stand-by or financing facilities in place.

(d) There were no non-cash financing or investing activities during the period.

## 14 INTERNATIONAL AID AND DEVELOPMENT ACTIVITIES

### Revenue

Donated funds	108,642	85,383
Grants	118,000	92,462
Other income	801	46,597
<b>Total revenue</b>	<b>227,443</b>	<b>224,442</b>

### Disbursements

Overseas domestic projects	238,711	234,430
Community education	6,139	17,535
Fundraising	4,711	3,913
Administration	107,558	17,220
<b>Total disbursements</b>	<b>357,119</b>	<b>273,098</b>

<b>Excess of disbursements over revenue</b>	<b>(129,676)</b>	<b>(48,656)</b>
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<b>In-kind volunteer services contribution</b>	<b>66,622</b>	<b>25,753</b>
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**AUSTRALIAN CONSERVATION FOUNDATION INC.**  
**NOTES TO THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2007**



**2007**                      **2006**  
**\$**                                      **\$**

**15 RELATED PARTIES**

**Councillors**

The names of Councillors who have held office during the financial year are listed on page 1 of this report. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Details of transactions between ACF and Councillors and their related entities are as follows:

(a) Elaine Harding provided consultancy services to our Northern Australia program	10,804	10,525
	<b>10,804</b>	<b>10,525</b>

**Key Management Personnel**

Key management personnel are made up of ACF's Executive Management Team (EMT) who are responsible for planning, directing and controlling ACF activities. Personnel who were members of EMT during the year, and their respective positions and appointment dates to those positions were:

Don Henry	Executive Director	Appointed: May 1998
Lucy Farmer	Communications Director	Appointed: April 2004
Denise Boyd	Campaigns Director	Appointed: February 2006
Charles Berger	Acting Strategies Director	Appointed: April 2007
Michael Fogarty	Marketing Director	Appointed: April 2007
Anna Molan	People and Operations Director	Appointed: April 2007
Alex Gordon	Strategies Director	Appointed: July 2006, Resigned: April 2007

Salary & fees	477,186	357,886
Superannuation	134,802	72,526
Bonus	-	-
Short-term benefits	611,988	430,412
Other long-term benefits - long service leave	14,806	13,804
<b>Total Compensation</b>	<b>626,795</b>	<b>444,217</b>

Denise Boyd was first employed by ACF in late 2006. As a result, only a portion of her annual salary appears in the 2006 figures. Additionally, Alex Gordon was not employed with ACF prior to her appointment date above.

Details of transactions between ACF and key management personnel and their related entities are as follows:

(a) Anna Molan provided copywriting services to our supporter communications program	68	225
	<b>68</b>	<b>225</b>

**16 ASSOCIATION INFORMATION**

Registered name	Australian Conservation Foundation Inc.
Registered number	A107
Registered office	Unit 5, Floor 1, Bailey's Corner, 143 London Circuit, Canberra, A.C.T., 2601.
Principal place of business	Floor 1, 60 Leicester Street Carlton, Vic., 3053.

**17 SEGMENT INFORMATION**

The ACF operates predominantly in one business and geographical area segment to achieve a healthy environment for all Australians.

**AUSTRALIAN CONSERVATION FOUNDATION INC.**  
**NOTES TO THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2007**



**18 FINANCIAL INSTRUMENTS**

**(a) Financial risk management**

ACF's financial instruments consist of deposits with banks, local money market instruments, investments, accounts receivable and payable. ACF does not have any derivative instruments at 30 June 2007.

*i. Treasury Risk Management*

A finance committee consisting of Board members and external experts meet on a regular basis to analyse and advise the Board on currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

*ii. Financial Risks*

The main risks ACF is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

*Interest rate risk*- Interest rate risk is managed through minimising the use of debt financing.

*Foreign currency risk* - ACF is not exposed to fluctuations in foreign currencies.

*Liquidity risk* - ACF manages liquidity risk by monitoring forecast cash flows and ensuring that adequate at call funds are maintained.

*Credit risk* - The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. ACF does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by ACF.

*Price risk*- ACF is not exposed to any material commodity price risk.

**(b) Interest risk**

ACF's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted ave. int. rate	Floating interest rate \$	Fixed < 1 year \$	Fixed > 1 year \$	Non-int bearing \$	Totals \$
<b>2006/2007</b>						
<b>Financial assets</b>						
Cash on hand or at bank	5.31%	1,179,310	-	-	11,184	1,190,494
Cash on deposit	6.16%	1,696,064	57,286	-	-	1,753,350
Receivables	-	-	-	-	73,308	73,308
Financial assets	11.14%	1,447,121	410,000	264,000	-	2,121,121
<b>Total financial assets</b>		<b>4,322,495</b>	<b>467,286</b>	<b>264,000</b>	<b>84,492</b>	<b>5,138,273</b>
<b>Financial liabilities</b>						
Payables	-	-	-	-	1,071,067	1,071,067
Interest bearing liabilities	-	-	-	-	-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,071,067</b>	<b>1,071,067</b>
<b>2005/2006</b>						
<b>Financial assets</b>						
Cash on hand or at bank	3.77%	347,563	-	-	2,500	350,063
Cash on deposit	5.75%	1,904,026	-	-	-	1,904,026
Receivables	-	-	-	-	117,980	117,980
Financial assets	12.14%	1,547,165	300,000	-	-	1,847,165
<b>Total financial assets</b>		<b>3,798,754</b>	<b>300,000</b>	<b>-</b>	<b>120,480</b>	<b>4,219,234</b>
<b>Financial liabilities</b>						
Payables	-	-	-	-	723,792	723,792
Interest bearing liabilities	7.55%	-	26,618	-	-	26,618
<b>Total financial liabilities</b>		<b>-</b>	<b>26,618</b>	<b>-</b>	<b>723,792</b>	<b>750,410</b>

**18 FINANCIAL INSTRUMENTS** 2007  
**(c) Net fair values** \$ 2006  
\$

The net fair values of listed investments have been valued at the quoted market bid price at balance date. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

**19 FUNDRAISING ACTIVITIES AS CLASSIFIED BY THE NSW CHARITABLE FUNDRAISING ACT**

ACF produced fundraising income of \$14,296,007 (2006: \$7,649,173). However, for the purposes of the NSW Charitable Fundraising Act only certain classes of income are included under the definition of 'fundraising income' (and income from bequests, membership and unsolicited donations is specifically excluded). The following figures are those applicable under the NSW Act's classification .

**Details of total income and expenditure from fundraising activities**

(As classified by the NSW Charitable Fundraising Act)

Total income from fundraising activities	5,605,934	5,233,122
Less total expenditure on fundraising activities	2,765,631	2,156,553
Net surplus from fundraising activities	2,840,303	3,076,569

**Information on material matters**

All fundraising activities achieved the targeted returns under the NSW Charitable Fundraising Act, with the exception of the calendar and diary program. The calendar and diary program operated at a small deficit for the year, while delivering significant promotional and educative benefits.

For more information on revenue and costs of fundraising see the Statement of Financial Performance on page 6 and the significant accounting policies in Note 1 on pages 10-13.

**Application of funds for charitable purposes**

During the year ACF achieved a net surplus of \$2,840,303 (2006 \$3,076,569) from fundraising activities defined under the NSW Charitable Fundraising Act. Of this surplus \$1,820,729 (2006 \$2,118,462) was used to fund environmental programs, \$400,000 (2006 \$400,000) was allocated to the endowment fund and operating reserves for future development and cash flow needs and \$619,574 (2006 \$558,107) was allocated to organisational support.

**Fundraising conducted jointly with external service providers**

ACF engages external service providers to assist in the face to face recruitment of new donors for our EarthVoice monthly giving program, to assist in the development of our direct mail appeals and to develop and market the calendar and diary program. The gross contribution from these programs does not include future income to be received from donors under the EarthVoice monthly giving program.

Gross income from fundraising activities involving external service providers	4,269,936	3,760,195
Gross expenditure on fundraising activities involving external service providers	2,010,839	1,531,470
Gross Contribution	2,259,097	2,228,725

**Fundraising activities as classified by the NSW Charitable Fundraising Act conducted during the financial year**

Diary and calendar program

EarthVoice monthly giving program

Mail appeals - August, November, February and May

Major donor program

Corporate partnerships program

(Note: Income from programs such as bequests, membership and unsolicited donations are not included under this classification).

**Fundraising performance comparisons**

<i>A divided by B</i>	A	B	2007	2006
	\$	\$	%	%
Total cost fundraising/Gross proceeds of fundraising	2,765,631	5,605,934	49.3%	41.2%
Net surplus from fundraising/Gross proceeds of fundraising	2,840,303	5,605,934	50.7%	58.8%
Environmental programs expenditure/Expenditure	5,394,768	9,895,377	54.5%	53.6%
Environmental programs expenditure/Income	5,394,768	14,660,329	36.8%	53.4%

As noted above ACF has made a significant investment in the EarthVoice monthly giving program. The return on this investment, as is usual for this type of program, is made over a number of years.

## **20 SUBSEQUENT EVENTS**

### **Operating Leases**

Since the Balance Sheet date, ACF has taken the option on the Cairns operating lease for an extra 3 years. This is reflected in the Operating Lease commitments in Note 12.



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