

ANNUAL & SUSTAINABILITY REPORT

2013-2014

AUSTRALIAN CONSERVATION FOUNDATION



AUSTRALIAN
CONSERVATION
FOUNDATION



PRESIDENT REPORT

Rob Fowler,

ACF acting President and vice-president

**Over the past year,
some significant changes have taken place
in the leadership of ACF.**



AM WRITING THIS report as the acting President of ACF, a role I have shared for several months with our other vice-president, Irina Cattalini, during a brief inter-regnum in the office of ACF President.

In March 2014 we bade farewell to ACF CEO Don Henry. During his 16 years of dedicated service to ACF, Don played a critical role in many conservation successes. He will long be remembered for his fervent devotion to the cause of conservation and his steadfast resilience in the face of overwhelming odds.

We were delighted to welcome aboard our new CEO Kelly O'Shanassy, in April 2014. Kelly has quickly settled in and is already displaying great leadership qualities. Her message in this Annual Report reflects the passion and determination that she has brought to the job and clearly charts the future direction that she, ACF staff, council and board are committed to pursuing over the next few years.

We also saw our much respected and admired President, Ian Lowe, conclude his final term of office in mid-2014. Ian's eloquent advocacy on behalf of ACF for a sustainable future, coupled with his tactful and good-humoured leadership of the council and the board were an invaluable

asset for the organisation during the 10 years that he served as President.

ACF Council recently elected our next ACF President, the prominent businessman and environmental activist Geoffrey Cousins. Geoff is a community leader and writer, and he is a strong supporter of the notion that when people stand together and speak up, governments and business will notice.

ACF will be celebrating its 50th anniversary in the coming year. It does so at a time when both federal and state governments are engaged in a regressive agenda with respect to environmental protections that were hard-won in the past. There is also a broad assault under way on the not-for-profit sector, with a particular focus on environmental organisations, including ACF. I can only echo the words of our CEO, in her message to you, when she notes that what is needed in the face of these serious challenges is "our own leadership and the willingness of Australians like you to speak up for nature and our future."

Fortunately, ACF is well-placed under its new leadership to take on these current challenges and to look forward with confidence to the beginning of its next 50 years of ardent advocacy for nature.



CEO REPORT

Kelly O'Shanassy,

ACF Chief Executive Officer

It's been a turbulent year bringing mighty wins and gut-wrenching losses, along with big changes for ACF.

IT WAS WITH GREAT excitement and humility that I stepped into lead this wonderful organisation, following in the mighty footprints of Don Henry—a great Australian and environmentalist. Many question my sanity in taking on this role in the current political environment, and with the enormous challenges that we and our magnificent environment face. For me, it's the perfect time.

Our strategy at ACF is not swayed by which party is in government, it is based on our own leadership and the willingness of Australians like you to speak up for nature and our future.

That is not to say that times are not tough. In their first year in office, the federal government

Incredibly, even in these most trying of times, the dedication and passion of ACF's supporters has shone through

led by Prime Minister Abbott made many irresponsible decisions that will endanger our ecosystems and make Australia a more dangerous place to live. In particular, the government's dismantling of Australia's working carbon price and support of new coal and gas mines allows pollution to reign free and make us the only nation on earth to go backwards on climate policy.

Incredibly, even in these most trying of times, the dedication and passion of ACF's supporters has shone through.

When the World Heritage protection of Tasmania's forests were threatened, over 300,000 people across the globe responded with a united voice saying that this will not happen on our watch. It took just seven minutes for UNESCO to

dismiss the Australian government's request to open up these ancient forests for logging.

When governments, against the wishes of Indigenous communities, approved a new waste dump at Muckaty in Australia's beautiful north, communities united to successfully challenge this decision in the courts, and won!

When our federal government attempted to weaken Australia's renewable energy target, disband the Climate Change Authority (the honest brokers who determine Australia's global climate responsibilities) and the Clean Energy Finance Corporation (the clean energy bank which is returning a profit to government), they ran into a little hurdle called the Australian people. While in July 2014 these issues were still not settled, it is clear where the Australian people stand—in mass support of renewable energy and action on climate change.

Unfortunately we can no longer rely on our governments to make the necessary changes to deliver a safe environment and protect the magnificent places we love. We are going to have to lead—you and me and everyone else in Australia that cares about our magnificent country. As past ACF President Ian Lowe said many times, when the people lead, the leaders will follow.

In the most difficult of times there is a great saying that I remind myself of:

Hope has two daughters, Anger and Courage. Anger that things are the way they are and courage to make them the way they ought to be.

You wouldn't be human if you didn't feel anger at what is happening in Australia today but I hope you will continue to speak up for a better tomorrow.



ACF CAMPAIGN SUCCESSES 2013-14

CLIMATE



Victoria McKenzie-McHarg, ACF climate campaign manager

THE PAST 12 MONTHS has been one of extreme highs and lows for our work in the climate change campaign.

In June 2013 we had a working price on pollution, and a suite of complementary policies that were cutting pollution across our economy and driving new investment in clean energy.

Since then, the election of a new federal government has signalled a significant change in the action our government is prepared to take to cut pollution and act on climate change.

ACF's climate campaign has been at the forefront of efforts to defend our important climate laws, protect the clean energy industry that was flourishing and build public support for action on climate change.

Our support for major climate rallies following the September 2013 election helped put the need for climate action back on the national agenda.

Our supporters hosted over 60 events nationally to participate in the global *24 Hours of Reality* event, when 20 million people viewed a live climate broadcast.

Our campaign to protect our climate laws amplified the voices of Australians who support action, ensured those voices were heard by our

political leaders in Canberra, and helped secure important cross-bench support for key policies in the Senate.

We engaged 35,000 supporters in our fight to protect our climate laws, and our climate campaign has featured in 800 media stories and generated 21 opinion articles.

In June 2014, our work with The Climate Reality Project brought Al Gore to Australia to train 525 people to become climate leaders in their communities, and help us build the community power we know is needed to win on climate change.

The result of our hard work, our strong alliances and relationships, our expert policy advice and some surprise decisions by key cross-bench senators is that we have managed to save the Clean Energy Finance Corporation and the Climate Change Authority from the scrap heap, and the Renewable Energy Target could yet live on as a key policy to deliver energy transformation.

While many have despaired as the climate policies we'd fought for have been torn apart, there is reason for hope. Support for action on climate change and for renewable energy is steadily growing in Australia, and our campaign is gearing up to continue building the community power we need to change the game on climate change.

Pic above: Adam Majcher, ACF Climate Reality Project manager, www.jamesthomasphoto.com



Coastal mangroves,
Cape York.
Photo: Justin McCaul.

ACF CAMPAIGN SUCCESSES 2013-14

HEALTHY ECOSYSTEMS



Jonathan La Nauze,
ACF healthy
ecosystems cam-
paign manager

BIODIVERSITY is our nation's life support system. Our healthy ecosystems team campaign to protect our native forests and river systems and reverse the decline of precious ecosystems for future generations.

It has been a year of highs and lows for our healthy ecosystems campaigns as we've seen significant progress later followed by repeals and disappointing decisions.

Alongside fellow eNGO signatories to the Tasmanian Forest Agreement, we continued to work with governments and the forestry industry to defend the conservation outcomes of the historic agreement in the face of hostile governments at state and federal levels.

Our forest campaign peaked in June 2014, when we mobilised our supporters to ensure 74,000 hectares of Tasmanian forest remained on the World Heritage list, despite an attempt by the federal government to withdraw the listing and open it for logging.

The community outcry against such a proposal was a fitting demonstration that groups like ACF need to be backed by a strong movement

of people committed to protecting and defending nature.

We have taken a lead role in developing the Places You Love Alliance—Australia's biggest ever alliance of environment groups. The key role of the alliance is to defend our national environment laws and to collaborate across the movement to build a broad constituency for nature.

We also entered into a formal partnership with the Great Eastern Ranges Initiative, to position a wildlife corridor stretching from the Grampians in Victoria, to the wet tropics in Queensland as a natural infrastructure investment priority. Restoring and connecting this 3,600km stretch of land will enhance biodiversity, safeguard fresh water, and sequester carbon, improving resilience for Australian people and wildlife in a changing climate.

Our campaign to keep the Murray River alive and flowing has continued with a new position paper commissioned in 2013/14 to address constraints to environmental flows in the Basin. This is part of our ongoing campaign to achieve adequate environmental flows into the Murray and ensure that the Basin Plan is properly implemented.



ACF nuclear free campaigner Dave Sweeney (right) with Muckaty Traditional Owners.

ACF CAMPAIGN SUCCESSES 2013-14

NORTHERN AUSTRALIA



Graham Tupper,
ACF northern Australia
program manager

ACF HAS A LONG and proud history of working with Traditional Owners in northern Australia, in support of a sustainable and nuclear free future taking into account people and nature.

In 2013-14 campaigners from our northern Australia program have worked closely with communities to achieve significant wins for country and people.

In November 2013, ACF, along with 5,275 of our supporters, made a submission to the Queensland Government in response to their draft Cape York Regional Plan stating that the draft failed to provide any meaningful protection to the Cape.

Our voices were heard loud and clear and by May 2014 the government changed their position, ensuring better consultation with Traditional Owners and greater protection of the pristine Wenlock, Lockhart, Archer and Stewart River basins.

Also in Cape York we have worked with Olkola Traditional Owners to progress the return of over 700,000ha of their country and secure funds

for land management as part of the Cape York land tenure reform program.

We remain at the forefront of a campaign against gas processing and industrial development in the Kimberley. Along with our supporters, we have written submissions to the Western Australian Government to seek a full and independent assessment of the long-term risks to the region from shale gas. Our efforts have helped to delay gas development, but the threat to the National Heritage listed values of the region remains.

In June 2014, ACF stood proudly with Muckaty Traditional Owners in the Northern Territory when the federal government scrapped plans to dump radioactive waste on their land.

In and amongst specific place-based campaigns we also responded to renewed calls to develop the whole of northern Australia as a food bowl.

In early 2014, we built alliances and participated in parliamentary inquiries to provide an alternative, sustainable vision for the north, taking into account a future economy that is built on its world famous natural and cultural values, and in support of its people.



ACF CAMPAIGN SUCCESSES 2013-14

ECONOMIC TRANSFORMATION



Dugald Murray,
ACF chief economist

ACF BELIEVES economics and environment go hand-in-hand: activity in one system impacts others. Agricultural activities and other land uses, for example, pollute the water catchments that drain into the sea, having a substantial impact on the health of the Great Barrier Reef.

This influences not only the intrinsic value of the largest coral reef in the world, but also the productivity of fisheries and tourism industries, which contribute \$5.4 billion to the Australian economy. These already compromised ecosystem services will continue to decline if levels of exploitation and pollution remain unchecked.

Sadly this past year has seen renewed priority given to polluting industry and economic growth ahead of the interests of our communities and environment. The Australian economy needs a transformation. We must take action to ensure we can maintain our prosperity. But we also must ensure that this prosperity is fairly shared, that our economy creates enough jobs for everyone and, most critically, that we are environmentally sustainable.

During 2013-14 we put significant pressure on the federal government over its environmentally destructive budget. We will maintain this pressure until the federal budget settings are changed to protect and restore our environment.

ACF also provided substantial leadership on economic thought and action through major submissions on:

- Australia's innovation system, demonstrating that by creating policies and institutions that drive research and foster innovation, Australia can secure prosperity for all without increasing costs or compromising inter-generational sustainability.
- International trade, arguing for increased environmental protections at home and abroad rather than the federal government's proposals of weakening protections.
- Infrastructure, noting that infrastructure planning can result in triple dividends for the economy, society and the environment. However, investment in infrastructure can also compromise our long-term sustainability through poorly conceived and executed decisions that fail to take into account the full range of costs and benefits. The Abbot Point coal terminal and West Petrie Bypass, both in Queensland, are two examples of poorly conceived infrastructure projects that will have devastating effect on local environs the Great Barrier Reef and a koala population.

2013-14 has also been a time for development of new ideas and collaboration. This includes ongoing work with unions and civil society on the role of government, the relationship between rising inequality and environmental degradation, and how ACF and business leaders can work together to create an economy that works to create jobs and prosperity and protect and restore Australia's unique and fragile environment.



ACF CAMPAIGN SUCCESSES

2013–14

SPARK

ENERGY FOR CHANGE PROGRAM



Mim Lowe,
Spark manager

SPARK is an energy efficiency engagement program led by ACF in partnership with the YMCA and funded by the Australian Government Department of Industry.

Our aim is to improve literacy around energy efficiency for YMCA staff and many of the 2.5 million Australians who use YMCA facilities.

To do this we host energy efficiency training with staff at each YMCA centre we work with, followed by an energy assessment and co-development of a Spark energy action plan.

In 2014, Spark went national, expanding on our existing YMCA centres in Victoria to include centres in Hobart and Launceston, continuing to ignite the Spark at centres with serious financial constraints.

We have also had the privilege of training YMCA Australia—the central hub of all YMCA administration, and home to policy and procurement contracts for the YMCA, nationally.

In 2013–14 we have seen significant environmental and financial savings at Spark sites:

- Ballarat Aquatic Centre reduced their energy emissions by 77.9 tonnes in the first half of 2014. That's the equivalent to leaving a basketball stadium full of fluorescent tubes on, 24 hours a day, for two years!
- Camp Wyuna in Queenscliff won the annual YMCA Green Award in recognition of their outstanding efforts to become more energy efficient.
- Launceston Recreation Centre has saved \$2,000 on their quarterly winter electricity bill, just by changing their heater settings.
- South Castlemaine Kinder has saved 20 per cent on their winter energy bills compared to same time last year by changing the times they run heaters, and moving from electric heating to gas—reducing their reliance on Victoria's brown coal generated electricity and saving money that can go into kinder resources.

Next step? Reaching out to the 2.5 million Australians who use YMCA facilities across Australia. There's nothing like a challenge!

Keep an eye on the Spark program at www.sparkonline.org.au

Note: the Spark Program received funding from the Department of Industry as part of the Energy Efficiency Information Grants Program.



Florentine, Tasmania.
Photo: Rob Blakers.

ACF CAMPAIGN SUCCESSES 2013–14

EDUCATION FOR SUSTAINABILITY



Diane Boase,
Education for Sustainability manager

ACF CONTINUES to manage the Education for Sustainability Project on behalf the Australian Education for Sustainability Alliance (AESA).

Funded by the Australian Government Department of Education, the project seeks to engage with mainstream teachers and decision makers

in government, to recommend ways to:

- Improve the accessibility of high quality classroom ready resources.
- Support the alignment of *Education for Sustainability* learning tools and programs with the Australian curriculum.
- Provide better training and support services for teachers and educators programs to enable efficient delivery of sustainability learning outcomes across the Australian curriculum.

In 2013–14 the project completed Phase 2: Views from the Classroom and Community, and entered phase Phase 3: Telling the Story.

In Phase 2, we consulted almost 5,000 teachers from around Australia to research the application

of education for sustainability. A key finding was that 92 per cent of teachers surveyed thought that sustainability was important, of value to students, and should be integrated in the curriculum. This demonstrated that the key barrier in implementing change to Education for Sustainability was in how to do it, not the concept itself.

Recommendations for overcoming these barriers were then published in the *Education for Sustainability in the Australian Curriculum Project Final Report for Phase 1–3*, which was adopted in February 2014.

In early 2014, the project moved into Phase 3: Telling the Story. This involves reporting to stakeholders on the needs, barriers, strategies and actions to improve delivery of education for sustainability in the Australian curriculum. As part of this we have commenced work on producing classroom ready materials to help teachers easily incorporate sustainability into their teaching practice.

www.educationforsustainability.com.au

Note: the views expressed in the final report are those of the author and do not necessarily represent those of the Australian Government Department of Education.

SUPPORT

OF ACF CAMPAIGNS

ACF is fortunate to receive financial and in-kind support from many trusts, foundations and business which allow us to do our work. Thank you to the following people and organisations who helped sustain our campaigns in 2013–14.

6A Foundation	Support of ACF campaigns	Greenspring Pty Ltd	Support of ACF campaigns
AMP Services Ltd	Support of ACF campaigns	Henry's Hydraulics Pty Ltd	The Climate Reality Project
Arnold Bloch Leibler	Pro bono legal services	Hill Family Conservation Foundation	Support of ACF campaigns
Australian Camps Association	Sponsor Nature Connect Conference	Hootville Communications	Media training
Australian Council of Learned Academies	Support of ACF campaigns	Hunter Hall International Limited	Support of ACF campaigns
Australian Ethical Investment Ltd	Support of ACF campaigns	Karma Currency	Support of ACF campaigns
Brad Sadler, Dana Consulting	Organisation change and executive leadership	Kevin Murphy Business Services Pty Ltd	The Climate Reality Project
City Of Melbourne—Urban Landscapes	Support of ACF campaigns	King & Wood Mallesons	Pro bono legal services
Corrs Chambers Westgarth	Pro bono legal services	Koreen Conservation Ltd	Support of ACF campaigns
Darinka Pty Ltd	General Counsel	KS Environmental Services P/L	Support of ACF campaigns
Department for Communities	Support of ACF campaigns	Macquarie Group Foundation	Support of ACF campaigns
Department of Education, Employment & Workplace Relations	Support of ACF campaigns	MAPgroup Documentary Photographers	Supply of professional images
Department of Industry	Support of ACF campaigns	Marich Foundation	Support of ACF campaigns
DLA Piper—Chicago	Assistance with US application		

SUPPORT

of ACF campaigns continued

Microsoft Pty Ltd	Software Donation Program	PreviousNext	Web design and development
Middendorp Electric Co Pty Ltd	Support of ACF campaigns	ShareGift Australia	Support of ACF campaigns
Minax Uriel Pty Ltd	Support of ACF campaigns	Skellern Family Foundation	Support of ACF campaigns
Neil Stevenson, Human Synergistics	Into the Blue culture programme	Stevenson and Halifax P/L	Organisation change and executive leadership
Oomph	Habitat digital publishing	The Intrepid Foundation	Northern Australia Program
Our Community	Support of ACF campaigns	The Myer Foundation	Northern Australia Program
Paradice Family Foundation	The Climate Reality Project	The Pratt Foundation	Support of ACF campaigns
Platinum Cables	Support of ACF campaigns	Toot Sweet Consulting Pty Ltd	The Climate Reality Project
PMF Foundation	Support of ACF campaigns		

If you would like more information about supporting our campaigns please contact Stuart Garratt on (03) 9345 1260 or s.garratt@acfonline.org.au

WORKPLACE GIVING

A way for business to give back to the environment

Staff of the following companies have given significant financial support in excess of \$5,000 to ACF over the past year.

King and Wood Mallesons	\$20,658.40
Australian Taxation Office	\$10,265
Corrs Chambers Westgarth	\$10,173.90
AMP Services Ltd	\$5,480
Macquarie Group Foundation	\$5,200

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



SUPPORT IN ACTION

ACF MEMBERS AND SUPPORTERS ARE THE HEARTBEAT BEHIND OUR WORK. THIS IS JESSA'S STORY.

Jessa Boanas-Dewes:

Climate Reality Leader, ACF donor and director of Toot Sweet Consulting.



Jessa (right) with ACF habitat magazine editor Tabatha Fulker.
Photo: Paul Sinclair.

I GREW up in an activist household in New Zealand. My mum was a nuclear campaigner. Not your stereotypical activist but the kind who wears a suit and works at the UN level to change international policy.

Through Mum's work I had an insight into how tenuous the environment is and how quickly we can be tempted to go down a scary path in

the name of profit.

After working in publishing, marketing, sustainability and communications I decided to start up my own communications company, Toot Sweet, in 2008.

It's human nature to switch off when we get upset by the facts. The training got me thinking about how we can use humour in a really fun way to engage people and get a message across

We are technical writers who specialise in writing and editing for bids and tenders for civil engineering and construction projects.

I'm really fortunate to work with remarkable people. Our clients agree—they are always astounded

at how great our people are to work with. They trust us to get the job done but they also see how much fun we have together, and they love that.

I think the fun-factor sets us apart as a company, and I think it's a lesson that we can use to

tackle the difficult environmental challenges we now face.

I was fortunate enough to be invited to take part in the Climate Reality Project training as an ACF donor.

The three-day training was amazing, inspiring, and sobering all at the same time.

I left feeling so inspired and so charged, but also feeling the gravity of the situation and the fact that we have no time to waste.

I guess that is what is so special about people like Al Gore who can present difficult facts but inspire people to get into gear.

His message that "we will win this, because we have to" is a really great one. And it's true.

Now that I'm a Climate Leader, I'm thinking about ways that we can use humour to communicate difficult topics.

It's human nature to switch off when we get upset by the facts. The training got me thinking about how we can use humour in a really fun way to engage people and get a message across.

I get really inspired when I think about that. It's really empowering to acknowledge the problems but then put them to one side and say "right, what can I do to help fix this"?

I was fortunate to take part in the Climate Reality Project training

Jessa at the Climate Reality training.
Photo: www.jamestomasphoto.com

Want to support ACF's work and learn about ways to get involved?

Call us on **1800 ACF NOW** or email mail@acfonline.org.au

THE PRESIDENT'S CIRCLE

ACF'S PRESIDENT'S CIRCLE WAS ESTABLISHED IN APRIL 2013 TO RECOGNISE COMMITTED SUPPORTERS WHOSE ANNUAL DONATIONS ARE \$5,000 OR GREATER.

"Throughout our proud history, ACF has been dependent upon the generosity of private donors. Without our most dedicated supporters, ACF would not be able to work towards the

sustainable future Australia's environment needs. The President's Circle recognises the commitment and passion of these vital people,"—Professor Ian Lowe AO, President 2004–2014

Leader (\$25,000+)

Mr Geoff Ainsworth AM
Mrs Edith Burgess
Ms Vicki Olsson
Mr Julian Tertini and Ms Jenny Mines

Protector (\$10,000+)

Dr Susan Adams and Mr Andrew Kirk
Dr Barbara Baird
Mr Clive Blazey and Mrs Penny Blazey
Ms Jessa Boanas-Dewes
Mrs Mary Bush and Mr Bill Bush
Mrs Linda Childs-van Wijk and Mr Carl Childs-van Wijk
Mr Joseph Grundy
Ms Annelie Holden
Dr Bill N Holsworth
Mr Doug Jackson and Mrs Tim Jackson

Ms Valerie Johnstone
Mr Ross Mallam and Mrs Julie Mallam
Ms Ann Miller
Mr Conrad Oppen and Mrs Alice Oppen
Mr Brian Snape AM and Mrs Diana Snape
The Honorable Tom Waddell
Mr Darrell Wade and Mrs Anna Wade
Mrs Marjorie White

Advocate (\$5,000+)

Ms Nan Brown
Mr Lindsay Crawford and Mrs Ann Crawford
Mr George Dalton
Dr Tom Evans
Mr Jack Hoadley and Mrs Ruth Hoadley

Mr Larry Kornhauser and Mrs Sophie Kornhauser
Ms Natalie Mamone and Laurence Stonard
Dr Patrick Moriarty
Ms Pam Petschack
Mr Leigh Rowe

Mr Eric Walker and Mrs Judy Walker OAM
Mrs Elisabeth White and Mr Oliver White
Anonymous donors



LEGACY LEADER

(Bequest value \$100,000+)

Miss Marian Bear
Ms Alice Beauchamp
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Ms Diana Snape
Mr Brian Snape
Mr Peter Timms
Mr Jack Trezise
Ms Laurel Tsang
Ms Beverley Weynton
Ms Marilyn Whimpey
Dr Judy Williams
Ms Patricia Williamsz

ACF would like to thank *all* of its members and donors for their ongoing and valued support. For more information on ACF's President's Circle please go to www.acfonline.org.au/presidentscircle or contact us on **1800 332 510**.

ACF PATRONS

Penelope Figgis

David Yencken

LEGACIES

LIVING ON

GIFTS MADE THROUGH a will are very special and allow us to continue our work as a strong voice for nature. We have been fortunate to receive the following new estate

gifts in 2013–14. We offer our condolences to the family and friends of these members and supporters who left a bequest to ACF in their will this year.

Mr Brian Abel, QLD	Miss Winsome Gregory, NSW	Mrs Tina Nevins, ACT
Mrs Beryl Bell, QLD	Mr Robert Griffiths, SA	Mr Russell Pearson, TAS
Mr Hugh Bignold, NSW	Ms Patricia Gwynne, NSW	Mrs Joan Viner, NSW
Miss Judith Butler, TAS	Mr Alan Hutton, SA	Mrs Margaret Willimott, VIC
Ms Jean Dagger, QLD	Ms Agnes Kilroy, QLD	Mr Terence Wollaston, SA
Mrs Peggy Frayne, SA	Ms Patricia McHugh, ACT	
Ms Heather Graham, SA	Ms Jennifer Morrison, NSW	

WOULD YOU LIKE TO JOIN OUR LIVING LEGACY COMMUNITY?

ACF hosts a variety of functions for our bequest supporters throughout the year, including the opportunities to meet our President, Chief Executive Officer and campaigners.

If you're thinking about leaving a gift in your will, or if you already plan to leave a gift in

your will, please get in touch with Nola Wilmot to confirm your details:

→ **1800 332 510**

→ Email: bequests@acfonline.org.au

For more information visit

www.acfonline.org.au/bequests

Thank you for considering supporting our work through your will.

GIFTS IN MEMORY

We have been fortunate to receive the following gifts in memory of loved ones, friends and colleagues in honour of their concern for our natural environment.

We extend our thanks to those who donated in 2013–2014 in memory of:

Ms Rita Abraham	Ms Margaret Scrymgour
Mr John Bentley	Mrs Elfriede Senyica
Ms Barbara Guest	Ms Kathleen Stewart
Mr Iain Paterson	Mrs Edna Tennere

To make a gift to the Australian Conservation Foundation in memory of someone special, or to arrange for donations in lieu of flowers for a funeral, please contact Nola Wilmot on **1800 332 510**.



VOLUNTEERS

MAKING CHANGE HAPPEN

WE COULDN'T do what we do without the hard work and commitment from our wonderful volunteers.

ACF volunteers do a wide range of work, from researching policy reform to calling our

supporters, doing much needed office administration and managing events.

We'd like to take this opportunity to thank the following people who generously volunteered their time and skill in 2013-14.

Alan Bishop
Alice Russell
Amirah Majid
Amy Mallett
Annette Jones
Bal Johal
Barbara Bauer
Belinda Lack
Beryl Blake
Brian Mollan
Candice Parr
Carolyn Ingvarson
Carolyn Noel
Cyrielle (Sisi) Van Dijk
David Jenkin
Deborah Chuah
Demian Natakhan
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Doug Evans
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Eleonora Angeli
Ella Krockenberger
Emma Thattamanivong
Finn Lloyd
Fiona Ernsley
Francisca Argandoña
Galen White
Grant Keady
Gustav Lanyi
Haley Lambert
Ian Mack
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Jayne McCarthur
Jennifer Bishop
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Jessie Ford
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Judith Sinnamon
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Kate Meathrel
Kate Wood
Kerri-Anne Hempshall
Lana Kagan
Lara Freidin

Laura Durkin
Lauren Baird
Libby Lewis
Lisa Williams
Liya Xu
Liz Rawnsley
Lou Baxter
Lucy Jones
Lynne Holroyd
Maelor Himbury
Mahendra Tirimanne
Maira Nothing
Mary Trudzik
Maura Marshall
Melissa Ireland
Michelle Davidov
Michelle Worsley
Neil Sutton
Nick Driver
Olivia O'Connor
Paula Goldman
Phillip Bezemer
Phyllis Rea-Lloyd
Priya Halanayak
Rachel Fitzpatrick
Rachel Laws
Rebecca Yap
Rosanna van Hespen
Rosaria Crane
Rosy Sataneck
Samatha Hawker
Sandy Mendon
Sarah Cherlin
Saskia Wilson
Seb Henderson
Shanae Kaye
Simon Grosser
Sinead Kerr
Sonya Rutherford
Steph Borrelle
Suzanne Huynh
Teresa Olszanka
Tess McLaren
Thu Vo
Tina Pandeloglou
Tom Le Lievre
William King
Xavier Robertson
Xenia Havales
Yolanda Krockenberger
Zunni Krockenberger

ACF BOARD

ACF Board 2013-14

NAME OF BOARD MEMBER	POSITION
President	Vacant
Rob Fowler	Vice-president (acting President)
Irina Cattalini	Vice-president
Jon Anstey	Honorary secretary
Mary Latham	Honorary treasurer

NAME OF BOARD MEMBER	POSITION
Peter Christoff	Board member
James Cocking	Board member
Todd Davies	Co-opted Board member
Chrissy Grant	Co-opted Board member
Ellen Sandell*	Board member
Piers Verstegen	Board member

Robert Fowler

Vice-president

SA

Rob is an adjunct professor of environmental law at the University of South Australia. Since retiring from full-time employment in 2008, he has devoted himself largely to voluntary work. He is also currently the international chair of the IUCN Academy of Environmental Law (a global network of environmental law academics); president of the Conservation Council of South Australia; and a member of the IUCN Environmental Law Commission. In 2011, he was appointed by the SA Government to the board of the SA EPA.

Irina Cattalini

Vice-president

WA

Irina is the chief executive officer of the Western Australian Council of Social Service. 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 March 2005, she spent three years working at the Conservation Council of Western Australia, on various energy and greenhouse related policy and projects.

Mary Latham

Treasurer

VIC

Mary is the honorary treasurer of ACF and chair of the finance and audit committee. She is charged

with specific focus on the finance, audit and risk matters of the organisation. Mary is a chartered accountant, company director and consultant. She has worked in the financial services industry for 15 years, in Australia and England, and in the Australian not-for-profit sector for eight years. She has worked at senior executive level as both a CFO and a Company Secretary with responsibility for finance, risk management, corporate governance, compliance, human resources and membership services.

Mary works on a voluntary basis for organisations in the human rights sector and is also a director of Australian Podiatry Association (Vic), ChildFund Australia and International Detention Coalition. She is a member of both the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.

Jon Anstey

Secretary

VIC

Jon has over 15 years of executive and professional experience in strategy, law and management. Since 2010, Jon has worked on national, state and regional water and energy issues, as executive general manager at Coliban Water Corporation in Victoria. In 2010, he facilitated the fellowship program for the Centre for Sustainability Leadership in Melbourne.

From 2000, Jon worked with the United Nations in Geneva on natural resource aspects of conflict, disaster and development, then with Shell and NGOs in The Hague on global sustainability partnerships. He represented these



ACF Board 2013-14

organisations to ministerial and senior executive level, contributing to interdisciplinary projects in more than 20 countries.

From 1995, Jon advised on energy, resource and banking/finance matters, as a solicitor at Clayton Utz. Jon holds a masters of law from Melbourne University, as well as masters of social sciences in international relations from Seoul National University. He is a graduate of the Australian Institute of Company Directors.

Todd Davies

Board member
VIC

Todd is a fellow of the Institute of Chartered Accountants and the Institute of Internal Auditors in recognition of his contributions to the fields of risk management and corporate governance, and to the accounting and auditing professions in Australia and abroad.

Todd has a keen interest in mobilising financial capital for public and social good. He has been a serial disruptive innovator in areas including digital media, music and environmental markets and has mentored hundreds of business start-ups over the past 20 years. He also serves as trusted-insider with large multinationals on strategic risk and board governance.

His work with ACF is driven by the belief that healthy environment and ecosystems are critical to human wellbeing. He also holds governance roles in public institutions in health, public transport, local government and emergency management.

Peter Christoff

Board member
VIC

Over the past three decades Dr Peter Christoff has fought to save the forests of east Gippsland, for effective hazardous waste management, for nuclear disarmament and against uranium mining, and to stop global warming. He has served in government as the assistant commissioner for the environment, and on various Victorian government committees on climate mitigation and adaptation.

As an academic at the University of Melbourne, he teaches and writes about environmental and climate politics and policy. He has been on ACF's council and board since 2000, as vice president from 2006 to 2009 and again from 2011 to 2012.

James (Jimmy) Cocking

Board member
NT

Jimmy is the coordinator of the Arid Lands Environment Centre based in Alice Springs. He has been instrumental in its growth from a small environmental lobby group to becoming a central player in major sustainable development initiatives in central Australia.

Jimmy holds a bachelor of science (biomedical) honours at Monash University and has completed his master of social science (international urban and environmental management) at RMIT. He is an active board member of the Olive Pink Botanic Gardens and a founding director of Wide Open Space Music Festival.



ACF Board 2013–14

Chrissy Grant

Board member
NSW

Chrissy has extensive experience in Indigenous land management and heritage. She has worked as the director of the Indigenous Heritage Assessment Section with the Australian Heritage Commission and the Commonwealth Department of the Environment and Heritage.

Since retirement in 2006, she has held ministerial appointments to the Indigenous Protected Advisory Group as chair for three years; the Indigenous Advisory Committee (IAC) as deputy chair; and a member of the Australian National Commission for UNESCO. She is also chair of the Australian Institute for Aboriginal and Torres Strait Islander Studies Research Ethics Committee, 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. She is also involved 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.

Ellen Sandell

*Board member (*leave of absence*
13 August 2013–13 September 2013)
VIC

Ellen has 10 years experience in campaigning, and two years as CEO of the Australian Youth

Climate Coalition. She was recognised as the Banksia Awards Young Environmentalist of the Year in 2009. In 2007 she was elected environment officer in the University of Melbourne student union where she led a 3-year campaign to get the university to become carbon neutral. The campaign was successful in getting the university to commit \$3.5 million to environmental initiatives. She was also previously employed in the Victorian Department of Premier and Cabinet where she helped develop a whole-of-government climate change strategy including a green paper.

Piers Verstegen

Board member
WA

Piers has a diverse range of experience in environmental policy, law, politics, and economics.

In 2012 Piers was named one of Western Australia's 100 most influential people by *The West Australian* newspaper, for his work in the environment and sustainability fields.

He is currently the director of Western Australia's peak environment and sustainability advocacy organisation, the Conservation Council of WA.

Piers has worked as a senior policy advisor for four WA environment ministers, he has advised governments on science, climate change, emissions trading, waste management, air quality, environmental law, environmental education, industry regulation and pollution control.

ACF SUSTAINABILITY REPORT

Environmental Performance

	2011/12	2012/13	2013/14
Total water consumption ¹ (kL)	253.8	274.5	257.4
Total paper consumption ² (A4 sheets)	184,783	254,903	144,705
Total electricity consumption ³ (kWh)	92,780	85,381	107,221
Total distance flown by staff and Council & Board members (km)	1,432,235	1,458,551	1,006,530
Fuel consumption by ACF vehicle ⁴ (L)	575	1,367	1,434
Employees who commute without a car (%)	92	93	93
Total emissions offset ⁵ (tonnes CO2 equiv)	474	457	287

Social Performance

	2011/12	2012/13	2013/14
Total number ⁶ (FTE)	*55	61	*** 65
Overall level of satisfaction (%)	not available	not available	69%
Turnover rate (%)	**27.1	18.8	20.5
Average annual training per employee (hours)	not available	12	12
Employees covered by collective bargaining agreements ⁷ (%)	93	91.3	94
Members and financial supporters ⁸ (Total number)	35,526	39,560	40,372

Outreach

	2011/12	2012/13	2013/14
ACF media mentions			
› Newspapers, magazines and websites	751	592	514
› Radio and television	964	1,061	1,608
› Online	989	935	951
› Opinion pieces published			69
Website visitors (average unique visitors per month)	22,827	29,417	51,465

1. Data only available for Melbourne office.

2. Data not available for Broome office (1 staff member).
Total does not include outsourced printing.

3. Data not available for Broome office.

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 2013/14 financial year.

* The 2011/12 Annual Report reported incorrect figures on FTE staff, as they included consultants, contractors and casual staff.

** The 2011/12 Annual Report reported incorrect figures on turnover as they also took into account contracting positions.

*** The 2013/14 Includes temporary (contract) staff



**AUSTRALIAN
CONSERVATION
FOUNDATION**

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2014

ACF'S FINANCIAL POSITION – SUMMARY

ACF continues to maintain a sound financial base upon which to operate.

Our cornerstone asset the 60L Green Building in Melbourne, and our underlying cash reserves, which we ethically invest and provide a steady income stream, supports this. Overall, ACF's net asset base is \$14.4 million, which is adequate to meet all ongoing operational commitments and budget projections.

ACF is pleased to report an unrestricted surplus for the third year running of \$138,493 from our operations in a difficult and challenging time for fundraising in the for-benefit sector. This small surplus goes towards building a sound operational reserve to accommodate future economic fluctuations.

ACF is committed to strong financial management and reporting to ensure any changes that may effect our operations can be mitigated or enhanced so that ACF meets or exceeds its budget expectations.

More than 90 per cent of ACF's income is received through the generosity and goodwill of

our individual and private trust supporters, bequests and membership. ACF strives to increase our income year-on-year so that we can invest more in the environmental outcomes that are core to our organisation and supporters. Investing and growing our fundraising income requires a long-term fundraising strategy of donor recruitment, and ongoing support to existing donors and supporters, which is not reflected in an annual snapshot.

Currently, each dollar we spend on fundraising yields \$2.17 to invest in our environmental activities and essential administration. ACF has a three-year goal to increase our overall returns from fundraising to above 3:1 that is over \$3 for each \$1 spent. To ensure high quality governance of our donor funds, ACF administrative and compliance are managed to a budget of 12 per cent.

The following Financial Report details ACF's financial position, income and expenditure in greater detail and through an independent financial audit conducted by Grant Thornton Audit.

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 <http://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 the ACF structure and to read a copy of ACF's Constitution please visit:

<http://www.acfonline.org.au/resources/acf-constitution>

ACF registration details can be found on the Australian Business Register at <http://www.abr.business.gov.au>.

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



Index

2013-14

INDEX

Report from the Board
 Statement by the Board & Management
 Fundraising Declaration by the Treasurer
 Auditor's Report

FINANCIAL REPORT**Financial Statements**

Statement of Comprehensive Income
 Statement of Financial Position
 Statement of Changes in Equity
 Statement of Cash Flows

Notes to Financial Statements

Introduction

- Note 1 Significant accounting policies
- Note 2 Operating surplus
- Note 3 Cash and cash equivalents
- Note 4 Trade and other receivables
- Note 5 Financial assets
- Note 6 Other assets
- Note 7 Artwork
- Note 8 Property, plant and equipment
- Note 9 Intangible assets
- Note 10 Trade and other payables
- Note 11 Provisions - Employee benefits
- Note 12 Lease commitments
- Note 13 Reconciliation of cash flows from operating activities to operating surplus
- Note 14 International aid and development activities
- Note 15 Related party transactions
- Note 16 Association information
- Note 17 Segment information
- Note 18 Fundraising activities as classified by the NSW Charitable Fundraising Act
- Note 19 Financial instruments

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT BY THE BOARD
FOR THE YEAR ENDED 30 JUNE 2014**

REPORT FROM THE BOARD

The undersigned Board members submit the following information and financial report of the Australian Conservation Foundation Inc. (ACF) for the year ended 30 June 2014.

ACF is an incorporated association and was first registered in 1966 in Canberra 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 11 members; President, two Vice-Presidents, four Councillors (appointed by Council) and four co-opted members (appointed by Council).

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 operational performance including risk management. It approves and monitors the implementation of the strategic plan, and ensures legal and regulatory 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 Finance & Audit Committee, the Governance Committee, 60L Committee, Business and Performance Committee and the Remuneration Committee.

The names of Board members throughout the year are set out below, those who only served part year are marked with a number, and further details below;

Current	Member Type	Position	Attendance
Irina Cattalini	Ex-officio	Vice President	8/11
Rob Fowler	Ex-officio	Vice President	9/11
Jon Anstey (1)	Co-opted	Honorary Secretary	6/7
Peter Christoff	Councillor	Board Member	8/11
Jimmy Cocking	Councillor	Board Member	8/11
Todd Davies (2)	Co-opted	Board Member/Ex Treasurer	10/11
Chrissy Grant	Co-opted	Board Member	6/11
Mary Latham (1)	Co-opted	Treasurer	6/7
Ellen Sandell (3)	Councillor	Board Member	8/10
Piers Verstegen	Councillor	Board Member	11/11
Former Board Members			
Ian Lowe (4)	Ex-Officio	President	7/9
Grant Blashki (5)	Co-opted	Board Member	4/4
Gavin Wigginton (5)	Co-opted	Honorary Secretary	4/4

(1) Terms began 24/11/13

(2) Term as Treasurer ended 10/01/14

(3) On leave of absence from 13/06/14 until 29/11/14

(4) Term ended 27/04/14

(5) Terms ended 22/11/13

Information regarding each Board member can be found online at
<http://www.acfonline.org.au/about-us/governance/acf-board>

All members of the Board serve in an honorary capacity. Directors do not receive remuneration for their role. Out-of-pocket expenses may be paid for travel, accommodation and communications to enable them to fulfill their duties.

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD FOR THE YEAR ENDED 30 JUNE 2014

STRATEGY & OBJECTIVES & ACTIVITIES

OUR PURPOSE

The Australian Conservation Foundation (ACF) stands for ecological sustainability. We get to the heart of environmental problems by tackling the underlying social and economic causes. We work across society to influence urgent, transformative action to deliver lasting change on the scale required to secure a sustainable environment. We bring people together to champion the true value of our environment and its critical role in sustaining all other systems and in achieving human wellbeing.

OUR STRATEGY

ACF continues to build on our proud history of achievement and experience by focusing on the three principal pathways to achieve our goals. Our key achievements for 2014-2015 are:

Safe Climate

- **Renewable Energy Target**
Our climate campaign played a strong role in supporting Australia's Renewable Energy Target which to date survives strong pressure from polluting industry.
- **The Climate Reality Project**
As the Australian partner of the Climate Reality Project, ACF hosted an Al Gore training session in Melbourne to train 525 climate leaders from 30 countries. The former US Vice President's visit put the international spotlight on Australia's climate policies and helped save the Clean Energy Finance Corporation and Climate Change Authority by securing critical support from cross-bench senators. ACF featured strongly in Al Gore's 24 Hours of Reality broadcast with 60 viewing events held nationally. These constituted almost half the registered events around the globe where there were more than 20 million views of the live climate broadcast.
- **Engagement and Media**
We engaged around 35,000 supporters in our climate campaign, including petitions, community-hosted events and a Canberra citizen delegation. ACF featured in more than 800 media stories on climate change and generated 21 opinion articles.

Healthy Ecosystems, Northern Australia and Indigenous Rights

- **Protection of Tasmania's high conservation value forests**
ACF played a key role with partner signatories in defending the conservation outcomes of the Tasmanian Forest Agreement, ensuring 74,000 hectares of forest listed as World Heritage remained on the World Heritage list despite a federal government attempt to remove it.
- **National environment laws**
In partnership with Places You Love alliance members, ACF succeeded in slowing and so far preventing the handover of federal environmental approval powers to state governments.
- **Sustainable Australian Seafood Assessment Program**
ACF successfully completed a sustainably-caught seafood engagement program in Victoria in partnership with the South Melbourne Market.
- **Great Eastern Ranges Investment Prospectus**
ACF has been developing a new connectivity conservation campaign in formal partnership with the Great Eastern Ranges initiative.
- **Cape York land tenure reform with landscape scale conservation outcomes**
The Cape Melville group of National Parks, with a combined area of 354,800ha, were returned to Aboriginal ownership and co-management in November 2013. With support from the Myer Foundation, ACF completed a Wuthathi Cultural Mapping and Knowledge System Project to inform future management plans of Wuthathi country. This includes the impending return of 113,000 ha of high conservation value land at Shelburne Bay.

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD FOR THE YEAR ENDED 30 JUNE 2014

ACF supported Olkola Traditional Owners (TOs) progress the return of over 700,000ha of their country and secure funds for land management.

Backed by 5,440 ACF member submissions, ACF helped persuade the Queensland Government to adopt a new approach to Cape York regional planning to deliver better consultation with TOs.

- **Kimberley**
ACF countered new threats to the National Heritage-listed values of the Kimberley from on-shore shale gas development and coal mines, providing detailed submissions and appeals to the WA Government. These efforts helped delay gas development with more work required to halt these threats in cooperation with TOs.
- **Nuclear free and northern Australia's economic future**
ACF assisted TOs at Muckaty in the NT to defeat a government bid to impose a radioactive waste dump on their country. We also supported a community push for a more responsible national approach to radioactive waste management. ACF ramped up public pressure on Rio Tinto at shareholder meetings following the devastating collapse of a leach tank at its Ranger uranium mine.
- **Sustainable vision for Northern Australia**
ACF built alliances and engaged in Parliamentary inquiries to provide a sustainable vision for the future economy built on Northern Australia's world-famous natural and cultural values. ACF helped the Kimberley to Cape network convene a Roundtable on the Future of Northern Australia in Darwin drawing 90 participants from diverse sectors which successfully identified common ground for a more sustainable and resilient economy.
- **Engagement and Media**
Throughout the period ACF engaged over 45,000 supporters in the Tasmanian forest campaign with tens of thousands also taking action for Cape York, the Kimberley and national environment laws. We also generated more than 2000 media mentions in support of our healthy ecosystems work, including 34 opinion editorials.

Living Sustainably

- **Policies for a smart, clean economy**
ACF continued to campaign for policies and measures that protect and restore our natural capital, such as working with industry and the bureaucracy to measure and account for natural capital. We also identified and campaigned for solutions that will put Australia on track to sustainability, including providing expert analysis and advocacy on the federal Budget, climate and energy policies, enabling policies like innovation, and international trade.
- **Equipping communities with economic advice**
With the financial assistance of the Lord Mayor's Charitable Trust, ACF trialed an economic advisory service to provide economic analysis and advice to community organisations working on environmental matters.
- **SPARK! National sustainability partnership with the YMCA**
We continued to work with the YMCA to make its sites in regional Australia more energy efficient and equip staff with the skills and behaviors to make their workplaces and homes sustainable. Six YMCA Associations participated at 12 sites. ACF also conducted training for YMCA Australia - the central hub of all YMCA administration where policy and procurement is coordinated nationally.
- **Advancing the Implementation of Sustainability Education in the Classroom & Community**
The Final Report for Research Phases 1-3 for the Education for Sustainability and the Australian Curriculum Project was published by the Australian Education for Sustainability Alliance, for which ACF provides secretariat support. The report makes eight recommendations to encourage integration of sustainability in the classroom.
- **Engagement and Media**
ACF hosted a national speaking tour for Richard Louv, the American author who coined the phrase 'nature deficit disorder', and sparked 80 supporter-led events around Australia to reconnect with nature. We also hosted nearly 400 visitors to the 60L Green Building for

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD FOR THE YEAR ENDED 30 JUNE 2014

Open House Melbourne. We generated more than 200 media mentions and placed 11 opinion editorials on our Living Sustainably work.

Using the Human Synergetics Organisational Cultural Inventory (OCI) testing tool, ACF undertook a process of understanding organisational behaviours and culture, resulting in the implementation of a cultural improvement program "Into The Blue." ACF will continue to test and compare progress against the tool year-on-year.

FINANCIAL REVIEW

ACF is reporting a deficit from comprehensive income which amounted to \$266,143 (2013: surplus \$494,767).

This deficit can be deconstructed as follows;

- a deficit to our Campaign-restricted funding reserves (income received in advance) of \$576,569 (2013: \$65,397 surplus);
- an unrestricted operating surplus of \$138,491 (2013: \$125,590 surplus);
- an unrealised increase in equity holdings of \$171,933 (2013: \$303,778 decrease) resulted in a total unrestricted surplus of \$310,424 (2013: \$429,368 surplus).

Comprehensive Income for the year was \$12,420,169 (2013: \$13,316,212), a decrease of 7% on 2013.

More than 80% of ACF's income is received through the generosity and goodwill of our individual and private trust supporters. We encourage donors to make regular donations, through a regular giving program Earthvoice. This enables ACF to have a secure, long-term income stream and stability for longer-term commitments to environmental campaigns.

Donation income was \$11,273,158 (2013: \$12,001,080) from individuals through regular giving, direct appeals, private grants, government funding (no greater than 5% of total income) and membership.

Other income from investments, interest and dividends, and rental & outgoings income from the 60L tenants was \$1,147,010 (2013: \$1,315,132).

Expenditure was \$12,858,245 (2013: \$13,125,223). ACF continues to review our expenditure base and make resource decisions necessary to remain a sustainable and effective organisation. This was done with minimum impact on environmental campaign outcomes.

Expenditure on environmental programs was \$5,915,305 (2013: \$6,158,789).

ACF continues to invest in growing our financial supporter base, and these fundraising costs have a return on investment over future years (but must be accounted for in the year of expenditure). ACF donor recruitment costs were \$2,059,780 (2013: \$2,394,282).

Fundraising costs associated with generating ongoing donation and fundraising income including direct salaries, database administration & supporter services, and other direct costs were \$3,134,290 (2013: \$2,844,875). ACF's strategy to enhance and increase the efficiency of our engagement with supporters including ACF members and the broader community, through the use of digital media, were responsible for part of this increase, as were increased compliance requirements.

ACF administration (excluding Board & Council) costs remained at 12% for the year, as a result of contract renegotiations and a reduction in office costs; overall cost growth was held at under 2%. ACF actively seeks to improve productivity and reduce administration costs as a % of total income.

Cash holdings decreased by 4% as at 30 June 2014 to \$4,832,453 (2013: \$5,051,898). The

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD FOR THE YEAR ENDED 30 JUNE 2014

revaluation of financial assets not-for-sale of \$171,933 was applied against the long-term Endowment reserves that these equities underpin.

ACF plans, budgets and monitors its performance against annual and 3-year goals in the areas of campaign activity, fundraising and supporter engagement, communications, operations and human resources. This is reported monthly to the Executive team and 6 times per year to Board.

ACF Board is actively budgeting to increase our operating reserves through sustainable surpluses over a 5-year period to provide for income security in unstable economic times and agility in future years. Inclusive of the establishment of community organizing capabilities around our environmental supporters in the coming year, ACF has budgeted a small surplus for FY2014-15.

ACFID CODE OF CONDUCT

The Australia Conservation Foundation was a signatory to the Australian Council for International Development (ACFID) Code of Conduct until January 2014, however remains committed to adhering to the high standards of corporate governance, public accountability and financial management it required.

The code sets out the standards of governance, management, financial control and reporting with which non-government organisations must comply to maintain membership of ACFID. These organisations are required to become a signatory to and demonstrate compliance with the code before they are eligible to obtain accreditation from any Australian Government overseas aid program.

ACF continues to prepare for 2014-15 the financial report in accordance with the ACFID Code of Conduct. Detailed disclosures and information are outlined in Note 15 of any international development work.

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.

During the 2013-14 financial year, ACF repaid unused funds from AusAID for the Climate Educators' Skillshare program, run within Australia during June & July 2013. No further funding for international activities were received from state or federal governments in the year-ending 30 June 2014.

Complaints relating to alleged breaches of the Code of Conduct by any signatory agency can be made by any member of the public to the ACFID Code of Conduct Committee.

More information about the Code is available from www.acfid.asn.au/code-of-conduct or by contacting ACFID on main@acfid.asn.au or 02 6285 1816.

RISK MANAGEMENT

The ACF Board, with advice from the Finance and Audit Committee, is responsible for ensuring that risks, compliance and internal control systems are monitored and reported on a timely basis and are aligned with ACF's goals and activities. ACF undertakes periodic risk analysis programs and due diligence reviews covering all administrative systems.

Clear lines of accountability and delegation of authority are in evidence and are required of ACF by the Board at all times, promoting a culture of quality and integrity.

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT BY THE BOARD
FOR THE YEAR ENDED 30 JUNE 2014**

INSURANCE

During the financial year, the Australian Conservation Foundation paid a premium of \$4,500 (2013: \$4,938) for Directors' & Officers Liability Insurance covering Directors, Secretary and other officers for losses arising from claims or allegations made against them for Wrongful Acts (as defined in the Policy) committed or alleged to have been committed by them in their capacities as directors or officers of the organisation. The policy will also reimburse the organisation where it is permitted by law to indemnify Insured Persons in relation to such claims or allegations. Cover is provided for the costs of defending such claims or allegations. The Employment Practice Liability covers the liability and defense costs of the company, directors, officers and employees for claims arising out of certain employment practices, such as allegations of wrongful dismissal, discrimination, unfair dismissal, wrongful refusal to employ/promote, sexual harassment and defamation and libel or slander.

FUNDRAISING LICENCES

Australia does not have a Federal law governing fundraising, and it is required of ACF to monitor, apply and report against State laws (which differ broadly), and in some instances, hold specific licences for fundraising in those states.

These states requiring licences are listed below:

Victoria	Licence No	10416
New South Wales	Licence No	14379
Queensland	Licence No	CP4888
ACT	Licence No	19000043
Western Australia	Licence No	(application in progress)

EVENTS SUBSEQUENT TO REPORTING DATE

There were no significant changes in the nature of the activities of ACF during the 2013-14 year, or since the reporting date.

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT BY THE BOARD
FOR THE YEAR ENDED 30 JUNE 2014**

In the opinion of the Board,

- (a) the financial report set out on pages 9 to 29 presents a true and fair view of the financial position of the Australian Conservation Foundation Inc. as at 30 June 2014 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 – Rob Fowler
29 August 2014



Treasurer – Mary Latham
29 August 2014

STATEMENT BY MANAGEMENT

The Executive Director (CEO) and Director of Finance & Operations have made the following certifications:

- We acknowledge our responsibility for ensuring that the financial report is in accordance with Accounting Standards (including Australian Accounting Interpretations), International Financial Reporting Standards as disclosed in the financial report, and confirm that the financial report is free of material misstatement, including omissions and that we have approved the financial report;
- That the organisation's financial reports are complete and present a true and fair view, in all material respects, of the financial conditions and operational results of the organisation;
- That the above statement is founded on a system of risk management and internal controls and compliance which implements the policies adopted by the Board and that they are operating efficiently and effectively in all material respects in relation to financial reporting risks.



Executive Director (CEO) – Kelly O'Shanassy
29 August 2014



Director of Finance & Operations – Mal Lewis
29 August 2014

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT BY THE BOARD
FOR THE YEAR ENDED 30 JUNE 2014**

FUNDRAISING DECLARATION

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

I, Mary Latham, Treasurer of the Australian Conservation Foundation Inc. declare on behalf of the Board, 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 – Mary Latham
29 August 2014



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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 "Company"), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement of Directors.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Associations Incorporation Act 1991 and the Australian Charities and Not-for-profits Commission Act 2012. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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. Those standards 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.

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**Auditor's
Report**

2013-14



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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 Company'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.

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

Auditor's opinion

In our opinion, the financial report of Australian Conservation Foundation Inc

- a is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b complies with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013.

A stylized, handwritten signature in purple ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A stylized, handwritten signature in purple ink, likely belonging to Brock Mackenzie.

Brock Mackenzie
Partner - Audit & Assurance

Melbourne, 29 August 2014

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 30 JUNE 2014



	NOTES	Restricted	Operating Unrestricted	2014 TOTAL \$	2013 \$
Income					
Operating activities		551,463	10,721,696	11,273,159	12,001,080
Non-operating activities		-	1,147,010	1,147,010	1,315,132
Total Income	2 (a)	551,463	11,868,706	12,420,169	13,316,212
Expenditure					
Environmental Protection Campaigns & Sustainability programs					
Northern Australia		537,298	297,287	834,585	805,059
Healthy Environments		63,373	901,866	965,239	937,462
Climate Change		42,634	1,274,291	1,316,925	1,144,726
Environmental Economics		15,016	494,466	509,482	750,151
Sustainable Australia		-	-	-	35,543
Community Engagement		-	1,630,991	1,630,991	1,753,144
Environmental Values & Behaviours		404,198	253,884	658,082	732,703
SubTotal		1,062,519	4,852,785	5,915,305	6,158,788
Fundraising Expenditure					
New supporters recruitment & acquisition		-	2,059,780	2,059,780	2,394,282
Staff, other direct costs & supporter maintenance		65,512	3,068,778	3,134,290	2,844,875
Administration & support to campaigns & fundraising		-	1,629,810	1,629,810	1,597,833
Organisational restructure costs		-	119,060	119,060	129,445
Total Expenses	2 (b)	1,128,031	11,730,213	12,858,245	13,125,223
SURPLUS / (DEFICIT) FOR THE YEAR		(576,568)	138,493	(438,076)	190,989
Net Unrealised gain / (loss) on revaluation of financial assets (Note 5)		-	171,933	171,933	303,778
TOTAL COMPREHENSIVE INCOME (DEFICIT) FOR THE YEAR		(576,568)	310,426	(266,143)	494,767

The Australian Conservation Foundation reports with transparency of its income and expenditure between that **restricted** for a particular purpose by the donor (usually environmental campaigns), against that which general **unrestricted** funds were received and can be applied towards ongoing operations for strategic environmental campaigns and fundraising at ACF's discretion.

Environmental Protection and Programs expenditure includes all direct staff costs, campaign and travel expenditure incurred in relation to these environmental goals, including media and legal support, and direct supporter engagement and admin costs where directly attributable to those campaigns.

Fundraising Expenditure includes all direct staff, supporter maintenance and direct costs. It also includes the upfront costs of acquiring new donors, which must be expensed in the year they are incurred, yet regular giving donors will supply income for years to come.

Administration costs relate to the direct cost of maintaining and running our head office, and the support functions such as Finance, HR, our extensive environmental library, Digital Services and IT, general operations and the offices of the CEO & COO.

The accompanying notes form part of this financial report

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014



	NOTES	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	3	4,832,453	5,051,898
Trade and other receivables	4	138,515	814,355
Financial assets	5	1,684,046	1,541,600
Other assets	6	71,837	53,881
TOTAL CURRENT ASSETS		6,726,851	7,461,734
NON-CURRENT ASSETS			
Artwork	7	10,250	18,500
Property, plant and equipment	8	9,035,696	9,021,384
Intangible assets	9	218,585	290,165
TOTAL NON-CURRENT ASSETS		9,264,531	9,330,049
TOTAL ASSETS		15,991,382	16,791,783
CURRENT LIABILITIES			
Trade and other payables	10	943,425	930,646
Provisions	11(a)	600,630	1,159,845
TOTAL CURRENT LIABILITIES		1,544,055	2,090,491
NON-CURRENT LIABILITIES			
Provisions	11(b)	54,297	42,116
TOTAL NON-CURRENT LIABILITIES		54,297	42,116
TOTAL LIABILITIES		1,598,352	2,132,607
NET ASSETS		14,393,033	14,659,176
EQUITY			
Reserves & retained surplus		14,659,176	14,164,406
Surplus / (Deficit)		(266,143)	494,767
TOTAL EQUITY		14,393,033	14,659,176

The accompanying notes form part of this financial report

Financial
Statements

2013-14

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 June 2014

2013-14	Building Reserve	Restricted Environment Program Fund Reserve	Endowment Fund Reserve	Unrestricted Operating Reserve	Total
	\$	\$	\$	\$	\$
Balance 1 July 2013	9,069,380	1,094,073	2,266,772	2,228,946	14,659,176
Transfers to reserves	-	551,463	-	-	551,463
Transfers from reserves	-	(1,128,031)	-	-	(1,128,031)
Surplus / (Deficit) for year (subtotal)	-	(576,568)	171,933	138,493	(266,142)
Balance 30 June 2014	9,069,380	517,505	2,438,705	2,367,439	14,393,036

2012-13	Building Fund Reserve	Restricted Environment Program Fund Reserve	Endowment Fund Reserve	Unrestricted Operating Reserve	Total
	\$	\$	\$	\$	\$
Balance 1 July 2012	9,069,380	1,028,675	1,962,994	2,103,357	14,164,406
Transfers to reserves	-	1,551,032	-	-	1,551,032
Transfers from reserves	-	(1,485,633)	-	-	(1,485,633)
Surplus / (Deficit) for year (subtotal)	-	65,398	303,778	125,590	494,767
Balance 30 June 2013	9,069,380	1,094,073	2,266,772	2,228,946	14,659,176

Purpose 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. These reserves are underpinned by long term financial assets not for sale. As such, the ACF Board has a policy of treating any unrealised movement in the value of the financial assets against the Endowment reserves.

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

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

The accompanying notes form part of this financial report

Financial
Statements

2013-14

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 June 2014

	NOTE	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members, supporters and customers		11,405,618	10,217,108
Receipts from grants		441,488	1,436,182
Receipts from bequests		751,704	891,402
Interest & other investment income received		340,614	421,995
Payments to suppliers, contractors and employees		(12,976,872)	(12,579,557)
NET CASH PROVIDED BY OPERATING ACTIVITIES	14 (b)	(37,447)	387,131
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment; software & website		(211,483)	(224,959)
Net Proceeds on sale of financial assets		171,933	403,807
Net Payment for addition of financial assets		(142,447)	(73,881)
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		(181,997)	104,968
Net increase (decrease) in cash held		(219,444)	492,099
Cash at the beginning of the financial year	3	5,051,897	4,559,799
CASH AT THE END OF THE FINANCIAL YEAR	3	4,832,453	5,051,897

No single appeal, grant or other form of fundraising for a designated purpose generates 10% or more of the organisation's international aid and development revenue for the financial year.

The accompanying notes form part of this financial report

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2014



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.

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, 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 profit & loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

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

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2014



1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT'D.

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 - at cost	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 Profit & Loss and Other 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 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.

ACF has invested significantly in redeveloping and rebranding its website presence, with greater functionality and linkage to our CRM. This was launched in March 2012. Development costs have been capitalised and are amortised on a straight-line basis over their estimated useful life, as this asset is considered finite and subject to change in the technological age.

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 comprehensive income. 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 have expired. 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 comprehensive income

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 profit & loss and other comprehensive income.

(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 profit & loss and other comprehensive income.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2014



1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT'D.

(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 profit & loss and other 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 Government's 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 Profit & Loss and Other 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 judgements

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.

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 receives the bequest.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2014



1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT'D.

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 (and franking credits) are 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 Profit & Loss and Other Comprehensive Income on page 24 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; therefore the fundraising activities income does not include appeal or membership subscription income from new members. The effect of these omissions may have a material effect on the information reported in Note 21 as compared to the income in the Statement of Profit and Loss and Other 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 Profit & Loss and Other 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 requires 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 Profit & Loss and Other Comprehensive Income.

International aid and development programs

The Australian Conservation Foundation ceased being a signatory to the ACFID Code of Conduct in March 2014, but remains committed to adhering to its high standards of corporate governance, public accountability and financial management.

The code sets out the standards of governance, management, financial control and reporting with which non-government development organisations must comply to maintain membership of ACFID. These organisations are required to become a signatory to and demonstrate compliance with the code before they are eligible to obtain accreditation with the Australian Government's overseas aid program. Compliance is met by submitting an annual report for assessment against established criteria and completing a self-assessment process designed by ACFID.

More information about the Code is available from www.acfid.asn.au/code-of-conduct or by contacting ACFID on main@acfid.asn.au or 02 6285 1816. Complaints relating to alleged breaches of the Code of Conduct by any signatory agency can be made by any member of the public to the ACFID Code of Conduct Committee.

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

Detailed disclosures and information are outlined in Note 21.

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 Profit & Loss and Other Comprehensive Income only if the value could be substantiated within the year as allowed by the Code of Conduct.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2014



1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONT'D.

New Accounting Standard and AASB Interpretations

All new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (which are mandatory for annual periods beginning on or after 1 January 2013) were adopted in the current year were applicable. The adoption of these standards have not had a significant effect on the entity's financial position or performance.

New Standards, amendments to Standards and Interpretations which have been recently issued or amended but are not yet effective have not been applied to the financial report for the current period. None of these are expected to have a significant effect on the entity's financial position or performance.

Australian Charities & Not-for-profit Commission (ACNC)

The Australian Conservation Foundation successfully registered with the ACNC in 2012. The ACF completed our first Annual Information Statement for submission by 31st December 2013.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2014



Notes to
Financial
Statements

2013-14

2. OPERATING SURPLUS / (DEFICIT) FOR THE YEAR

Surplus for the year has been determined after:

(a) **Revenue**

Operating activities

	Campaigns Restricted	Operating Unrestricted	2014 Total \$	2013 \$
Donations	176,150	9,386,703	9,562,853	9,123,350
Legacies and bequests	-	751,704	751,704	891,402
Subscriptions	-	404,669	404,669	394,117
Grants - Non-government	383,412	-	383,412	225,038
Grants - AusAID	(11,329)	-	(11,329)	200,200
Grants - Government	1,979	67,426	69,405	1,010,944
Sponsorship, advertising & sales	-	62,906	62,906	87,367
Other income	1,251	48,288	49,539	68,661
SubTotal	551,463	10,721,696	11,273,159	12,001,080

Non-operating activities

Investment income	-	216,056	216,056	362,141
Rental income from other sources	-	883,658	883,658	888,799
Net gain on disposal of financial assets	-	47,296	47,296	64,192
SubTotal	-	1,147,010	1,147,010	1,315,131
Total Income	551,463	11,868,706	12,420,169	13,316,212

(b) **Expenses**

	Restricted	Unrestricted	Total \$	Total \$
Administration & insurance	19,741	516,199	535,941	370,953
Depreciation and amortisation	-	324,297	324,297	390,931
Finance costs				
Auditor remuneration - audit or review services	2,000	37,832	39,832	37,300
Banking transaction costs	-	92,205	92,205	79,832
Net loss on disposal of property, plant and equipment	-	24,969	24,969	19,251
Doubtful debts expense	-	6,247	6,247	30
Investments	-	16,857	16,857	14,780
Marketing & fundraising (non-staff)	50,870	3,620,093	3,670,963	3,564,993
Occupancy costs	351	262,564	262,915	271,396
- Lease payments on operating leases	12,177	42,882	55,058	88,657
Program campaigning (non-staff)	439,740	406,628	846,368	912,325
Program travel	67,824	319,003	386,827	539,186
Recruitment and development	337	106,287	106,624	84,192
Staff and on-costs	534,992	5,954,151	6,489,143	6,751,396
Total Expenditure	1,128,031	11,730,212	12,858,245	13,125,223
Surplus / (Deficit) for the year before Unrealised Movements	(576,568)	138,493	(438,077)	190,989
Unrealised movements Gains/(losses) on financial assets	-	171,933	171,933	303,778
Surplus / (Deficit) for the year	(576,568)	310,428	(266,143)	494,767

3. CASH AND CASH EQUIVALENTS

CURRENT	2014 \$	2013 \$
Cash on hand	1,500	2,000
Cash at bank	2,290,844	2,161,077
Cash on term deposits	2,540,109	2,888,821
	4,832,453	5,051,898

The effective interest rate on short-term deposits was 3.94% (2013: 4.62%); these deposits are currently available at short notice.
A Credit facility with Westpac, undertaken in April 2008, was on an unsecured basis. The facility is not utilised at reporting date June 2014.

4. TRADE AND OTHER RECEIVABLES

CURRENT	2014 \$	2013 \$
Trade receivables	30,000	613,443
Provision for impairment of receivables	-	-
Other receivables	108,514	200,912
Total trade and other receivables	138,515	814,355

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2014



a) At 30 June 2014, the aging analysis of trade receivables is as follows:

	Total	0-30 Days	31-60 Days	61-90 Days	+ 90 Days
2014	30,000	29,443	557	-	-
2013	613,443	371,951	201,249	3,098	37,144

ACF is actively pursuing the debtors for funds; we received 80% of debtors during July 2014. 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.

	2014 \$	2013 \$
Movements in the impairment provision		
1 July balance	-	44,039
Charge for the year	-	-
Amounts written off	-	(44,039)
30 June balance	-	-

5. FINANCIAL ASSETS

	Market Value 30/06/2013 \$	Purchases \$	Sales/ Withdrawals \$	Market Revaluation \$	Market Value 30/06/2014 \$
Equity trusts - at fair value	420,254	-	-	81,724	501,978
Property trusts - at fair value	69,246	-	-	11,660	80,906
Equity Share Portfolio - at fair value	1,052,099	317,823	(347,309)	78,549	1,101,162
Direct mortgage	-	-	-	-	-
	1,541,599	317,823	(347,309)	171,933	1,684,046

6. OTHER ASSETS

CURRENT

Prepayments & accruals	30,531	17,965
Accrued income	41,306	35,916
	71,837	53,881

7. ARTWORK

NON-CURRENT

Artwork - at fair value	10,250	18,500
	10,250	18,500

8. PROPERTY, PLANT & EQUIPMENT

NON-CURRENT

	2014 \$	2013 \$
Land & buildings	8,985,569	8,945,033
Accumulated depreciation	(293,072)	(212,519)
	8,692,497	8,732,514
Office furniture and fittings - at cost	461,940	491,703
Accumulated depreciation	(399,349)	(438,897)
	62,591	52,806
Communications & information technology equipment - at cost	1,005,172	943,587
Accumulated depreciation	(787,616)	(707,524)
	217,556	236,063

2013-14

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2014



Leasehold improvements - at cost	65,137	-
Accumulated depreciation	(2,085)	-
	63,052	-

Motor vehicles and accessories - at cost	60,732	60,732
Accumulated depreciation	(60,732)	(60,732)
	-	-

TOTAL Property Plant & Equipment Written-Down-Value (WDV)	9,035,696	9,021,384
--	------------------	------------------

Movements in carrying amounts

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

<u>2014</u>	WDV Balance 1/07/2013 \$	Additions \$	Transfers & Write-offs \$	Depreciation expense \$	WDV Balance 30/06/2014 \$
Land & buildings	8,732,514	51,987	(5,201)	(86,804)	8,692,497
Office furniture and fittings	52,806	35,393	(7,567)	(18,041)	62,591
Computers & ICT	236,063	71,946	(1,749)	(88,704)	217,556
Leasehold improvements	-	65,137	-	(2,085)	63,052
Motor vehicles and accessories	-	-	-	-	-
	9,021,384	224,463	(14,517)	(195,634)	9,035,696

<u>2013</u>	WDV Balance 1/07/2012 \$	Additions \$	Transfers & Write-offs \$	Depreciation expense \$	WDV Balance 30/06/2013 \$
Land & buildings	8,748,543	61,277	-	(77,306)	8,732,514
Office furniture and fittings	82,461	-	-	(29,655)	52,806
Computers & ICT	212,016	138,822	(1,718)	(113,057)	236,063
Motor vehicles and accessories	-	-	-	-	-
	9,043,020	200,099	(1,718)	(220,018)	9,021,384

9. **INTANGIBLE ASSETS**

NON-CURRENT	2014 \$	2013 \$
Computer software & website (development costs)	1,093,276	1,070,755
Accumulated amortisation	(874,691)	(780,591)
	218,585	290,165

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>2014</u>	WDV Balance 30/06/2013 \$	Additions \$	Transfers & Write-offs \$	Amortisation expense \$	WDV Balance 30/06/2014 \$
Website & computer software	290,165	71,946	(10,362)	(128,746)	223,003
	290,165	71,946	(10,362)	(128,746)	223,003

<u>2013</u>	WDV Balance 1/07/2012 \$	Additions \$	Transfers & Write-offs \$	Amortisation expense \$	WDV Balance 30/06/2013 \$
Website & computer software	434,501	44,110	(17,533)	(170,914)	290,165
	434,501	44,110	(17,533)	(170,914)	290,165

10. **TRADE & OTHER PAYABLES**

CURRENT	2014 \$	2013 \$
Trade payables	709,266	446,598
Sundry payables & accruals	108,948	260,585
Deferred membership income	125,210	223,463
	943,425	930,646

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

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2014



11. PROVISIONS		2014	2013
CURRENT		\$	\$
Provision for employee benefits (annual and long-service leave)	11(a)	600,630	1,159,845
NON-CURRENT			
Provision for employee benefits (long-service leave)	11(b)	54,297	42,116
		654,927	1,201,962

As at 30 June 2014, there were 60 fulltime equivalent staff (FTE) (2013 - 70) posts within ACF. A further 3.6 FTE were vacant at 30 June.
(Headcount 70, 2013 - 79)

12. LEASE COMMITMENTS		2014	2013
Operating lease commitments for rent of the Cairns, Canberra, and Broome offices.		\$	\$
Payable within 1 year		55,727	70,316
Payable later than 1 but within 5 years		-	22,777
Payable later than 5 years		-	-
		55,727	93,093

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

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

The lease for the Sydney property was terminated 4 months early on 31 July 2013 with no penalties, with rent payable monthly in advance

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

13. AUDITORS REMUNERATION		2014	2013
		\$	\$
Audit of financial statements		37,832	34,500
Other services		2,000	2,500
Total Auditors Remuneration		39,832	37,000

14. NOTES TO CASH FLOW STATEMENT		2014	2013
(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		(266,143)	494,767
<u>Non-cash flows from surplus</u>			
Depreciation of property, plant and equipment		195,551	220,018
Amortisation of intangible assets		128,746	170,914
Provision for doubtful debts		-	-
Net (gain) / loss on disposal of financial assets & property, plant and equipment		(47,296)	-
Unrealised (gains) / losses on financial assets		(171,933)	(303,778)
<u>Changes in assets and liabilities</u>			
(Increase) / decrease in receivables		583,442	(233,372)
(Increase) / decrease in other assets		(35,836)	(109,402)
Increase / (decrease) in payables / other liabilities		(196,949)	3,668
Increase / (decrease) in provisions		(227,030)	144,317
Net cash provided by operating activities		(37,447)	387,131
(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.			

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2014



15. INTERNATIONAL AID AND DEVELOPMENT ACTIVITIES	2014 \$	2013 \$
Income		
Donations - monetary	-	-
Donations - non-monetary	-	-
Grants	-	-
AusAID (repaid unused funds)	(11,329)	200,200
Other Australian	-	-
Other overseas	-	-
Other income	-	-
Total Income	(11,329)	200,200
Expenditure		
International aid & development programs (within Australia)	29,214	159,656
Funds to international aid projects overseas	-	-
International programs - support costs	2,839	2,839
Community education	-	-
Fundraising - public	-	-
Fundraising - government & private	-	-
Accountability & administration	2,676	5,486
Total disbursements	34,729	167,981
Excess of disbursements over revenue	(46,058)	32,219
In-kind volunteer services contribution (included above)	-	-

ACF received a grant from AusAID for the Asia Pacific Climate Change skill-share programme (see Board report for more detail).
ACF has not and will never accept monies or expend monies for International Political or Religious Adherence Promotion.

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) and are responsible for planning, directing and managing ACF activities. Personnel who were members of the Executive during the year, and their respective positions and appointment dates to those positions were:

Don Henry	Chief Executive Officer	Appointed: May 1998	Resigned: March 2014
Kelly O'Shannessy	Chief Executive Officer	Appointed: April 2014	
Danny Vadasz	Chief Operating Officer	Appointed: March 2010	Terminated: April 2014
Paul Sinclair	Director Environment Protection	Appointed: April 2013	
Mal Lewis	Director Finance and Operations	Appointed: January 2011	
Charles Berger	Director Economic Transformation	Appointed: November 2007	Resigned: January 2014
Lucy Farmer	Director Media & PR	Appointed: April 2004	
Vacant	Director of Marketing		

	2014 \$	2013 \$
Short term benefits		
Remuneration paid	757,593	820,507
TOTAL Short-term benefits	757,593	820,507
Long term benefits		
Superannuation contributions	71,879	81,096
Long service leave paid	73,859	20,094
TOTAL Long term benefits	145,738	101,190
Total Compensation	903,331	921,697

17. ASSOCIATION INFORMATION

Registered name	Australian Conservation Foundation Incorporated
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.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2014



18. SEGMENT INFORMATION

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

19. CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by ACF in relation to 2014 or 2013.

20. EVENTS AFTER BALANCE DATE

No adjusting or significant non-adjusting events have occurred between the reporting date and the signing date.

21. FUNDRAISING ACTIVITIES AS CLASSIFIED BY THE NSW CHARITABLE FUNDRAISING ACT

	2014 \$	2013 \$
Total ACF fundraising income for the year ending June 30, 2014	11,273,159	12,001,080
However, for the purposes of the NSW Charitable Fundraising Act only certain classes of income are included under the definition of 'fundraising income'		
Excluded income from bequests, membership, government grants and unsolicited donations	1,377,809	1,755,400

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)	2014 \$	2013 \$
Total income from fundraising activities	9,895,350	10,245,680
Less total expenditure on fundraising activities	4,399,115	4,467,752
Net surplus from fundraising activities	5,496,235	5,777,928

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 \$5,496,235 (2013 \$5,777,928) from fundraising activities as defined under the NSW Charitable Fundraising Act. Of this surplus, \$5,101,452 (2013 \$4,398,303) 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. \$394,782 was allocated to organisational support (2013 \$1,080,827).

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.

	2014 \$	2013 \$
Gross income from fundraising activities involving external service providers	5,192,524	5,192,524
Gross expenditure on fundraising activities involving external service providers	2,059,780	2,394,282
Gross Contribution	3,132,744	2,798,242

ACF produces its appeal fundraising activity in-house, and only uses external suppliers for recruitment of supporters. Only face-to-face income and costs with external providers are detailed here.

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

EarthVoice monthly giving program

Mail appeals - July, 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).

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2014



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

	A	B	2014	2013
<i>A divided by B</i>	\$	\$	%	%
Total cost fundraising/Gross proceeds of fundraising	4,399,115	9,895,350	44%	44%
Net surplus from fundraising/Gross proceeds of fundraising	5,496,235	9,895,350	56%	56%
Environmental programs expenditure/Expenditure	5,915,305	12,858,244	46%	47%
Environmental programs expenditure/Income	5,915,305	12,420,168	48%	45%

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.

22. 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 2014.

	NOTES	2014	2013
Financial assets		\$	\$
Cash and cash equivalents	3	4,832,453	5,051,898
Loans and receivables	4	138,515	814,355
Financial assets at fair value through profit or loss			
- equity investments	5	171,933	303,778
- direct mortgages	5	0	0
		5,142,901	6,170,031
Financial liabilities			
Trade and other payables	10	943,425	930,646
		943,425	930,646

i. Treasury risk management

A Finance and Audit Committee consisting of Board 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 the 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 rate risk

ACF is exposed to interest rate risk on cash on deposit. The Foundation 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% (2013: +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.

		2014	2013
		\$	\$
Cash on deposit			
Net result - Increase/(Decrease)	+2%	54,289	49,262
Net result - Increase/(Decrease)	-1%	(27,145)	(24,631)
Equity	+2%	18,560	18,454
Equity	-1%	(9,280)	(9,227)

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2014



(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;
- monitor budget to actual performance on a regular basis; and
- 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 management's expectation as to the timing of realisation.

2014	Within 1 Year	Greater than 1 Year	Total
Financial liabilities due for payment			
Trade and other payables	1,599,782	54,297	1,654,079
Total expected outflows	1,599,782	54,297	1,654,079
Financial assets - cash flows realisable			
Cash and cash equivalents	4,832,453	-	4,832,453
Loans and receivables	138,515	-	138,515
Financial assets at fair value through profit or loss			
- equity investments	171,933	-	171,933
- direct mortgages	-	-	-
Total anticipated inflows	5,142,901	-	5,142,901
Net (outflow)/inflow on financial instruments	3,543,119	(54,297)	3,488,822

2013	Within 1 Year	Greater than 1 Year	Total
Financial liabilities due for payment			
Trade and other payables	2,160,808	64,893	2,225,701
Total expected outflows	2,160,808	64,893	2,225,701
Financial assets - cash flows realisable			
Cash and cash equivalents	5,051,898	-	5,051,898
Loans and receivables	814,355	-	814,355
Financial assets at fair value through profit or loss			
- equity investments	303,778	-	303,778
- direct mortgages	-	-	-
Total anticipated inflows	6,170,031	-	6,170,031
Net (outflow)/inflow on financial instruments	4,009,224	(64,893)	3,944,330

(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 the reporting date.

For other assets and 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 uses 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 uses inputs that are not based on observable market data (unobservable inputs).

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2014



2014	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity trusts	-	81,724	-	81,724
Property trusts	11,660	-	-	11,660
Equity share portfolio	78,549	-	-	78,549
Direct mortgages	-	-	-	-
	90,209	81,724	-	171,933

2013	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity trusts	-	88,850	-	88,850
Property trusts	4,759	-	-	4,759
Equity share portfolio	210,169	-	-	210,169
Direct mortgages	-	-	-	-
	214,928	88,850	-	303,778



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