



Australian Conservation Foundation
ANNUAL SUSTAINABILITY REPORT 2010-11

President report

Professor Ian Lowe

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*COVER PHOTO: Horizontal Falls, Kimberley. One of the magnificent areas now formally protected under National Heritage listing.
Photo: Leon Mead.*



I think we can all be proud of ACF's impressive achievements this year. Our staff has worked extremely hard under Don Henry's inspiring leadership and I want to identify some very significant developments.

- A huge area of Cape York has been turned over to a combination of national parks and Indigenous management.
- The Koongarra area, long threatened by intentions to mine uranium, has instead been added to Kakadu National Park.
- The West Kimberley was campaigned for listing as National Heritage.
- A landmark agreement in Tasmania may end decades of struggle by protecting hundreds of thousands of hectares of precious old-growth forests.
- We have been extremely influential in shoring up backing for the Clean Energy Initiative developed by the Multi-Party Climate Change Committee, so we should see a modest price on greenhouse gas pollution introduced in 2012, along with complementary legislation on renewable energy, biodiversity conservation and carbon farming.
- ACF has also argued vigorously for cutbacks to the huge subsidies of fossil fuel supply and use.

We have done well, but there are serious problems unresolved. It is proving difficult to get the government to provide the water allocation needed to restore the Murray-Darling system. The WA government seems determined to inflict gas processing on James Price Point. Our population and consumption are growing rapidly, with little recognition that this is the underlying cause of environmental destruction. There is bi-partisan agreement to make only minor impacts on our domestic greenhouse gas emissions and expand our export coal trade. I calculate that the emissions resulting from our coal exports would, if they were a single country, rank as the seventh worst polluter in the world!

So, ACF Council, Board and staff have begun reflecting on how we can do more to produce transformative change in Australian society. Our heroic efforts to protect landscapes and species will be in vain unless we inspire a commitment to sustainability.

Thank you for your wonderful support this year. Please continue to back ACF's work on behalf of Australia's other species and future generations of Australians.

Professor Ian Lowe, ACF President

Chief Executive Officer report

Don Henry



ON THE ROAD: ACF coordinated a national media trip to the Kimberley to share the remarkable stories and beauty of this area threatened by mining and inappropriate development. Photo: Leon Mead.

This has been a year when we have taken important steps forward across much of ACF's environmental agenda in challenging financial conditions.

We have played a pivotal role for climate action this year. The ACF Al Gore trained The Climate Presenters have continued to reach out pervasively across Australian society informing and encouraging support for climate action.

Our efforts were pivotal in encouraging the independents that formed government with Labor and the Greens to insist on action to cut emissions. We have catalysed the formation and work of a coalition of nine environment and union organisations, Say Yes Australia, to amplify and coordinate our efforts for this action.

At the international level ACF played an important role in encouraging the Australian Government to commit to targets at least consistent

with our fair share of global efforts required to give a chance of limiting warming below dangerous levels.

Australia played an influential position in the 2010 Cancun climate negotiations. For the first time, within the UN framework all countries committed to keep warming below two degrees celsius, and put forward targets that go towards this. Much more is urgently needed, but this is a significant start.

We broke new ground by bringing together conservation, forestry, timber, industry and unions to forge a unique statement of principles to protect Tasmania's high conservation value forests, support workers in transition, and foster an industry based on value adding with plantations. This has formed the basis of a \$200 million federal and state agreement to advance this process.

We have worked with the Kimberley Land Council to support National

Heritage listing of the magnificent West Kimberley on natural and cultural grounds with Traditional Owner consent. At years end we were close to success. At the same time on Cape York Peninsula we have continued to support the purchase and hand back of lands to Traditional Owners and the declaration of protected areas over the outstanding conservation values of this region.

All of this highly significant progress for the environment builds on persistent and skilled efforts of ACF staff, Board, Council, and most importantly, our supporters. I sincerely thank you all for your wonderful contribution to Australia's future at a time when many are 'watching their pennies' closely in uncertain financial times. We couldn't do it without you.

Don Henry, Chief Executive Officer

ACF successes July 2010 to June 2011

Environmental gains in which ACF has played a pivotal role over the financial year



KIMBERLEY: An ancient fossil in Windjana Gorge.



JUST ADD WATER: ACF's Healthy Ecosystems campaign manager Dr Paul Sinclair and our Murray-Darling campaigner Ruchira Talukdar at the release of 400 million litres of water into Hattah Lakes.

Healthy Ecosystems

- The signing of a Tasmanian Forests Agreement by industry, unions and conservation groups and the foundations established to progress an inter-governmental agreement to protect at least an additional 430,000 hectares of high conservation value forest.
- The purchase of 400 million litres of water made possible by donations from ACF supporters and Bank Mecu through the Just Add Water campaign, and the release of this water into Hattah Lakes to help restore the Murray-Darling river system.
- Securing the public pledges of support by all South Australian MPs of all political parties for an effective Murray-Darling Basin plan.
- The release of the first draft of the South West Regional Marine Plan by

the Federal Government, including proposed protection for 41 per cent of the marine environment in this region.

- In principle support of the members of the Multi-Party Climate Change Committee in climate policy negotiations for a new \$1 billion dollar biodiversity fund to invest in ecosystem health.

Northern Australia

- Securing political support to accept the generous offer by Traditional Owner Mr Jeffrey Lee to incorporate the Koongarra mining lease into the Kakadu National Park and preclude any future uranium mining.
- Public support for Australian National Heritage listing of West Kimberley in cooperation with the Kimberley Land Council. We achieved national media interest in the campaign through an

ACF and Intrepid travel competition promoted alongside a feature story on The 7PM Project on Network 10, as well as widespread newspaper feature stories.

- The return of 6730 hectares of land at Munburra to the Junjuwarra people of Cape York.
- The commencement of the World Heritage listing process for Cape York Peninsula. We also secured federal support for a contribution of \$20 million as part of the Cape York Land Tenure program to finance voluntary acquisition of high conservation value properties and their joint management with Traditional Owners.

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SAY YES RALLY: Over 45,000 Australian's showed their support for a price on pollution at Say Yes rallies across the country on World Environment Day.

Climate Change

- Launching a Say Yes to a price on carbon pollution campaign in collaboration with eight other organisations.
- A national Say Yes media campaign including television ads featuring Cate Blanchett and Michael Caton, and high profile Australians publicly releasing 'I Say Yes' to a price on pollution statements.
- Hosting Say Yes rallies in every capital city across Australia on June 5, attracting over 45,000 Australians.
- Taking ACF supporters to Canberra for Climate Advocacy Days to meet MPs.
- The distribution of a large ACF Clean Energy Map for Australia to every federal MP.
- Gaining of in principle support by members of the Multi-Party Climate Change Committee for a multi-billion dollar Clean Energy Finance Corporation.
- The commitment by Australia at international climate change negotiations to achievement of a global agreement consistent with two degrees or less of global warming, and to our fair share of climate finance and emissions mitigation to support clean development in developing countries.
- The amendment and passing of the Carbon Farming Act to add a third objective so that carbon farming activities also seek to improve the protection of Australia's natural environment and the resilience of our ecosystems to the impacts of climate change.

Sustainable Australia

- A commitment by the Federal Government to fund new urban public transport and rail projects such as the Moreton Bay rail link in northern Brisbane.
- A commitment by the Federal Government to introduce new mandatory CO₂ emissions standards for new cars and other light vehicles by 2015.
- The release of an ACF report 'Australia's Public Transport – Investment for a Clean Energy Future' and organisation of a joint forum for federal MPs.
- Cooperation with the Council of Capital City Lord Mayors and the Australian Sustainable Built Environment Council to progress the first ever national urban policy by the Federal Government 'Our Cities, Our Future'.

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- Federal Government release of Australia's first population strategy and ongoing work through public campaigning to improve the effectiveness of the strategy, particularly on the development and better use of sustainability indicators.
- The release of our comprehensive report, 'Funding the Transition to a Clean Economy' and growing support in the investment community for a Clean Energy Finance Corporation.
- The reform of Fringe Benefits Tax concessions for company cars in the May 2011 federal budget, removing a perverse incentive to use more fossil fuels and releasing over \$1 billion of revenue over four years for investment in other environmentally and social useful purposes.
- The release of the ACF 'Better than Growth' report and engagement of finance community and economists in public debates.
- The introduction of new draft national laws to prohibit the importation of illegally logged timber products into Australia and ongoing work with other organisations to strengthen these proposed laws.
- The release of an ACF National Agenda for a Sustainable Australia to inform policy commitments by political parties in the lead up to the 2010 federal election supported by a detailed policy scorecard and public campaign to compare the effectiveness of party policy commitments during the election.

The Climate Project

- The Climate Project presenters ensured climate action was a priority for independent support of the Federal Government post election.
- Since its launch in 2006 over one in 62 Australians have seen a presentation from a Climate Project presenter.
- Every five minutes someone in the Asia Pacific has seen a presentation.
- Continued working partnerships with Climate Project branches in China, Indonesia and India, and our volunteer district managers in Pakistan, Philippines, Fiji, New Zealand and South Korea.

GreenHome

- Successful delivery and completion of a four-year program across New South Wales and Victoria.
- The program reached over 7000 people directly through workshops and more than 160,000 through community events and expos.
- GreenHome continues to work collaboratively with community groups and establish innovative projects to engage individuals, organisations and businesses in sustainable practice at home and in the work place.
- GreenHome published 'Activating Change' a report in partnership with Environment Victoria and the Department of Sustainability and Environment, outlining the experience of working in partnership to build capacity and motivate people towards sustainable solutions.

Federal budget highlights

These figures indicate federal budget commitments secured for the 2010/11 financial year. They respond to requests made in ACF's federal budget submission and in ACF's National Policy Agenda for a Sustainable Australia used in the lead up to the 2010 federal election.

- National Wildlife Corridors Program (2010 election commitment to develop a plan to guide future investment in conservation management): \$10 million over three years.
- Regional Marine Planning Program: additional \$9.7 million for 2011-12.
- National Environmental Research Program: \$85.2 million over the next four years.
- Sustainable Australia – Sustainability Indicators: \$10.1 million over four years.
- Solar cities: additional \$13.7 million over two years.
- Moreton Bay rail link (2010 election commitment to commence work on \$1.1 billion project with state government): \$133 million brought forward over three years.
- Sustainable Australia – Major Urban Renewal: \$20 million over two years. Includes funds for demonstration mixed use precinct projects that optimise access to public transport and innovation in housing and planning.

TOTAL NEW EXPENDITURE:
\$281,700,000 over the next four years.



COLLABORATION: Don Henry and Bunuba elder Dillon Andrews in Windjana Gorge, Kimberley. Photo: Leon Mead.



OCEAN TREASURE:
Protecting our marine life.
Photo: Tony Scott

Support of ACF campaigns:

Trusts, foundations and businesses providing significant financial or in-kind support for ACF

Major gifts and in-kind support are crucial to the success of ACF's work, enabling us to plan for future campaigns. If you would like further information about supporting ACF's work, or to make a gift, please contact Micah Demmert on (03) 9345 1111 or m.demmert@acfonline.org.au

379 Australian volunteer Climate Project presenters	The Climate Project	David Booth	Science Reference Panel - Sustainable Seafood
6A Foundation	Support of ACF campaigns	Department of Climate Change and Energy Efficiency	The Climate Project
Adelaide Hut Street Library	The Climate Project	Department of Environment	GreenHome
African Pacific Pty Ltd	Asia Pacific Program	Department of Environment & Resource Management	Northern Australia Program
Alan Pears	Sustainable Australia Program	Department of Infrastructure, Energy and Resources	Healthy Ecosystems Program
Alliance for Climate Protection	The Climate Project	Department of Sustainability, Environment, Water, Population and Communities	Healthy Ecosystems Program
Anthony Wilson, Executive Influence Pty Ltd	The Climate Project	Dept of Employment, Economic Development and Innovation, Queensland State Government	Wuthathi Community Consultation and Country Management Planning
Arnold Bloch Liebler	Legal services	dirtgirlworld (MeMeMe Productions)	ACF ambassador - Earthkids Program
AusAID	The Climate Project	Dr Tim White	Asia Pacific Program
Australian Scholarships Foundation	Professional development and training	Duncan McGregor	Asia Pacific Program - Carteret Atoll Solar Power Project
Baker McKenzie	Climate Change Program	Environment Defenders Office	Legal services and Nuclear-Free campaign
bankmecu	New Economics Program	Environmental Trust - LECG Grant	People and operations
Bhan Tre Irish Band	Asia Pacific Program - Carteret Atoll Relocation Project	Garreth Chandler, Evolve Research and Consultancy	Market research and advice
Bryce Ott, Nutshell Brand Consultancy	Strategic advice on branding	Gordon Noble	Sustainable Australia Program
Bus Industry Confederation	Sustainable Australia Program	Greg Jenkins	Science Reference Panel - Sustainable Seafood
Cate Blanchett	ACF ambassador	Heart Foundation	Sustainable Australia Program
Christ Church	New Economics - National Development Index	Hill Family Conservation Foundation	Support of ACF campaigns
Colin Scholes, Scientists Without Borders	The Climate Project	Hunter Hall International Limited	The Climate Project
Colonial First State Global Asset Management	Support of ACF campaigns		
COMjobs	Recruitment support		
Damien Cook, Australian Ecosystems Pty Ltd	Asia Pacific Program		
Darinka Pty Ltd	Legal counsel		

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Institute for Sustainable Futures	Sustainable Australia Program	Pater Investments Pty Ltd.	The Climate Project
Intrepid Foundation	Asia Pacific and Northern Australia programs	Peter Fairweather	Science Reference Panel - Sustainable Seafood
Intrepid Travel	Support of ACF campaigns	Reichstein Foundation	The Climate Project
Jarren Nylund Graphic Design	Climate Change Program	RobMeree Foundation	Support of ACF campaigns
Kevin Murphy Business Services Pty Ltd	The Climate Project	Ross McGowan, Seafood Industry Victoria	Sustainable Seafood
Lord Mayor's Charitable Foundation	Sustainable Seafood	Ross Tzannes from PT&W Law	Legal services
Maddocks	Legal services	Roy Mears	The Climate Project
MakeBelieve	Climate Change Program	Stephen Carter of Sharp & Carter Finance and Accounting Recruitment	Recruitment support
Mallesons Stephen Jacques	Pro bono legal services, sustainable seafood, and 60L leasing Melbourne	Stephen Leonard, Australian Climate Justice Program	Asia Pacific Program
Marich Foundation	Support of ACF campaigns	Sustainable Impact	Support of ACF campaigns
Martijn Wilder	The Climate Project	The Body Shop	Asia Pacific Program - Carteret Atoll Relocation Project
Melbourne City Council	New Economics Program - National Development Index	The Christensen Fund	Indigenous Tourism Project, Wuthathi Cultural Regeneration Project- Northern Australia
Melbourne University, Development Studies Program	Asia Pacific Program	The Diggers Club	60L rooftop garden
Michael Caton	Support for Say Yes climate campaign	The George Lewin Foundation	Support of ACF campaigns
Michael Keough	Science Reference Panel - Sustainable Seafood	The Myer Foundation	Northern Australia Program
Mike McAllum, Global Foresight Network	Strategic advice to ACF and the Future Forum	The Pew Charitable Trusts	National liaison office
Moonlight Cinema	Marine campaign promotion	Together (formerly QPSU)	Climate Change Program
Net Balance Management Group	New Economics Program and the Future Forum	UITP – International Association of Public Transport	Sustainable Australia Program
Network Ten	Media partner	Uniting Church Justice	New Economics - National Development Index
Nordia Foundation Pty Ltd	Healthy Ecosystems Program - forests	Victorian Community Foundation / Ruffin Falkiner Foundation	Sustainable Seafood
Norman Pater	The Climate Project		
NRMjobs	Recruitment support		

Workplace Giving

Staff of the following companies have given ACF financial contributions in excess of \$5000

Australian Taxation Office

CAF Australia

Corrs Chambers Westgarth

Department of Health and Ageing

Karma Currency

Lion Nathan

Mallesons Stephen Jaques

University of Wollongong

To find out how your organisation can support ACF through workplace giving, please email workplacegiving@acfonline.org.au, contact (03) 9345 1111 or visit www.acfonline.org.au/workplacegiving

Support in action

Bruce Lindenmayer has been an ACF member since 1987 and has kindly arranged to support ACF with a bequest in his will. Bruce shares his active interest in conservation with **Nola Wilmot**



Bruce Lindenmayer

My interest in the Australian environment is life long, particularly birds and their habitats.

Moving to Canberra in the 1970s I joined local and national bird groups and participated in surveys for the first *Atlas of Australian Birds*.

I was delighted at the outcome of the Franklin Dam campaign and, returning to Australia in the late 1980s I became more active. I joined ACF and the committee of Canberra Ornithologists Group (COG).

I was COG president from 1990 to 1993, during which time we completed the first *Atlas of Birds of the ACT* and along with seven other local conservation and natural history organisations, successfully campaigned to conserve Mulligans Flat (a magnificent 800 hectare area of grassy woodland in the ACT, then facing urban development).

Subsequently, an adjacent area (Goorooyaroo) was added and, in 2009, a feral proof fence (recommended in our 1991 submission) was built within Mulligans Flat. I still do regular surveys in these reserves for COG and the ANU.

These reserves are now regarded as the best preserved of their type in Australia.

In 1993, I joined the Canberra Conservation Council Executive and worked on several environmental issues related to land development and threatened species. These included the duplication of the Federal Highway along Lake George, where the council was successful in protecting a stand of precious grass trees and preventing water run-off from the highway entering the lake. I also served on the Biodiversity Panel for the first two reports on the ACT's State of the Environment and on the ACT Landcare Subcommittee.

My elder son David has long shared my ecological interests and, after completing a PhD on Leadbeaters Possum, took up a research position at the ANU. In 1995, when he began the first of several major ecological and monitoring experiments in the pine forest areas near Tumut, he called upon me to organise teams of volunteer bird observers for surveys.

David's work has expanded to embrace major studies at Jervis Bay, the Riverina,

and the Stewardship Program (grassy woodlands on some 1000 properties from Victoria to Queensland). The team continues to make major contributions to science and policy on ecology, forestry, land restoration, bushfires and environmental education.

I have been active with the Canberra Indian Myna Action Group since 2006, which has been successful in reducing the population and impact of this invasive species in Canberra and assisting similar organisations interstate.

I continue to support ACF programs, particularly on climate change, water conservation, waste reduction and the Murray-Darling Basin and have been delighted to lunch with Don Henry. I look forward to the implementation of the climate change bill.

For more information on how you can support ACF in your will, please contact Nola Wilmot on 1800 332 510, bequests@acfonline.org.au or www.acfonline.org.au/bequests and ask for a copy of our Living Legacy bequest booklet.

Gifts In Memory

A gift to ACF in memory of a loved one or colleague is a wonderful way to honour their interest in the environment. We offer our thanks and appreciation for the gifts received in memory of the following people:

Mauro Amato, SA

Don Anderson, SA

John Cahill, SA

Anne Godfrey-Smith, ACT

Nancy Hammond

Iris Henry, Qld

Hal Holmes, ACT

Adam Mackaness, NSW

Doune Mosley, Vic

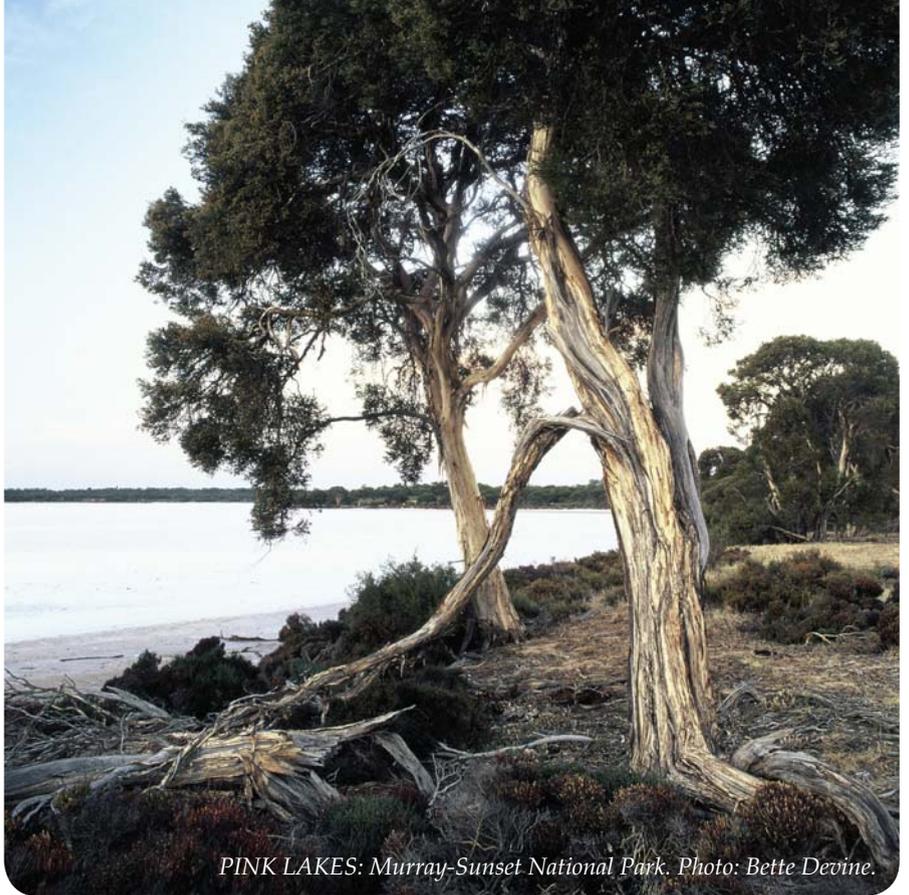
James O'Connell, Vic

Iain Paterson, Vic

Olive Tattersall, Qld

Tony Zakis, Vic

To make a gift for the environment in memory of a family member, friend or colleague, or to arrange for donations in lieu of flowers for a funeral, please contact Nola Wilmot on 1800 332 510.



PINK LAKES: Murray-Sunset National Park. Photo: Bette Devine.

Legacies Living On

We particularly acknowledge the kind and thoughtful gifts received from those people who have supported ACF through their will. These extraordinary contributions will help leave a living legacy of special places for future generations to enjoy.

Hans Bandler, NSW

Louis C Birch, NSW

Suzanne Butterworth, SA

Dorothy Cole, Qld

Edyth Conyers, NSW

Grace E Fraser, Vic

Ruth H Gray, Vic

Kathleen Holmes, NSW

Lionel A Missen, Vic

Marcelle G Pearce, NSW

Tom Rosauer, Vic

Keith R Ross, Vic

Mollie V Rowell, NSW

Pamela von Nida, Qld

Barry Woods, Vic

Living Legacy Community

ACF recognises the exceptional future commitment of our known bequest supporters through our Living Legacy Community including invitations to special events, and providing opportunities to meet with our Chief Executive Officer, President and campaign staff.

The Australian Conservation Foundation expresses condolences to the family and friends of those members and supporters who passed away this year.

ACF Board and Governance

Australian Conservation Foundation Board Members

ACF is an incorporated association and was first registered in 1966 under what is now known as the Associations Incorporation Act 1991 (ACT).

Under the governance structure established by a vote of Members in 2006, the Board is a skills-based Board and is the organisation's governing body. The Board consists of President, two Vice-Presidents, four Councillors (appointed by Council) and four co-opted members (11 members in total).

The Board is committed to ensuring the highest standards of good governance. Under the ACF structure, the elected members of Council set

the long term strategic direction of the organisation. The Board is responsible for appointment of the CEO and oversight of management. It monitors the implementation of the strategic plan, financial and operational performance, risk management, and compliance.

The Board has developed a number of governance reference documents and conducts its affairs according to their provisions. It reviews its own performance and has established the following sub-committees: the Audit Committee, the Governance Committee, and the Remuneration Committee.

Ian Lowe **President** **QLD**

Professor Ian Lowe AO has degrees in engineering and physics. He is currently emeritus professor of science, technology and society at Griffith University in Brisbane, an adjunct professor at Sunshine Coast University and Flinders University. The author of 20 books and more than 500 other publications, Professor Lowe's contributions to environmental science have won him a Centenary Medal, the Eureka Prize for promotion of science, the Prime Minister's Environment Award for Outstanding Individual Achievement, the Queensland Premier's Millennium Award for Excellence in Science, and the University of NSW Alumni Award for achievement in science. Professor Lowe was named Humanist of the Year in 1988 and made an Officer of the Order of Australia in 2001. Professor Lowe was elected ACF President in 2004.

Rosemary Hill **Vice President** **QLD**

Dr Rosemary Hill is an environmental scientist and planner who has been active in the conservation movement for 25 years. She has extensive experience in environmental science and management, and in collaborative research and training in protected area and heritage conservation, with a strong focus on Indigenous peoples' approaches to environmental management. She is a member of the World Commission on Protected Areas, IUCN Commission on Economic, Environmental and Social Policy, and the Wet Tropics Scientific Advisory Commission. Dr Hill's role in achieving World Heritage listing for the Wet Tropics was recognised by a Cassowary Award in 2001.



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Peter Christoff **Vice President** **VIC**

Dr Peter Alexander Christoff is coordinator of environmental studies in the faculty of Land and Environment at the University of Melbourne. He has been a member of ACF since 1983 and has served on ACF Council and its Executive since 2000. He was ACF Vice President between 2002 and 2009. In 1986, as assistant to the Victorian Commissioner for the Environment, he established Victoria's State of the Environment (SoE) reporting program, and in the early 1990s contributed to the establishment of the national SoE program. He has campaigned on forest preservation, hazardous waste management and climate change. Peter has been active in Environment Victoria, the Victorian National Parks Association, and is a former board member of Greenpeace (Australia Pacific). Peter is currently a member of the Victorian Ministerial Reference Council on Climate Change Adaptation, and formerly a member of the Victorian Premier's Climate Change Advisory Council.

Gavin Wigginton **Honorary Secretary** **VIC**

Gavin Wigginton has worked as a volunteer advising ACF on governance systems since 2001. ACF Honorary Secretary from 2004 until 2009, he was appointed to the Board in November 2007. Gavin is also a member of the Governance Committee. Gavin is currently a management consultant, specialising in governance and risk management. Previously, he was a general manager in both the private and not-for-profit sectors with responsibility at various times for corporate planning, finance, and HR. Gavin is a Member of the AICD, the RACV Club, the Wilderness Society, and the Essendon Football Club.

Todd Davies **Treasurer** **NSW**

Todd Davies is ACF Honorary Treasurer and chair of the Finance and Audit Committee. He is charged with specific focus on the finance, audit and risk matters of the organisation. Todd has a long history in driving developments in audit and risk practices in Australia and abroad. He is a member of public sector audit and risk committees, chairman of an environmental and carbon advisory group and runs a private consulting practice. Todd is a Fellow of the Institute of Chartered Accountants and the Institute of Internal Auditors in Australia as well as being a qualified member of both organisations.

Grant Blashki **Board member** **VIC**

Dr Grant Blashki is Associate Professor at the Nossal Institute for Global Health, and Head of the Health and Equity Theme at the Melbourne Sustainable Society Institute, both at the University of Melbourne. He is a visiting fellow at the National Centre for Epidemiology and Population Health at the Australian National University, and an Honorary Lecturer at Kings College London. His two themes of research are the Health Impacts of Climate Change, and Community Mental Health. He has served as the Victorian Chair of Doctors for the Environment, Clinical Advisor for beyondblue, and has sat on a range of philanthropic boards. He is coordinator of Environmental Issues and Global Health at the University of Melbourne. During his career he has been awarded the Monash University's Silver Jubilee Prize for Teaching, the Fundraisers Institute of Australia Major Grants Fundraising Award, and was co recipient of the Australian Evaluation Society Award for Excellence in Evaluation. He is the son-in-law of the late Ron Castan QC AM who was a long time friend and supporter of ACF.

Irina Cattalini **Board member** **WA**

Irina Cattalini is Director of Social Policy with the Western Australian Council of Social Service (WACOSS). Irina is passionately committed to developing a sustainable energy future for Australia, and is keen to strengthen alliances between Australia's social and environment sectors. Prior to joining WACOSS in 2005, Irina spent three years working at the Conservation Council of Western Australia on energy and greenhouse related policy and projects.

Robert Fowler **Board member** **SA**

Robert Fowler is Adjunct Professor in the Law School at the University of South Australia, having retired in late 2008 after teaching and researching in the field of environmental law in Australia for over 30 years. He continues to teach environmental law part-time at the University of South Australia and also at the University of Adelaide and the Australian National University. He is Chair of the IUCN Academy of Environmental Law, an international network of law schools committed to teaching and research in environmental law, and represents the Oceania region on its Governing Board. In November 2009, Rob completed an 8-year term as Chair of the South Australian Environmental Defender's Office, a public interest environmental law firm, but he continues to serve on its Management Committee. He is also a member of the IUCN Environmental Law Commission, and participates in two of its Specialist Groups, on soils and forests. His research interests include legal aspects of climate change, forestry, contaminated sites, soils and protection of the marine environment.

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Chrissy Grant
Board member
NSW

Chrissy Grant has extensive experience in Indigenous land management and heritage having worked as Director of the Indigenous Heritage Assessment Section with the Australian Heritage Commission and then the Department of the Environment and Heritage in the Commonwealth Government. Since retirement in 2006, she has held Ministerial appointments to the Indigenous Protected Advisory Group as Chair for three years; the Indigenous Advisory Committee as Deputy Chair; and a member of the Australian National Commission for UNESCO. She also resides as Chair of the Australian Institute for Aboriginal and Torres Strait Islander Studies Research Ethics Committee that is aligned to the National Health and Medical Research Council. She has prime responsibility to advance the National Caring for Country Strategy that the IAC is championing as a document developed for Indigenous people by Indigenous people. Other areas are her involvement in the Working on Country Program and the Natural Resource Management Initiatives through the Caring for Our Country Program, and the Review of the National Biodiversity Strategy.

Jonathan King
Board member
NSW

Dr Jonathan King began his working life as a jackaroo on outback sheep and cattle stations before serving as a journalist. He has spent much of his professional life bringing Australian history to life through books, films and live events. He graduated in International Relations and Political Science from London School of Economics and University of Melbourne where he lectured in Australian Politics. Falling in love with Australian history he embarked on a series of historical re-enactments including the \$11 million privately funded 1988 London to Sydney wind-powered Bicentennial First Fleet Expedition of Tall Ships which attracted two million spectators on arrival in Sydney; earning him the Australian Achiever Award from National Australia Day Council presented by Prime Minister Bob Hawke.

He then worked for ACF as a promotions, fundraising and media consultant helping organise the landmark 1988 Environment Summit before helping Greenpeace with campaigns. He served as Australian director for Sting's Rainforest Foundation raising and delivering funds to chief of the Kayapo tribe Raoni on the Xingu River in the Amazon. Dr King has written a series of books on Australian politics and history including "Great Moments in Australian History" (Allen & Unwin 2009). He is married to Jane and has four daughters and five grandchildren - whose future he's trying to protect.

Nikki Parker
Board member
QLD

Nikki Parker has a degree in botany and ecology from the University of Queensland and works as an environmental consultant to the manufacturing industry and a php programmer, merging these roles where possible. Nikki played a key role in the Victorian Otway campaign before moving back to Queensland, where she spearheaded a successful campaign that has protected an area of ecologically important bushland, known as Pooh Corner, in the suburbs of Brisbane. She is interested in the use of new technologies in environmental debates; and is currently developing web-based tools for a community group in South East Queensland. Nikki has worked in the Solomon Islands, where she produced a national research strategy with the Forestry Department. Nikki is an exhibited artist (photography), a website developer, and mother of three boys.

www.acfonline.org.au/board

A FINE BALANCE: Crocodile and dragonfly. Photo: Leon Mead.



Sustainability Report

Sustainability measures	2007/08	2008/09	2009/10	2010/11
Environmental Performance				
Water:				
Total water consumption ¹ (kL)	274.6	262.9	297.5	257.5
Paper:				
Total paper consumption ² (A4 sheets)	273,000	292,858	256,121	244,515
Power:				
Total electricity consumption ³ (kWh)	71,876	102,316	100,265	104,550
Travel:				
Total distance flown by staff and Council and Board members (km)	1,342,559	1,720,620	1,074,810	1,611,124
Fuel consumption by ACF vehicle ⁴ (L)	1,396	914	1,648	1,380
Employees who commute without a car (%)	90	88	90	88
Greenhouse gas emissions:	477	598	353.3	511.5
Total emissions offset ⁵ (tonnes CO ₂ -equiv.)				

Social Performance

Employees:				
Total number ⁶ (FTE)	72	81	82	70
Overall level of satisfaction (%)	84	77	79	65
Turnover rate (%)	9.5	11	8.5	15.5
Average annual training per employee (hours)	23	30	18	6
Employees covered by collective bargaining agreements ⁷ (%)	92	93	93	91
Members and supporters: Total number⁸	39,845	39,331	41,355	40,581
Outreach:				
ACF media mentions ⁹				
– newspapers, magazines and websites	1,161	1,057	1,154	1,299
– radio and television	1,520	1,737	1,515	1,631
– online	-	-	-	305
Website visitors (average unique visitors per month)	26,000	25,060	25,790	27,315

Economic Performance

Revenue	\$13,088,934	\$13,451,872	\$21,474,038	\$12,462,728
Major source of revenue	87% from supporters	89% from supporters	93% from supporters	91% from supporters

1 Data only available for Melbourne office.

2 Data not available for Adelaide and Broome offices (approx. 2% of total staff). Total does not include outsourced printing.

3 Data not available for Adelaide and Broome offices.

4 Vehicle used by Cairns office for travel to remote locations.

5 Includes offsets for plane travel, paper consumption, taxis, car hire, ACF vehicle use and staff car disbursements.

6 FTE - Full time equivalent.

7 ACF senior managers are employed under performance based contracts. All other staff are covered by a collective bargaining agreement.

8 Comprises current financial members and supporters – those who made a financial contribution in the 2010/11 financial year.

9 This year we have separated online media mentions from print media mentions, where previous years have combined these categories. We will continue with this new format in coming years to provide more detailed media related information.

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2011

ACF was incorporated in 1966. It is an incorporated association under the Associations Incorporation Act 1991 (A.C.T) an Act administered by the Office of Regulatory Services in the A.C.T Department of Justice and Community Services of the A.C.T. www.ors.act.gov.au

The governing body for the purposes of the Associations Incorporation Act 1991 (A.C.T) is the Board. For more information about ACF structure and to read a copy of ACF's Constitution please visit: www.acfonline.org.au/ACFstructure

ACF registration details can be found on the Australian Business Register at www.abr.business.gov.au

ACF has tax exemption charitable status and is registered for the purposes of GST.

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**AUSTRALIAN CONSERVATION FOUNDATION INC.
BOARD REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

The undersigned Board members submit the financial report of the Australian Conservation Foundation Inc. (ACF) for the year ended 30 Jun 2011.

BOARD MEMBERS

ACF's legal governing authority is the ACF Board, a body with between 7 and 11 members selected by the ACF Council. The Board was appointed in March 2007.

The names of Board members throughout the year are set out below, with members who were appointed on 27 November 2010 marked with a *.

Prof Ian Lowe	President	Rob Fowler *
Dr Peter Christoff	Vice-President - appointed Nov 2010	Chrissy Grant
Alex Gordon	Vice-President - resigned 31.010.2010	Dr Jonathan King *
Dr Rosemary Hill	Vice-President	Nikki Parker resigned 26.11.10
Todd Davies	Treasurer	Steven Ross
Dr Grant Blashki *		Gavin Wigginton * End of term 24.11.10
Irina Cattalini		Mark Wootton

Not Board:

Katherine Wells Honorary Secretary

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;
- supporting 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 after the reporting date.

EVENTS SUBSEQUENT TO REPORTING DATE

No events occurred after the reporting date that require notification.

OPERATING RESULT

ACF is reporting a deficit from ordinary activities amounted to \$1,515,119 (2010: surplus \$6,582,953**).

This deficit is the result of drawing down on our Campaign reserves (income received in advance) by \$677,000 (2010: \$2,222,545 deficit), and a deficit from unrestricted operations was \$838,119 (2010: \$5,506).

Income for the year was \$12,462,728 (2010: \$21,474,038 or \$12,674,038 excl 60L donation), a real decline of 1.7% on 2010. Difficult economic times contributed to the income decline. ACF reviewed its expenditure base and restructured its activities and some of its costs (including staff) to remain a sustainable and effective organisation for the coming years.

Expenditure was \$13,977,846 (2010: \$14,891,085), a reduction of 6.5%. Expenditure on environmental programmes was \$6,873,422 (2010: \$7,920,015). This decrease in financial terms was due to less restricted funds (income previously received) being spent in 2011 than in 2010.

ACF continues to invest in growing our financial supporter base, and these fundraising costs have a return on investment over future years. ACF is also investing in a new interactive website for supporters, members and the community, that has increased our administration costs from 9% to 11% in 2011. This website to go live by the end of the 2011, will provide ACF with a communication benefits for our the coming years.

** This surplus in 2009-10 included the donation of the land & 60L building, valued by the ATO for donation purposes at \$8.8 million.

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



President - Ian Lowe
18 September 2011



Treasurer - Todd Davies
18 September 2011

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT BY THE BOARD
FOR THE YEAR ENDED 30 JUNE 2011**

In the opinion of the Board,

- (a) the financial report set out on pages 30 to 38 presents a true and fair view of the financial position of the Australian Conservation Foundation Inc. as at 30 Jun 2011 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.



.....
President - Ian Lowe
18 September 2011



.....
Treasurer - Todd Davies
18 September 2011

**AUSTRALIAN CONSERVATION FOUNDATION INC.
TREASURER'S DECLARATION
FOR THE YEAR ENDED 30 JUNE 2011**

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, Todd Davies, Treasurer of the Australian Conservation Foundation Inc. declare that in my opinion:

- (a) the Statement of Comprehensive Income gives a true and fair view of all income and expenditure of the Australian Conservation Foundation Inc. with respect to fundraising activities;
- (b) the Statement of Financial Position 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.



.....
Treasurer - Todd Davies
18 September 2011

We certify the declaration by the Treasurer.



.....
Chief Executive Officer - Don Henry
18 September 2011



.....
Chief Operations Officer - Danny Vadasz
18 September 2011



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**Independent Auditor's Report
To the Members of Australian Conservation Foundation Inc**

We have audited the accompanying financial report of Australian Conservation Foundation Inc (the "Association"), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes to the financial report and the statement by members of the board the Association.

Boards' responsibility for the financial report

The board of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act 1991. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are 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. In Note 1 the board of members also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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 which require us to 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.

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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 directors, 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.

Electronic presentation of audited financial report

This auditor's report relates to the financial report of the Association and controlled entities for the year ended 30 June 2011 that may be included on the Association's web site. The Association's board is responsible for the integrity of the Association's web site. We have not been engaged to report on the integrity of the Association's web site. The auditor's report refers only to the statements that comprise the financial report as named above. It does not provide an opinion on any other information which may be on the web site or may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information that is included in the audited financial report presented on this web site.

Independence

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

Auditor's opinion

In our opinion:

- a the financial report of Australian Conservation Foundation Inc is in accordance with the Associations Incorporation Act 1991, including:
 - i giving a true and fair view of the Association's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act 1991.
- b The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



David Ashmore
Partner – Audit & Assurance
Melbourne, 18 September 2011

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	NOTES	\$ 2011	\$ 2010
Income			
Operating Income - fundraising, donations, bequests, grants		11,358,988	20,151,845
Investment & Other Non-Operating Income		1,103,739	1,322,191
Income	2 (a)	12,462,728	21,474,038
Expenditure			
Environmental Campaigns & programs			
Northern Australia		1,329,983	1,112,990
Healthy Environments		1,064,956	860,525
Climate Change		1,489,170	1,794,614
Sustainable Australia		239,301	576,402
Outreach / Supporter Engagement (Including Greenhome)		2,158,615	1,828,111
Other		591,397	1,747,374
	SubTotal	6,873,422	7,920,015
Fundraising expenses - recruitment/acquisition of new supporters		2,262,268	2,628,841
Fundraising expenses - staff, appeals, supporter & other costs		3,155,736	2,974,593
Governance, finance and operations (incl depreciation) supporting Campaigns and Fundraising		1,566,978	1,367,636
Organisational Restructure costs		119,442	-
Expenses	2 (b)	13,977,846	14,891,085
SURPLUS / (DEFICIT) FOR THE YEAR		(1,515,119)	6,582,953
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME (DEFICIT) FOR THE YEAR		(1,515,119)	6,582,953

The Statement of Comprehensive Income has been expanded in 2011 to provide more clarity and detail of our expenditure on environmental campaigns and programmes, and as such, the 2010 results were restated in line with the campaigns.

** The surplus in 2009-10 included the donation of the land & 60L building, valued at \$8.8 million.

The accompanying notes form part of this financial report

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011



	NOTES	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	3	4,293,152	5,899,145
Trade and other receivables	4	637,937	217,528
Financial assets	5	1,703,189	1,598,278
Other assets	6	144,974	98,476
TOTAL CURRENT ASSETS		6,779,252	7,813,427
NON-CURRENT ASSETS			
Financial assets	5	-	225,000
Artwork	7	18,500	19,500
Investment properties	8	-	740,000
Property, plant and equipment	9	9,187,190	9,194,597
Intangible assets	10	354,830	349,971
TOTAL NON-CURRENT ASSETS		9,560,519	10,529,067
TOTAL ASSETS		16,339,771	18,342,494
CURRENT LIABILITIES			
Trade and other payables	11	1,090,469	1,644,315
Provisions	12(a)	1,256,981	1,171,566
TOTAL CURRENT LIABILITIES		2,347,450	2,815,881
NON-CURRENT LIABILITIES			
Provisions	12(b)	70,519	89,692
TOTAL NON-CURRENT LIABILITIES		70,519	89,692
TOTAL LIABILITIES		2,417,969	2,905,574
NET ASSETS		13,921,802	15,436,920
EQUITY			
Reserves & Retained Surplus		15,436,920	8,853,967
Surplus / (Deficit)		(1,515,119)	6,582,953
TOTAL EQUITY		13,921,802	15,436,920

The accompanying notes form part of this financial report

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 June 2011**

2010-11	Building Fund Reserve	Restricted Environment Program Fund Reserve	Endowment Fund Reserve	Unrestricted Operating Reserve	Retained Surplus (Deficit)	Total
	\$	\$	\$	\$	\$	\$
Balance 1 July 2010	9,069,380	1,364,930	2,302,610	2,700,000	-	15,436,920
Transfers to reserves	-	1,591,255	-	250,000	(1,841,255)	-
Transfers from reserves		(2,198,452)	(250,000)	(69,803)	2,518,256	-
Surplus / (Deficit) for year		-	-	(838,118)	(677,000)	(1,515,119)
Balance 30 June 2011	9,069,380	757,733	2,052,610	2,042,078	-	13,921,801

2009-10	Building Fund Reserve	Restricted Environment Program Fund Reserve	Endowment Fund Reserve	Unrestricted Operating Reserve	Retained Surplus (Deficit)	Total
	\$	\$	\$	\$	\$	\$
Balance 1 July 2009		3,347,628	2,592,000	2,700,000	214,339	8,853,967
Transfers to reserves	9,069,380	1,840,272	-	-	(10,909,652)	-
Transfers from reserves		(3,822,970)	(289,390)	-	4,112,360	-
Surplus / (Deficit) for year		-	-	-	6,582,953	6,582,953
Balance 30 June 2010	9,069,380	1,364,930	2,302,610	2,700,000	-	15,436,920

Purposes of Reserves

Environment program fund reserve - represents unexpended grants, sponsorships 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 meet the cash flow requirements of ACF.

Building Fund Reserve - represents reserves provided by the 60L Building donated to the ACF on 01 July 2009 and future Capital Works and Improvements.

The accompanying notes form part of this financial report

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 June 2011

	NOTE	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members, supporters and customers		9,738,954	10,320,661
Receipts from grants		1,195,032	1,230,426
Receipts from bequests		725,375	639,550
Interest & other investment income received		201,800	337,805
Payments to suppliers, contractors and employees		(14,016,706)	(14,009,752)
NET CASH PROVIDED BY OPERATING ACTIVITIES	14 (b)	(2,155,545)	(1,481,310)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment		(264,224)	(151,141)
Payment for intangible assets		(118,003)	(326,986)
Proceeds on sale of financial assets		945,000	-
Net addition (sale) of financial assets		(13,221)	(17,591)
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		549,552	(495,718)
Net increase (decrease) in cash held		(1,605,993)	(1,977,028)
Cash at the beginning of the financial year	3	5,899,145	7,876,173
CASH AT THE END OF THE FINANCIAL YEAR	3	4,293,152	5,899,145

The accompanying notes form part of this financial report

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Corporate information

The financial report covers the Australian Conservation Foundation Inc. (ACF), 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.

Basis of preparation

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

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.

Statement of compliance

The financial report of the Australian Conservation Foundation Inc. as a consolidated entity is prepared in accordance with full International Financial Reporting Standards (IFRS) as adopted in Australia.

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.

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 is applicable 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 \$2,000 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 statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which is disclosed as operating cash flows.

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.

Property, 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 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 statement of comprehensive income during the financial period in which they are incurred.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT.

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:

<u>Class of fixed asset</u>	<u>Depreciation rate</u>
Office furniture and fittings	10 - 50%
Communications and information technology equipment	10 - 50%
Leasehold improvements	20 - 25%
Motor vehicles and accessories	20%
Buildings	2%
Intangibles (Software and Website)	30 - 50%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting 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 Statement of Comprehensive Income. 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 accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing.

Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset at the Statement of Financial Position date. Gains or losses arising from changes in the fair values of investment properties are recognised in the profit or loss in the year in which they arise.

Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when ACF becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

All financial assets that are held for trading and available for sale for the purpose of short term profit taking are to be recognised and measured at fair value. All changes in those fair values to be recognised immediately in the statement of comprehensive income

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is ACF's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method. All financial assets that are being held to maturity are initially recognised at fair value but subsequently measured at cost-based amounts. All changes in those fair values are brought to account immediately in the statement of comprehensive income.

(iv) Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, ACF assesses whether there is objective evidence that a financial instrument has been impaired.

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. If the asset is held at fair value for the intention of short-term profit taking, then any excess of the asset's carrying value over its recoverable amount that is realised is expensed to the statement of comprehensive income. In relation to assets that are held to maturity, then the unrealised portion will also be brought to account in the statement of comprehensive income. 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

Wages, Salaries and Annual Leave

Liabilities for wages, salaries and annual leave, that are expected to be settled within 12 months of the reporting date, represent present obligations resulting from employees' services provided to reporting date. They are calculated at undiscounted amounts based on remuneration wage and salary rates that ACF expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Long-term service entitlements

ACF's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Governments bonds at the reporting date which have maturity dates approximating to the terms of ACF's obligations.

Superannuation

The amount charged to the Statement of Comprehensive Income in respect of superannuation represents the contributions made by ACF to superannuation funds. ACF is not a party to any defined benefit superannuation funds.

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 preparation of a financial report in conformity with Australian Accounting Standards requires management to make estimates, judgements and assumptions 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. Actual results may differ from these 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 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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to ACF and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

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 the grant.

Legacy and bequest income is recognised as revenue when ACF has established that it has a right to receive the bequest.

Investment property revenue is recognised on a straight line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

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).

NSW Charitable Fundraising Act Requirements

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 Statement of Comprehensive Income 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 recorded 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 Statement of Comprehensive Income.

Cost of Fundraising: costs used in the Statement of Comprehensive Income 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 the 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 Statement of Comprehensive Income.

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 Statement of Comprehensive Income.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT.

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 ACFID Code of Conduct.

Detailed disclosures and information are outlined in Note 15. 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 Comprehensive Income of the program for the year as allowed by the Code of Conduct.

New Accounting Standard and AASB Interpretations

Certain new accounting standards and AASB interpretations have been published that are not mandatory for 30 June 2011 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 2011 and therefore there has been no early adoption of these standards.

At the date of authorisation of the financial report, the Standards and Interpretations listed below were issued but not yet effective.

The following new accounting standards, amendments to standards and interpretations have been issued, but are not mandatory as at 30 June 2011. They may impact ACF in the period of initial application. They are available for early adoption, but have not been applied in preparing this financial report:

AASB 9 Financial Instruments

Introduces new requirements for the classification and measurement of financial assets and liabilities, with a single approach to determine whether a financial asset is measured at amortised cost or fair value. Impairment testing may only be limited to assets held at amortised cost only. With this standard effective for periods ending on 31 December 2013. *ACF has not yet made an assessment of the impact of these amendments.*

AASB 1053 Application of Tiers of Australian Accounting Standards

For Tier 1 entities or Tier 2 that prepare special purpose financial reports, there will be no impact on the financial statements as the reduced disclosure will not be available to apply. Tier 2 entities that prepare general purpose financial reports will be able to apply the reduced disclosures within the financial instruments, related parties, accounting policies, borrowing costs, and financial statement disclosures. With this standard effective for periods ending on 30 June 2014. *ACF has not yet made an assessment of the impact of these amendments.*

AASB 2010-2 Amendments to Australian Accounting Standards arising from reduced disclosure requirements

AASB 2010-2 sets out the relevant disclosures that will not be required to be made if it is a Tier 2 entity that nominates to comply. With this standard effective for periods ending on 30 June 2014. *ACF has not yet made an assessment of the impact of these amendments.*

AASB 2010-4 Further Amendments to Australian Accounting Standards from the Annual Improvements Project

Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. This standard is effective for periods ending on 31 December 2011. *ACF has not yet made an assessment of the impact of these amendments.*

	2011 \$	2010 \$
2. OPERATING SURPLUS / (DEFICIT) FOR THE YEAR		
Surplus for the year has been determined after:		
(a) Revenue		
<i>Operating activities</i>		
Donations	8,514,369	8,262,399
Donations - Building 60 Leicester Street	-	8,800,000
Legacies and bequests	725,375	639,550
Subscriptions	578,881	971,472
Grants - Non Government	884,963	376,194
Grants - Government	343,296	854,232
Merchandise and licensing	164,449	141,760
Other income	147,655	106,238
	11,358,988	20,151,845
<i>Non-operating activities</i>		
Investment income	227,739	359,234
Rental income from Investment properties	21,510	26,076
Rental income from Other Sources	762,800	741,011
Revaluation - Sydney Investment property	-	60,000
Unrealised gains on financial assets	91,691	140,511
Net profit on disposal of financial assets	-	(4,641)
	1,103,739	1,322,191
	12,462,728	21,474,036
(b) Selected Items (only) included within Total Expenses		
Cost of sales	5,986	9,082
Finance costs - banking transaction expenses	72,227	84,516
Depreciation of property, plant and equipment	252,923	133,571
Amortisation of intangible assets	113,143	78,791
Net loss on disposal of financial assets	21,000	1,808
Net loss on disposal of property, plant and equipment	17,678	-
Doubtful debts expense	2,062	716
<u>Remuneration of auditor</u>		
- audit or review services	36,519	36,850
- other services	-	-
Total remuneration	36,519	36,850
<u>Rental expenses</u>		
- minimum lease payments on operating leases	103,159	84,450
- other rental expenses	-	7,248
Total rental expenses	103,159	91,698
(c) Investment Property (sold 1 April 2011)		
Rental income from investment property - included investment income note 2(a)	21,510	26,076
Direct operating expenses from investment property	(7,569)	(7,248)
Net surplus on investment property	13,941	18,828

Significant Events

Effective 01 July 2009, ACF Headquarters situated at 60 Leicester Street, along with the accompanying building assets were gifted to ACF and this has been brought to account in the 2009-10 year and is included in the donations figure for 2010. It has been decided that the property will be treated as Land and Buildings. The property earns income for ACF from the rental charged to other tenants.

3. CASH AND CASH EQUIVALENTS

CURRENT

Cash on hand	2,000	2,000
Cash at bank	2,255,950	2,102,870
Cash on term deposits	2,035,201	3,794,275
	4,293,152	5,899,145

The effective interest rate on short-term deposits was 5.82% (2010: 5.30%); these deposits are currently available at call.

A Credit Facility with Westpac was undertaken in April 2008 and was on an Unsecured basis. The facility is not utilised at reporting date June 2011.

	2011 \$	2010 \$
4. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade Receivables	336,533	137,597
Provision for impairment of receivables	-	(2,545)
Other Receivables	301,404	82,476
Total Trade and Other Receivables	637,937	217,528

a) At 30 June 2011, the aging analysis of trade receivables is as follows:

	Total	0-30 Days	31-60 Days	61-90 Days	+ 90 Days
2011	336,533	320,323	15,737	-	473
2010	137,597	98,843	32,148	-	6,606

ACF is actively pursuing the debtors for funds and notes that a significant amount has come through during July. Other balances within trade and other receivables do not contain impaired assets and it is expected that these other balances will be received.

b) Provision for impairment loss
 Trade receivables are non-interest bearing and are generally on 30 day terms. A provision for impairment loss is recognised where there is objective evidence that an individual trade receivable is impaired. No impairment loss has been recognised by ACF in the current year.

	2011 \$	2010 \$
Movements in the impairment provision		
1 July Balance	2,545	2,545
Charge for the year	-	-
Amounts written off	(2,545)	-
30 June Balance	0	2,545

5. FINANCIAL ASSETS

CURRENT

Financial Assets at Fair Value through Surplus for the year

Equity trusts - at fair value	362,673	362,198
Property trusts - at fair value	105,880	87,277
Equity Share Portfolio - at fair value	1,234,637	1,148,803
	1,703,189	1,598,278

NON-CURRENT

LOANS AND RECEIVABLES

Direct mortgage - amortised cost	-	225,000
	-	225,000
	1,703,189	1,823,278

6. OTHER ASSETS

CURRENT

Prepayments & Accruals	56,470	57,420
Accrued Income	88,505	41,056
	144,974	98,476

7. ARTWORK

NON-CURRENT

Artwork - at fair value	18,500	19,500
	18,500	19,500

8. INVESTMENT PROPERTY
 NON-CURRENT

Property held for investment purposes - at fair value	-	740,000
	-	740,000

Property Reconciliation

Opening Value	740,000	680,000
Revaluation accounted for as income from non-operating activity in the Statement of Comprehensive Income	-	60,000
Sale of Property	(720,000)	-
Realised Loss of sale of Property	(20,000)	-
Closing Balance	-	740,000

9. PROPERTY, PLANT & EQUIPMENT

	2011	2010
	\$	\$
NON-CURRENT		
Land & Buildings	8,834,630	8,805,902
Accumulated depreciation	(65,961)	(1,520)
	8,768,669	8,804,382
Office furniture and fittings - at cost	485,588	498,404
Accumulated depreciation	(371,428)	(345,168)
	114,160	153,236
Communications & information technology equipment - at cost	823,111	708,359
Accumulated depreciation	(518,750)	(471,380)
	304,361	236,979
Leasehold improvements - at cost	-	-
Accumulated depreciation	-	-
	-	-
Motor vehicles and accessories - at cost	60,732	60,732
Accumulated depreciation	(60,732)	(60,732)
	-	-
TOTAL Property Plant & Equipment	9,187,190	9,194,597

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:

2011	WDV Balance 1/07/2010	Additions	Transfers & Write-offs	Depreciation expense	WDV Balance 30/06/2011
	\$	\$	\$	\$	\$
Land & Buildings	8,804,382	83,700	-	(119,414)	8,768,668
Office furniture and fittings	153,236	822	(12,547)	(27,351)	114,160
Computers & ICT	236,979	178,670	(5,130)	(106,158)	304,361
Leasehold improvements	-	-	-	-	0
Motor vehicles and accessories	-	-	-	-	0
	9,194,597	263,193	(17,678)	(252,923)	9,187,189

2010	WDV Balance 1/07/2009	Additions	Transfers	Depreciation expense	WDV Balance 30/06/2010
	\$	\$	\$	\$	\$
Land & Buildings	-	8,805,902	-	(1,520)	8,804,382
Office furniture and fittings	97,919	56,509	27,404	(28,596)	153,236
Comm. & information technology	247,991	81,814	-	(92,826)	236,979
Leasehold improvements	30,917	6,916	(27,404)	(10,429)	-
Motor vehicles and accessories	200	-	-	(200)	-
	377,027	8,951,141	-	(133,571)	9,194,597

As the building is now gifted and no longer leased, leasehold improvements have been transferred to Furniture & Fittings accordingly.

10. INTANGIBLE ASSETS	2010	2009
NON-CURRENT	\$	\$
Computer software & Website - at cost	928,111	810,108
Accumulated amortisation	(573,281)	(460,138)
	354,830	349,971

Movements in carrying amounts

Movement in the carrying amounts for intangible assets between the beginning and the end of the current financial year are as follows:

<u>2011</u>	WDV Balance 1/07/2010 \$	Additions \$	Disposals / Adjustments \$	Amortisation expense \$	WDV Balance 30/06/2011 \$
Website & Computer software	349,970	118,003	-	(113,143)	354,830
	349,970	118,003	-	(113,143)	354,830

<u>2010</u>	WDV Balance 1/07/2009 \$	Additions \$	Disposals / Adjustments \$	Amortisation expense \$	WDV Balance 30/06/2010 \$
Website & Computer software	101,775	326,984	-	(78,789)	349,970
	101,775	326,984	-	(78,789)	349,970

As a result of ACF's ongoing Website redevelopment project, the development work has been recorded in Intangibles

11. TRADE & OTHER PAYABLES	2011	2010
CURRENT	\$	\$
Trade payables	554,850	490,133
Sundry payables & accruals	276,534	762,005
Deferred membership income	259,085	339,163
Deferred investment income	-	53,015
	1,090,469	1,644,315

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

12. PROVISIONS	2011	2010
CURRENT	\$	\$
Provision for employee benefits	12(a) 1,256,981	1,066,666
NON-CURRENT		
Provision for employee benefits	12(b) 70,519	104,900
	1,327,500	1,171,566

As at 30 June 2011, there were 79 (2010 - 86) Fulltime equivalent staff posts within ACF (headcount 90, 2010 - 97)

13. LEASE COMMITMENTS	2011	2010
Operating lease commitments for rent of the Melbourne, Sydney, Cairns, Canberra, Adelaide and Broome offices.		
Payable within 1 year	95,081	83,107
Payable later than 1 but within 5 years	123,484	30,645
Payable later than than 5 years	-	3,276
	218,565	117,028

The lease for the Sydney property is a non-cancellable lease with a 3 year term, with rent payable monthly in advance

The lease for the Cairns property is a non-cancellable lease with a 2 year term, with rent payable monthly in advance

The lease for the Canberra property is a non-cancellable lease with a 5 year term, with rent payable monthly in advance

The lease for the Adelaide property is a 2 year term, with rent payable quarterly in advance

The lease for the Broome property is a non-cancellable lease with a 1 year term, with rent payable monthly in advance

14. NOTES TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

For the purposes of the cash flow statement, 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 for the year

Surplus / (deficit) for the year	(1,515,119)	6,582,953
<i>Non-cash flows from surplus</i>		
Donation of Property including leasehold assets	-	(8,800,000)
Depreciation of property, plant and equipment	252,923	133,571
Amortisation of intangible assets	113,143	78,791
Provision for doubtful debts	-	-
Net loss on disposal of financial assets & property plant and equipment	39,709	1,808
Revaluation of Investment Property	-	(60,000)
Unrealised (gains) / losses on financial assets	(91,691)	(140,508)
Bequest of non-cash financial assets	-	-
<i>Changes in assets and liabilities</i>		
(Increase) / decrease in receivables	(201,480)	(49,061)
(Increase) / decrease in other assets	(265,428)	(19,209)
Increase / (decrease) in payables / other liabilities	(553,845)	579,262
Increase / (decrease) in provisions	66,241	211,083
Net cash provided by operating activities	(2,155,547)	(1,481,310)

(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.

15. INTERNATIONAL AID AND DEVELOPMENT ACTIVITIES

Revenue

Donated funds & services	35,094	22,422
Grants	-	-
Other income	-	-
Total revenue	35,094	22,422

Disbursements

Overseas projects	55,560	138,345
Internal labour effort	10,440	5,962
Community education	7,415	5,336
Fundraising	5,006	1,067
Administration	3,730	0
Total disbursements	82,151	150,710

Excess of disbursements over revenue	(47,057)	(128,288)
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In-kind volunteer services contribution (included above)	35,195	38,853
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16. RELATED PARTIES

Board Members

The names of Board members who have held office during the financial year are listed on page 1 of this report.

Key Management Personnel

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

Don Henry	Chief Executive Officer	Appointed: May 1998	
Danny Vadasz	Chief Operating Officer	Appointed: March 2010	
Denise Boyd	Director of Campaigns	Appointed: February 2006	
David Robinson	Director Marketing & Communications	Appointed: May 2010	
Mal Lewis	Director Finance and Operations	Employed: September 2010	Appointed: January 2011
Anna Molan	Director People and Operations	Appointed: April 2007	left January 2011
Charles Berger	Director Strategic Ideas	Appointed: November 2007	
Lucy Farmer	Director Media & PR	Appointed: April 2004	

AUSTRALIAN CONSERVATION FOUNDATION INC.
 NOTES TO THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2011



	2011 \$	2010 \$
Short Term Benefits		
Salary & fees	771,193	697,747
Bonus	-	-
TOTAL Short-term benefits	771,193	697,747
Long Term Benefits		
Superannuation Contributions	69,782	59,895
Long service leave	4,160	23,340
TOTAL Long Term Benefits	73,942	83,235
Total Compensation	845,135	780,982

17. **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.

18. **SEGMENT INFORMATION**

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

19. **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 2011

	NOTES	2011 \$	2010 \$
Financial assets			
Cash and cash equivalents	3	4,293,152	5,899,145
Loans and receivables	4	637,937	217,528
Financial assets at fair value through profit or loss			
- equity investments	5	1,703,189	1,598,278
- direct mortgages	5	-	225,000
		6,634,278	7,939,951
Financial liabilities			
Trade and other payables	11	1,090,469	1,644,316
		1,090,469	1,644,316

i. Treasury Risk Management

A Finance and Audit Committee consisting of Board members and independent members meets on a regular basis to analyse and advise the Board on treasury exposures 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.

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 reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position 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.

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

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

(b) Interest risk

ACF is exposed to interest rate risk on cash on deposit. The Association has no external borrowings, and cash at bank is maintained at variable rates. The following table illustrates the sensitivity of the net result for the year and equity to a reasonable possible change in the interest rates of +2% and -1% (2010: +2% and -1%), with effect from the beginning of the year. Taking into account past performance, future expectations and economic forecasts, the Board believes the movements are 'reasonably possible' over the next 12 months.

		2011 \$	2010 \$
Cash on deposit			
Net result - Increase/(Decrease)	+2%	58,295	137,753
Net result - Increase/(Decrease)	-1%	(29,147)	(68,877)
Equity			
Equity	+2%	33,015	137,753
Equity	-1%	(16,507)	(68,877)

(c) Liquidity Risk

Liquidity risk arises from the possibility that ACF might encounter difficulty in settling its obligations related to financial liabilities.

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments; and
- monitor budget to actual performance on a regular basis
- monitor, review and report the price movements of all investment assets on a monthly basis

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect managements expectation as to the timing of realisation.

2011	Within 1 Year	Greater than 1 Year	Total
Financial liabilities due for payment			
Trade and other payables	2,442,532	194,002	2,636,534
Total expected outflows	2,442,532	194,002	2,636,534

Financial assets - cash flows realisable			
Cash and cash equivalents	4,293,152	-	4,293,152
Loans and receivables	637,937	-	637,937
Financial assets at fair value through profit or loss		-	
- equity investments	1,703,189	-	1,703,189
- direct mortgages	-	-	0
Total anticipated inflows	6,634,278	-	6,634,278
Net (outflow)/inflow on financial instruments	4,191,746	(194,002)	3,997,743

2010	Within 1 Year	Greater than 1 Year	Total
Financial liabilities due for payment			
Trade and other payables	2,898,989	123,613	3,022,602
Total expected outflows	2,898,989	123,613	3,022,602

Financial assets - cash flows realisable			
Cash and cash equivalents	5,899,145	-	5,899,145
Loans and receivables	217,528	-	217,528
Financial assets at fair value through profit or loss		-	0
- equity investments	1,598,278	-	1,598,278
- direct mortgages	225,000	-	225,000
Total anticipated inflows	7,939,951	-	7,939,951
Net (outflow)/inflow on financial instruments	5,040,962	(123,613)	4,917,349

(d) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

ACF is exposed to securities price risk on financial assets at fair value through profit or loss. Such risk is managed through diversification of investments across industries.

(e) Net fair values

The net fair values of listed investments have been valued at the quoted market bid price at reporting 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.

(f) Fair value hierarchy

The following table classifies financial instruments recognised in the statement of financial positions of ACF according to the hierarchy stipulated in AASB 7 as follows:

- Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - a valuation technique is used using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or
- Level 3 - a valuation technique is used using inputs that are not based on observable market data (unobservable inputs).

2011	Level 1	Level 2	Level 3	Total
Financial Assets:				
Equity Trusts	-	362,673	-	362,673
Property Trusts	105,880	-	-	105,880
Equity Share Portfolio	1,234,637	-	-	1,234,637
Direct Mortgages	-	-	-	-
	1,340,517	362,673	-	1,703,190

2010	Level 1	Level 2	Level 3	Total
Financial Assets:				
Equity Trusts	-	362,198	-	362,198
Property Trusts	87,277	-	-	87,277
Equity Share Portfolio	1,148,803	-	-	1,148,803
Direct Mortgages	-	225,000	-	225,000
	1,236,080	587,198	-	1,598,278

20.	FUNDRAISING ACTIVITIES AS CLASSIFIED BY THE NSW CHARITABLE FUNDRAISING ACT	2011 \$	2010 \$
	Total ACF fundraising income for the year ending June 30, 2011	<u>11,272,080</u>	<u>12,257,549</u>

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)	2011 \$	2010 \$
Total income from fundraising activities	9,535,335	6,835,465
Less total expenditure on fundraising activities	4,219,094	2,781,123
Net surplus from fundraising activities	<u>5,316,241</u>	<u>4,054,341</u>

Information on material matters

All fundraising activities achieved the targeted returns under the NSW Charitable Fundraising Act. 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 achieved over a number of years, and distorts the true return of ACF fundraising activities.

Application of funds for charitable purposes

During the year ACF achieved a net surplus of \$5,316,241 (2010 \$3,646,407) from fundraising activities as defined under the NSW Charitable Fundraising Act. Of this surplus, \$1,966,830 (2010 \$5,456,207) was used to fund environmental programs, no funds were available for allocation to the endowment fund and operating reserves for future development and cash flow needs. \$1,215,081 was allocated to organisational support (2010 \$1,809,801 surplus).

**AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011**



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.

	2011	2010
	\$	\$
Gross income from fundraising activities involving external service providers	4,885,772	6,835,465
Gross expenditure on fundraising activities involving external service providers	2,262,268	2,781,123
Gross Contribution	2,623,503	4,054,343

In FY2011, ACF brought in-house all of its appeal fundraising activity, and stopped using external suppliers. Only F2F income and costs are now detailed here.

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 - September, November, March and May
Major donor program
Business partnerships program

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

Fundraising performance comparisons on activities classified by the NSW Charitable Fundraising Act

	A	B	2011	2010
<i>A divided by B</i>	\$	\$	%	%
Total cost fundraising/Gross proceeds of fundraising	4,219,094	9,535,335	44%	51%
Net surplus from fundraising/Gross proceeds of fundraising	5,316,241	9,535,335	56%	49%
Environmental programs expenditure/Expenditure	6,873,422	13,977,846	49%	57%
Environmental programs expenditure/Income	6,873,422	12,462,729	55%	40%

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 achieved over a number of years, and distorts the true return of ACF fundraising activities, as reported against the NSW Charitable Fundraising Act provisions