



Australian Conservation Foundation

ANNUAL & SUSTAINABILITY REPORT

2011-12

CONTENT

President Report	3
Chief Executive Officer Report	4
ACF Successes	5
Support of ACF Campaigns	9
Workplace Giving	11
Support in Action	12
Gifts in Memory	13
Legacies Living On	13
ACF Board and Governance	14
Sustainability Report	17
Annual Financial Report	19

PRESIDENT REPORT



Our role must be to amplify and build support for change and compel the political system to respond.

Professor Ian Lowe,
ACF President

We have to continue to fight against inappropriate development proposals: coal seam gas extraction on prime agricultural land; irresponsible ventures to expand mining and export of coal when we know it has to be phased out as an energy source; new uranium mines when the nuclear industry globally has been stopped in its tracks by the Fukushima accident; encroachment onto floodplains and destruction of critical habitat. At the same time, we have to be working on the broader issue of community engagement, helping people to have the capacities and information they need to effect change.

IN 2014, ACF WILL CELEBRATE ITS FIFTIETH ANNIVERSARY. For all that time, we have been doing great work securing our natural heritage. We can claim credit for some wonderful achievements, from the Great Barrier Reef Marine Park to the protection of Antarctica from mineral development. But despite the successes, we now have to recognise that almost all the important environmental indicators are getting worse.

Our role must be to amplify and build support for change and compel the political system to respond. That doesn't mean we cease our commitment to advocacy on environmental issues. There are critical battles happening right now about the Murray-Darling system, Tasmanian forests, the Kimberley, protected ocean areas, climate change mitigation measures, renewable energy targets, Cape York and habitat linkages for endangered species.

Within this critical decade we want to help bring about new ways of thinking, new ways of working, new ways of earning our living, new approaches to the natural world and a new responsibility for the legacy we will leave future generations of Australians.

I always remind people that the future is not somewhere we are going. It is something we are creating. There are many possible futures. We are deciding which one will occur by our decisions and actions (and by our non-decisions and inaction). It has been wisely said that bad outcomes occur when good people do nothing. We have the opportunity to make a real difference. I am excited by that prospect, by the goal of making Australia a model for other countries as we become a sustainable society. I hope you are equally excited and eager to join us in this vitally important work.

CEO REPORT



Our supporters allow us to fearlessly appraise the actions of governments and remain an independent voice for Australia’s environment.

Don Henry,
ACF CEO

We continue to defend the important Renewable Energy Target, which is under attack from sections of the business lobby, while advocate for other policies to make sure Australia is playing its part in tackling climate change and shifting to a clean economy.

ACF HAS RELIED ON THE GENEROSITY OF ITS MEMBERS AND SUPPORTERS SINCE OUR FOUNDING IN 1964. Throughout this time our supporters’ generosity has enabled us to successfully work to protect Australia’s precious natural heritage together.

You may not be aware, but around 90 per cent of our income comes from generous individuals, philanthropic institutions and households. This support allows us to fearlessly appraise the actions of governments and businesses and remain an independent voice for Australia’s environment.

Over this past financial year, and into the next, ACF has engaged in a range of critically important campaigns. We have played a lead role in securing the carbon price and actually wrote the \$10 billion Clean Energy Finance Corporation submission, a new body that will boost investment in renewable energy adopted by the Federal Government.

Australia’s announcement of the world’s largest national network of marine reserves is an exciting milestone in our ocean protection campaign.

We continue to work with more than 30 other environment groups to defend national environment laws, which are under siege from industries that want to claw back hard-won environmental safeguards. ACF has a leading role in the joint campaign to ‘Protect the Laws that Protect the Places you Love’. ACF also continues to be a key player in the difficult campaigns to secure a strong Murray-Darling Basin Plan as well as properly protecting Tasmania’s superb remaining native forests.

The funding we receive from our generous members and donors is critical in allowing us to continue working for lasting change towards a sustainable future. Thank you.

ACF SUCCESSES

What we've done and how we did it

July 2011 to June 2012

Climate change

ON SUNDAY THE FIRST OF JULY 2012, AFTER YEARS OF DEDICATED CAMPAIGNING, A NATIONAL CARBON PRICE CAME INTO EFFECT.

ACF was instrumental in founding the Business Roundtable on Climate Change and creating the high-impact Say Yes collaboration, both critical in galvanising industry and public support for a price on pollution.

The results? Nearly 60 per cent of Australia's greenhouse emissions will now be priced and later capped. The price on pollution will deliver a 25 per cent reduction in pollution by 2020, and achieve emission reductions 13 times larger than the 20 per cent of Australia's second biggest climate change policy, the Mandatory Renewable Energy Target.

We designed the \$10 billion dollar Clean Energy Finance Corporation (CEFC) and our team built support for the idea among investors, renewable energy developers, unions, community groups and politicians of all persuasions. The CEFC was included in the negotiation of Australia's carbon price, and attracted international interest as the

model for pulling cutting edge technologies, such as solar thermal, out of university laboratories and into the real world.

For years we've campaigned against some of Australia's dirtiest coal-fired power stations. We saw firm proof that the carbon price works, together with Australia's 20 per cent renewable energy target, when 3000 megawatts of coal-fired energy (or three power stations) closed down within months of the commencement of the carbon price.

The last year saw the establishment of the \$3.2 billion Australian Renewable Energy Agency; the \$1 billion dollar Biodiversity Fund (part of the Clean Energy Future package); \$250 million over six years for the Carbon Farming Initiative; \$22 million for the Indigenous Carbon Farming Fund to support Indigenous participation in carbon farming (including skills, governance and the development of rigorous methodologies); and \$433 million for the Carbon Farming Futures Program and Carbon Farming Skills Program (to help landholders participate in the Carbon Farming Initiative).

The Climate Reality Project

THIS YEAR WE CELEBRATED FIVE YEARS OF WORKING WITH THE ASIA PACIFIC LEADERSHIP CONGRESS, furthering our commitment to relationship building, understandings cultural difference and fine-tuning the leadership skills of Australians committed to action on climate change.

In the Asia-Pacific region, Climate leaders reported 3,009 activities for the year—including presentations, media engagements and meaningful interactions with elected representatives. Over half of these took place in Australia. We've delivered over 7,500 activities to support strong action

on climate change, and reached one in 62 Australians with our story.

More than 8.5 million people worldwide watched the 24 Hours of Reality in September 2011, launched by Climate Reality founder Mr Al Gore.

Climate Reality is also working with a values-based campaign model that promotes cultural shifts to create enduring change on environmental issues. Relationships are developing across the local and international not-for-profit sector as interest in values-based advocacy gains momentum.

Northern Australia

ACF Successes

2011-12

South Kimberley
aerial.

Picture: Bette Devine.

IN JULY 2011, WE SAW THE 47,000 HECTARE IRON RANGE NATIONAL PARK RETURNED TO THE KUUKU YA'U PEOPLES as the Kutini-Payamu

National Park. In May 2012, the 381,560 hectare Mungkan Kandju National Park was returned to the Wik Mungkan, Southern Kaanju and Ayapathu people as the Oyala Thumotang National Park. Both of these Cape York Peninsula Aboriginal land transfers support Indigenous led conservation management and provide future opportunities for ecotourism enterprises.

We've seen over \$20 million contributed to the voluntary acquisition of land that holds values of national environmental significance, and for their joint management with Traditional Owners. Part of the successful Cape York Land Tenure program, this investment includes \$3 million to support engagement and consultation with the Indigenous people of Cape York toward a potential future World Heritage nomination.

After working closely with the Kimberley Land Council, National Heritage listing for west Kimberley was announced in August 2011 at a celebration at One Arm Point in Indigenous Ganbanan Country on the Dampier Peninsula. Kimberley National Heritage listing is the largest land-based listing made in Australian history, with 19 million hectares of west Kimberley listed with full consent of Traditional Owners. This is an area almost the size of Victoria.

ACF is working to promote the responsible, transparent and credible management of radioactive waste and is active in efforts to end the proposed Muckaty radioactive waste facility in the Northern Territory. This controversial project remains unbuilt and strongly contested with a campaign led by Traditional Owners and supported by a range of partner organisations.

Formal confirmation that Australian uranium was in the failed Fukushima reactors has seen an increased debate around the costs and consequences of our uranium trade, including through planned sales to India. ACF's active campaign and media presence has highlighted these risks.

We continue to work closely with concerned Traditional Owners and have seen success with delays to new or expanded projects in Western Australia and elsewhere, including BHP Billiton's Olympic Dam mine in South Australia.



Healthy Ecosystems

ACF HAS A STRONG HISTORY OF CAMPAIGNING FOR COMPREHENSIVE PROTECTION OF OUR OCEANS, REEFS AND DEEP WATER HABITATS. We focussed squarely on encouraging the Federal Government to reduce land-based sources of ocean pollution, build oceans resilience to climate change, and sustainably plan and manage the use of our oceans.

This year Australia became a global leader in marine protection when the world's largest marine park was announced by Federal Minister for the Environment Tony Burke. The national marine reserve network will cover 40 per cent of Australia's waters, home to 45 of the world's 78 whale and dolphin species, six of the seven known species of marine turtle, and 4,000 fish species. Importantly, an additional funding of \$9.7 million has been secured to support the Regional Marine Planning Program.

Over the last three years we worked to successfully encourage the creation of a \$1 billion dollar National Biodiversity Fund. The fund, a key component of the carbon price, is designed to support and value activities that protect and restore biodiversity habitats and their carbon stores. Revenue from the Biodiversity Fund has started to flow into communities, businesses and conservation groups making a difference on the ground. We welcomed the awarding of \$271 million to projects across Australia from the first funding round of the Biodiversity Fund.

We worked alongside farmers, scientists, and communities to develop Australia's first National Wildlife Corridors Plan, a vital initiative essential to

connect and protect our unique biodiversity, address habitat loss and respond to the increasing impacts of climate change.

In South Australia we secured public pledges of support for an effective Murray Darling Basin Plan from members of parliament of all political parties. The Commonwealth Environmental Water Holder has now acquired 1,330 billion litres of water through voluntary buybacks to protect the rivers of the Murray-Darling Basin, vital for the delivery of water to the environment.

Backed by the support of tens of thousands of Australians, ACF has worked for over three decades to protect Tasmania's ancient forests from logging. With the economic collapse of the native timber industry, extensive discussions took place to seek agreement for the future of the industry and forest management in the State. In August 2011 the Tasmanian and Federal governments signed an historic Intergovernmental Agreement in support of future reforms that will provide a strong foundation for protecting Tasmania's high conservation value native forests.

After a long process new draft national laws to prohibit the importation of illegally logged timber products into Australia are finally being introduced to the Australian parliament. It is important that these laws will be strong, effective and enforceable.

Sunset at Gantheaume Point.
Picture: Kerry Trapnell.

Sustainable Australia

IN COLLABORATION WITH ORGANISATIONS COMMITTED TO SUSTAINABILITY IN EDUCATION, we developed and launched the Australian Education for Sustainability Alliance in March 2012. The alliance secured \$200,000 in federal government funding to prioritise the role of sustainability in the Australian curriculum.

Solar cities, the national initiative designed to support communities to rethink ways to produce, use and save energy, received an additional \$13.7 million for the next two years. Our major urban renewal initiative will spend \$20 million over two years demonstrating the benefits of projects that optimise access to public transport and innovation in housing and planning.

We've worked closely with members of the Australian Sustainable Built Environment Council to develop a road map for zero carbon homes, lift the performance of our cities, and determine strategies for more effective engagement with communities.

ACF has been invited to join the National Urban Policy Forum, chaired by the Secretary of the Department of Infrastructure and Transport. The forum has identified active transport and green precinct developments as two key priorities—including investment in more and better bicycle pathways, and an ongoing focus on improving the performance of our cities.

ACF Successes

2011-12

GreenHome Program

Mountain gum,
Kosciusko
National Park.

Picture: Bette Devine.

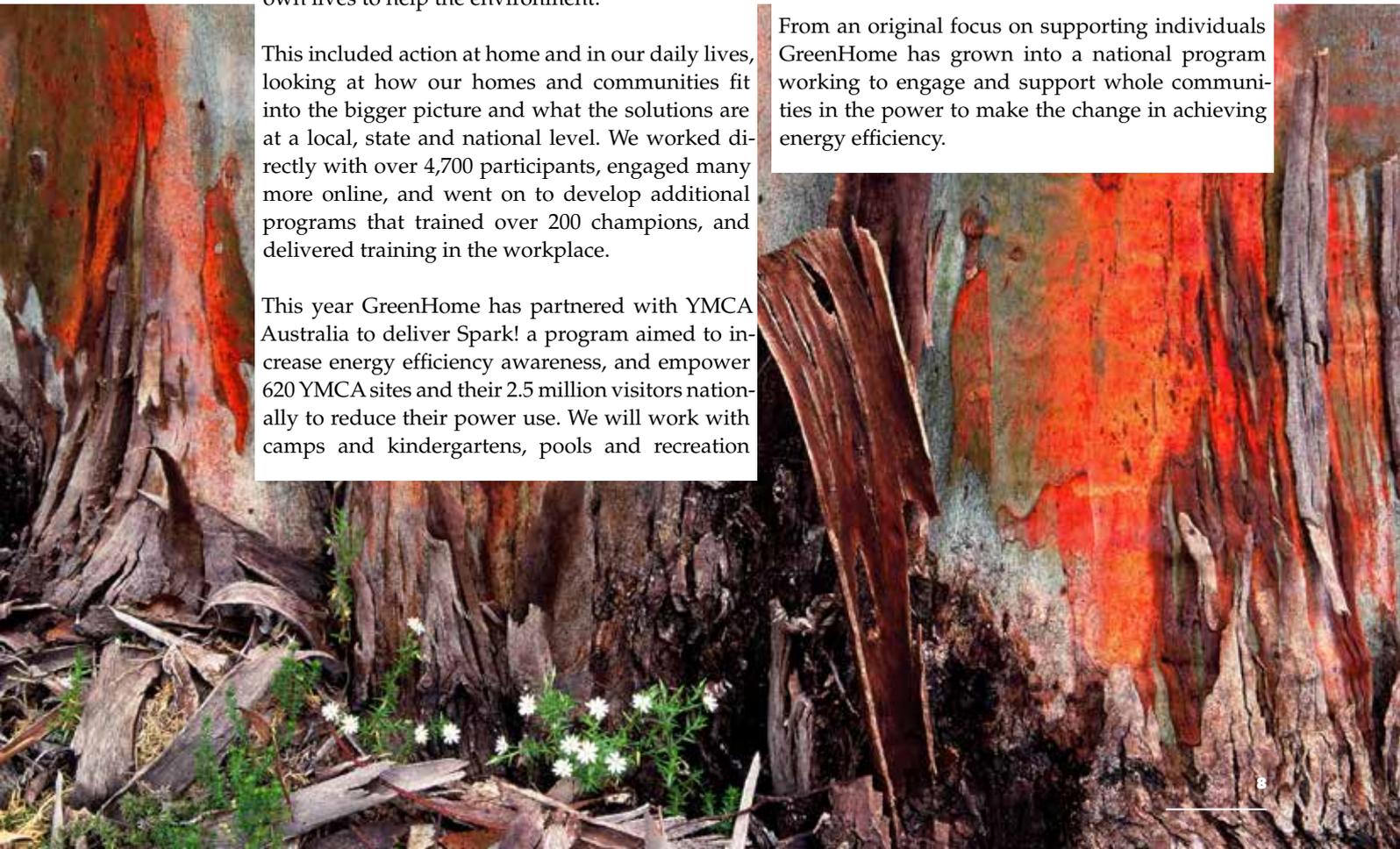
IN 2006 the Banksia Award-winning GreenHome program came to life. GreenHome delivered community workshops, DIY renovator expos and events focusing on what people can do in their own lives to help the environment.

This included action at home and in our daily lives, looking at how our homes and communities fit into the bigger picture and what the solutions are at a local, state and national level. We worked directly with over 4,700 participants, engaged many more online, and went on to develop additional programs that trained over 200 champions, and delivered training in the workplace.

This year GreenHome has partnered with YMCA Australia to deliver Spark! a program aimed to increase energy efficiency awareness, and empower 620 YMCA sites and their 2.5 million visitors nationally to reduce their power use. We will work with camps and kindergartens, pools and recreation

centres to educate and train staff, and generate information and materials to reach the users—the kids, the adults, the campers, and swimmers—about energy efficiency and living sustainably.

From an original focus on supporting individuals GreenHome has grown into a national program working to engage and support whole communities in the power to make the change in achieving energy efficiency.



SUPPORT OF ACF CAMPAIGNS

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

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

350.org	Climate Change Program	Climate Action Network Australia	Climate Change Program
370 Australian volunteer Climate Reality Leaders	The Climate Reality Project	Colonial First State Global Asset Management	Support of ACF campaigns
6A Foundation	Support of ACF campaigns	Darinka Pty Ltd	General Counsel
Andrew Pearson	Online ACF Library Catalogue	Dave Thomas, Eco Divers	Underwater Camera Project
Anthony Wilson, Executive Influence Pty Ltd	The Climate Reality Project	David Booth	Science Reference Panel—Sustainable Seafood
Arnold Bloch Liebler	Pro Bono Legal Services	Department Environment & Resource Management	Northern Australia Program
AusAID	The Climate Reality Project	Department of Education, Employment & Workplace Relations	National Liaison—Indigenous cadet
Australian Council of Trade Unions	Climate Change Program	Department of Employment Economic Development and Innovation	Northern Australia Program
Australian Youth Climate Coalition	Climate Change Program	Dept of Climate Change & Energy Efficiency	The Climate Reality Project and GreenHome
Baker & McKenzie	Climate Change Program	Dept of Sust Environment, Water, Population and Communities	Healthy Ecosystems Program
bankmecu Ltd	New Economics Program	Duncan MacGregor	Asia Pacific Program—Carteret Atoll Solar Power Project
Barb Frey	The Climate Reality Project	Energetics Pty Ltd	The Climate Reality Project
Bette Devine	ACF Image Bank		
Bill Parker	Sustainable Australia Program		
Chris Lonergan, Lonergan Research	Market Research and Advice		
Clean Energy Council	Climate Change Program		

Support of ACF Campaigns

2011–12

Environment Defenders Office	Legal Services, Oceans Law Reform, Healthy Ecosystems Campaign and Nuclear Free Campaign	King & Wood Mallesons	Pro Bono legal services, sustainable seafood, and bulk electricity project
Environment Victoria	Climate Change Program	Koreen Conservation Ltd	Support of ACF campaigns
Ernst & Young	60L Green Building	Lily Serna	Underwater Camera Project
Foundation for Young Australians	Australian National Development Index	Lord Mayor's Charitable Foundation	Sustainable Seafood
Futureye	New Economics Program	Maddocks	Pro Bono Legal Services Sydney
Gary Hall, Macquarie Marshes Landholders Association	Healthy Ecosystems Program	Make Believe	Climate Change Program
Geoff Wescott	Oceans Law Reform	Marich Foundation	Support of ACF campaigns
GetUp!	Climate Change Program	Maurice Esposito	Sustainable Seafood Project
Greenpeace Asia Pacific	Climate Change Program	Michael Caton	Climate Change Program
Greg Jenkins	Science Reference Panel—Sustainable Seafood	Michael Keough	Science Reference Panel—Sustainable Seafood
Henry Jones	Healthy Ecosystems Program	Mike McAllum, Global Foresight Network	Strategic advice to ACF and the Future Forum
Hepburn Wind	The Climate Reality Project	Nordia Foundation Pty Ltd	Northern Australia Program
Hilary McNevin	Sustainable Seafood Project	Oliver Edwards	Sustainable Seafood Project
Hill Family Conservation Foundation	Support of ACF campaigns	Our Community	Support of ACF campaigns
Hunter Hall International Limited	The Climate Reality Project	Paul Cooper	Sustainable Seafood Project
James Gaffey	Bulk Electricity Project and 60L Green Building	Peter Fairweather	Science Reference Panel—Sustainable Seafood
John Pettigrew, Environmental Farmers Network	Healthy Ecosystems Program	Peter Moon	Sustainable Australia Program
Jesse Stephens, Cake Industries	Underwater Camera Project	Republic of Everyone	Climate Change Program
Judy Reizes, Manly Environment Centre	Underwater Camera Project	Richard Hawkins, Public Interest Research Centre UK	The Climate Reality Project
Katherine Wells	Oceans Law Reform	RobMeree Foundation	Support of ACF campaigns
Kevin Murphy Business Services Pty Ltd	The Climate Reality Project		

Support of ACF Campaigns

2011-12

Ross McGowan, Seafood Industry Victoria	Sustainable Seafood	The Diggers Club	Support of ACF campaigns
Stevenson and Halifax P/L	Organisation Change and Executive Leadership	The Frangipani Foundation	Support of ACF campaigns
Terry Korn, Australian Floodplain Association	Healthy Ecosystems Program	The Intrepid Foundation	Northern Australia Program
The Allen Consulting Group	Australian National Development Index	The Myer Foundation	Northern Australia Program
The Australian Council of Learned Academies	Australian National Development Index	Together	Climate Change Program
The Climate Institute	Climate Change Program	Tom Crompton, WWF UK	The Climate Reality Project
The Climate Reality Project (US)	The Climate Reality Project	WWF-Australia	Climate Change Program

WORKPLACE GIVING PROGRAM

Together we make change

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

Australian Taxation Office
CAF Australia
Corrs Chambers Westgarth
Department of Education, Employment & Workplace Relations
Karma Currency
King & Wood Mallesons
Lion Nathan
University of Wollongong

To find out how your organisation can support ACF through workplace giving, please email:

workplacegiving@acfonline.org.au
 or contact (03) 9345 1111 or visit
www.acfonline.org.au/workplacegiving

SUPPORT IN ACTION

For the love of a healthy working environment

Rhonda Boyle has not only been an active ACF supporter for over 40 years, but an advocate for sound environmental management all her working life.

I GREW UP IN GEELONG, VICTORIA, in a family with a strong interest in the performing arts and also with a fundamental conservation ethic. I always liked science as a schoolgirl, and studied geophysics at Melbourne University in the late 1960s. My awareness of nature conservation stems from becoming active, mainly as a bushwalker, in the Melbourne University Mountaineering Club during those years. My first job took me to Canberra to work for the Bureau of Mineral Resources where I also enjoyed bushwalking and cross-country skiing with the Canberra Bushwalkers, and I developed a keen interest in landscape photography.

I became aware of a new postgraduate course at Monash University—Master of Environmental Science—and returned to Melbourne in 1974 to enrol. This covered a very wide range of subjects, ranging from environmental economics and law, ecology, recycling, resource management and sociology. I completed a minor thesis in forest resource management with a particular focus on planning for outdoor recreation in the Otway Ranges. It was around this time that I decided to join ACF, and I remember campaigns to halt sand mining on Fraser Island at that time.

With this qualification, there were several directions my career could have taken. I took a job with the former Melbourne and Metropolitan Board of Works in the environmental management section of the planning branch. I worked in strategic metropolitan planning from 1976 until the early 1990s (from 1985, in the former Ministry for Planning Environment). Mostly, the work was in an environment related aspect of planning, including non-urban planning policy, coastal, open space and waterway planning (including many concept plans for the Yarra and Maribyrnong rivers), early research and planning for Melbourne's Metropolitan Parks and contributions to the various strategic plans for metropolitan Melbourne.

In the 1990s I changed focus, moving to more physical science-based work when I joined the government's first 'greenhouse unit', which moved to

EPA in 1993. I was then working closely with climate change scientists at CSIRO who were preparing climate projections and impact studies for the Victorian Government. I later played a key role in the development of the National Pollutant Inventory and also worked in air quality science and policy. I returned to metropolitan planning in 2002 for the latter part of my career, which included working on the Bracks government's plan for Melbourne: Melbourne 2030. In 2008, I enjoyed working once again on climate change in DSE, preparing a series of publications on climate change projections for Victoria.

I retired from the Victorian public service in early 2011 and have since focused on research and awareness raising in quite a different field—relating to hand size and piano playing! Looking back on my working life, I have realised that constant vigilance from the public is essential so that advances for the environment made by one government are not undone by a succeeding government. It is critical that NGOs like ACF keep important issues in front of the public eye through the media. For example, real action to tackle air quality in our major cities was greatly assisted by NGO media campaigns during the 1980s and 1990s. It is also critically important to have good databases to monitor changes in environmental systems.

There were many people within the public service who influenced me and inspired loyalty among many; people who really wanted to make a difference. These included Neville Wale back in the MMBW days, Michael Buxton in MPE/DCE and EPA, and the late Brian Robinson, EPA Chairman. The most inspiring minister I worked for was undoubtedly Tom Roper, as Minister for Planning and the Environment in the Cain Government.

I have been fortunate to have had an interesting and long working life without any breaks in employment. Not having children to consider, I decided to leave a bequest to ACF so that I can make a substantial contribution to environmental protection in the future—via an NGO rather than from the 'inside' as before.



Rhonda Boyle

GIFTS IN MEMORY

ACF WELCOMES GIFTS in memory of loved ones, friends and colleagues in honour of their concern, respect and support for Australia's environment and our special places. We extend our thanks for, and acknowledge the gifts received for 2011–2012 in memory of the following people:

John Cahill, SA
Gwen Ford, VIC
Anne Godfrey-Smith, ACT
Robert Kilminster, SA
Adam Mackaness, NSW
Doune Mosley, VIC
James O'Connell, VIC

Darren J O'Dwyer, VIC
Ralph Pakshong, VIC
Iain Paterson, VIC
Olive Tattersall, QLD
Ron Thyer, VIC
Colin Totterdell, NSW

To make an in memory gift to the Australian Conservation Foundation, or to arrange for donations in lieu of flowers for a funeral, please contact **Nola Wilmot** on **1800 332 510**. The person for whom these donations are made will be mentioned in our annual Supporters' Report.

LEGACIES LIVING ON

GIFTS MADE THROUGH A WILL are very special and provide for ACF's future campaign ability. A strong indication of support from bequests or legacies indicates a healthy and strong organisation, capable of carrying out long and difficult conservation campaigns. The following people made this wonderful commitment and provided for ACF in their will. We are thankful for the support we received from their estates this year.

Rose Allaway, VIC
Joyce Barrett, QLD
John Beale, VIC
Christina Stead, NSW
Arthur S Boothroyd, NSW
Elizabeth V Conabere, VIC
David J Edwards, QLD
Patricia Hailstone, NSW
Marylyn C Johnson, WA
William Keatley, VIC
Eleanor A Kiddle, NZ
Frank Rigby, ACT

Thomas C H Scally, QLD
Neil Smalley, NSW
Daphne C Spencer, VIC
Ena B Stewart, VIC
Lilian J Thacker, QLD
Hilary Webster, ACT

Living Legacy Community

ACF recognises the exceptional commitment of our known bequest supporters through our Living Legacy Community with invitations to special events and opportunities to meet with our Chief Executive Officer, President and campaign staff. By advising us once you have included ACF in your will we can ensure you are invited to these special events.

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

ACF BOARD AND GOVERNANCE

The Australian Conservation Foundation is governed by the ACF Board. It is a skills-based body, which consists of President, two Vice-Presidents, four Councillors and up to four co-opted members. Co-opted Board members are chosen on the basis of their skills and experience, thus ensuring an appropriate mix of skills and experience within the Board.

ACF Board

Ian Lowe

email: i.lowe@acfonline.org.au

President
QLD

Professor Ian Lowe AO FTSE formally studied engineering and physics. He is currently Emeritus Professor of Science, Technology and Society at Griffith University in Brisbane and an adjunct professor at Sunshine Coast University and Flinders University. Author of 20 books and more than 500 other publications, Professor Lowe's contributions to environmental science have won him a Centenary Medal, the Eureka Prize for promotion of science, the Prime Minister's Environment Award for Outstanding Individual Achievement, the Queensland Premier's Millennium Award for Excellence in Science, and the University of NSW Alumni Award for achievement in science. Professor Lowe was named Humanist of the Year in 1988, made an Officer of the Order of Australia in 2001 and became a Fellow of the Academy of Technological Sciences and Engineering in 2005. Professor Lowe was elected ACF President in 2004.

Rosemary Hill

email: r.hill@acfonline.org.au

Vice President
QLD

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

Peter Christoff

email: p.christoff@acfonline.org.au

Vice President
VIC

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

Gavin Wigginton

email: g.wigginton@acfonline.org.au

Honorary Secretary
VIC

Gavin Wigginton has worked as a volunteer advising ACF on governance systems since 2001. Gavin has been Honorary Secretary since his appointment in 2004, apart from a 12-month leave of absence in 2010/11. He was appointed to the Board in November 2007. Gavin is also a member of the Governance Committee. Gavin is currently a management consultant, specialising in governance and risk management. Previously, he was a general manager in both the private and not-for-profit sectors with responsibility at various times for corporate planning, finance, and HR. Gavin is a member of the AICD, the RACV Club, the Wilderness Society, and the Essendon Football Club.

ACF Board

ACF Board and
Governance

Todd Davies

Treasurer
VIC

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

Grant Blashki

Board member
VIC

Dr Grant Blashki is Associate Professor at the Nossal Institute for Global Health and the Melbourne Sustainable Society Institute, both at the University of Melbourne. His main areas of research are the health impacts of climate change and community mental health. He has served as the Victorian chair of Doctors for the Environment, clinical advisor for beyondblue, and on a range of philanthropic boards. He is the coordinator of the environmental challenges and global health subject offered at the University of Melbourne. He has been awarded

Monash University's Silver Jubilee Prize for teaching, the Fundraisers Institute of Australia's major grants fundraising award, and was co-recipient of the Australian Evaluation Society award for excellence in evaluation. He is the son-in-law of the late Ron Castan QC AM who was a long time friend and supporter of ACF.

Irina Cattalini

email: i.cattalini@acfonline.org.au

Board member
WA

Irina Cattalini is CEO of the Western Australian Council of Social Service. Irina is passionately committed to developing a sustainable future for Australia, and to supporting alliances between Australia's social and environment sectors. Irina has over 15 years experience in civil society policy and advocacy roles. She has worked with the Conservation Council of Western Australia and Environment House on energy and greenhouse related policy and projects, and continues to advocate for sustainability at local, national and international levels.

Robert Fowler

email: r.fowler@acfonline.org.au

Board member
SA

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

ACF Board

ACF Board and
Governance

Chrissy Grant

Board member
NSW

Chrissy Grant 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 (AIATSIS) 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.

Jonathan King

email: j.king@acfonline.org.au

Board member
NSW

Dr Jonathan King began his working life as a Jackaroo on outback sheep and cattle stations before serving as a journalist on most leading newspapers, radio and television stations. He has spent much of his professional life bringing Australian history to life through books, films and events. He graduated in International Relations and Political Science from London School of Economics and the University of Melbourne where he lectured in Australian politics. Falling in love with Australian history, he embarked on a series of historical re-enactments including the \$11 million privately funded 1988 London to Sydney wind-powered Bicentennial First Fleet Expedition of Tall Ships, which attracted two million spectators on arrival in Sydney. This earned him the Australian Achiever Award from the National Australia Day Council, presented by Prime Minister Bob Hawke. He then worked for ACF as a promotions, fundraising and media consultant, helping organise the landmark

1988 Environment Summit. He has also helped Greenpeace with campaigns; served as Australian director for Sting's Rainforest Foundation, raising and delivering funds to the chief of the Kayapo tribe, Raoni on the Xingu River in the Amazon; and has written a series of books on Australian politics and history including *Great Moments in Australian History* (Allen & Unwin 2009). He is married to Jane and has four daughters and five grandchildren whose future he's trying to protect.

Nadia McLaren

email: n.mclaren@acfonline.org.au

Board member
SA

B.Sc. (Hons), M.Env.St.

Nadia works with businesses, governmental agencies, NGOs and communities to accelerate the transition to a healthy and sustainable society. She frames sustainability integrative—healthy people, healthy businesses, healthy families and community, healthy planet. As one of the first Australian graduates in environmental studies, Nadia has 35 years consulting experience in Australia and Europe, currently as principal of Wellbecoming and the sustainable business network 6 Degrees Blue. Her skill set includes social marketing and empowerment of behaviour change, partnering and multi-stakeholder initiatives, community self-reliance and transition, change management and continuous improvement, environmental assessment and management.



SUSTAINABILITY REPORT

Environmental Performance

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
Total water consumption ¹ (kL)	297.5	257.5	253.8
Total paper consumption ² (A4 sheets)	256,121	244,515	184,783
Total electricity consumption ³ (kWh)	100,265	104,550	92,780
Total distance flown by staff and Council & Board members (km)	1,074,810	1,611,124	1,432,235
Fuel consumption by ACF vehicle ⁴ (L)	1,648	1,380	575
Employees who commute without a car (%)	90	88	92
Total emissions offset ⁵ (tonnes CO2 equiv)	<u>353.3</u>	<u>511.5</u>	<u>474</u>

Social Performance

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
Total number ⁶ (FTE)	82	70	65
Overall level of satisfaction ⁷ (%)	79	65	not available
Turnover rate (%)	8.5	15.5	27.8
Average annual training per employee ⁸ (hours)	18	6	not available
Employees covered by collective bargaining agreements ⁹ (%)	93	91	93
Members & supporters ¹⁰ (Total number)	41,355	40,581	35,526

Outreach

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
ACF media mentions			
› Newspapers, magazines and websites	1,154	1,299	751
› Radio and television	1,515	1,631	964
› Online	–	305	989
Website visitors (average unique visitors per month)	25,790	27,315	22,827

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. A staff survey was not conducted in 2011/12 financial year
8. Due to a change to our internal reporting on staff training, hours of training per staff member are not available this financial year.
9. ACF senior managers are employed under performance based contracts. All other staff are covered by a collective bargaining agreement
10. Comprises current financial members and supporters—those who made a financial contribution in the 2011/12 financial year

AT ACF, WE AIM TO EXEMPLIFY SUSTAINABILITY IN OUR OWN PRACTICES. We are committed to reviewing our own performance and identify opportunities to reduce our environmental footprint. Some of those initiatives are listed below and we recognise that there remains further room for improvement. As such, the organisation is in the process of undertaking a review of our sustainability performance. We are committed to constantly reviewing our own performance and identify opportunities to reduce our environmental footprint.

In November 2002 ACF moved its head office into 60L Green Building after a ground-breaking retrofit by the site's developers, the Green Building Partnership. As the 10th anniversary of the building approaches, the building's sustainable design continues to support low energy use, natural air-flow and water efficiency.

The Green Building provides rooftop photovoltaic arrays, light wells that maximise the use of natural daylight, a ventilation system of louvres and thermal chimneys that provide air circulation and natural cooling, and rainwater tanks. This year we also added a rooftop vegetable garden, supplying tenants with delicious organic vegetables.

These design features are more than a technical solution; they contribute to the look and feel of the building and also serve as a visible reminder of the building's design principles. Our building highlights that technology and behaviour work together to minimize. In our other offices, where the design advantages may not be available, behaviour and internal technology still allow staff to influence environmental performance.

Management decisions have an influence on environmental performance through practices such as carbon offsets, choices of energy sources, and a range of policies and practices. All ACF offices rely on green power, and carbon emissions for paper and all forms of travel are offset through Climate Friendly.

Five years ago, ACF introduced sustainability measures into our annual report. Looking back over these snapshots of our performance shows mixed results. Our water consumption, which rose considerably in 2009/10 due to some maintenance issues, has otherwise been steadily reducing. Our energy use has reduced markedly this year but overall, been variable, and warrants a closer look

to identify base demand and variable demand, for instance due to heating and cooling fluctuating with the weather across the years, and the impact of office equipment.

Our paper consumption decreased significantly in the last year, and some of this reduction can be attributed to greater use of electronic devices replacing printed copies of reports and documents. We continue to use double sided printing as a default. Travel continues to be our largest environmental impact. Although lower this year, travel is another highly variable impact deserving greater attention.

While approaches such as video and teleconferencing can replace travel in some instances, the reasons for travel are many and varied. Improved travel information has been available for the last two years, and this will facilitate developing a better understanding of how to manage the impact of our travel.

ACF is currently undertaking a review of our environmental performance to better understand some of the variables so we can better manage our sustainability impacts. The aim is to better integrate decision-making in the future that places environmental costs and benefits alongside financial costs and benefits. We will have much more to report on this in next year's report.



ANNUAL FINANCIAL REPORT

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

Report from the Board
 Statement by the Board & Management
 Treasurer's Declaration
 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 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 2012**

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 2012.

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

Under the governance structure established by a vote of Members in 2006, the Board is skills-based 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 an *, and further details below:

Current	Member Type	Position	Attendance
Ian Lowe	Ex-Officio	President	6/6
Rosemary Hill	Ex Officio	Vice President	5/6
Peter Christoff	Ex Officio	Vice President	6/6
Todd Davies	Co-opted	Treasurer	4/6
Gavin Wigginton *	Co-opted	Honorary Secretary	5/6
Chrissy Grant	Co-opted	Board member	4/6
Grant Blashki	Co-opted	Board member	5/6
Irina Cattalini	Councillor	Board member	5/6
Rob Fowler	Councillor	Board member	5/6
Jonathan King	Councillor	Board member	5/6
Nadia McLaren *	Councillor	Board member	3/3
Former	Member Type	Position	
Nikki Parker *	Councillor	Board member	3/3
Katherine Wells *	Co-opted	Honorary Secretary	1/1

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

The Honorary Secretary, Gavin Wigginton, was appointed on 2 August 2011. Until this time Katherine Wells was the Honorary Secretary. Nadia McLaren was appointed to the Board on 10 February 2012, upon the departure of Nikki Parker on 12 December 2011.

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 2012**

STRATEGY & OBJECTIVES & ACTIVITIES

The principal activities of the Australian Conservation Foundation are:

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

The Australian Conservation Foundation has made significant strides in achieving its objectives in the past 12 months. Our main activities for the year ending 2011-12 were as follows:

Climate Change

Using a combination of supporter engagement, direct advocacy and media engagement, ACF put pressure on key decision makers to deliver our climate change goals.

- ACF worked with partners through the SAY YES campaign – a climate action collaboration comprising ACTU, AYCC, CANA, Environment Victoria, GetUp, Greenpeace, The Climate Institute and WWF. This maximised our supporter outreach and media engagement, creating the necessary public support for an effective climate package, including a price on pollution, which was made law during 2011-12.
- ACF maximised the effectiveness of our direct advocacy, working with our allies in the Southern Cross Climate Coalition and the Climate Action Network Australia.
- Internationally, ACF continued to collaborate with national and international ENGO's to keep the Australian Government committed to playing a leadership role in the mitigation of global emissions.

Sustainable Australia

Because many of the problems with our cities and economic systems require long time horizons to be solved, immediate policy solutions must be complemented by deeper institutional and cultural shifts supported by strong community action.

- Our *National Agenda* and *Better than Growth* policy are ACF's overarching and complementary strategies;
http://www.acfonline.org.au/sites/default/files/resources/ACF_BetterThanGrowth.pdf
- ACF pursued initiatives aimed at better progress (National Development Index), better economics (New Economics program), better cities (Sustainable Cities Index) and better communities (GreenHome); and
- Short-term policy goals focused on advocating for greater investment in public transport, tax reform and institutional reforms.

Healthy Ecosystems

Our Healthy Ecosystems work offers some of the clearest opportunities to match ACF direct action, advocacy, and supporter engagement.

- Healthy Oceans engaged with supporters on sustainable seafood to complement our call for marine protected areas;
- Healthy Rivers developed projects that combine conservation practice and advocacy for the restoration of environmental flows; and
- Healthy Country engaged with supporters on the true value of nature complementing our call for investment in ecosystem protection and repair.

Caring for Country

Our Caring for Country program focuses on working with Traditional Owners to jointly understand and advocate recognition and protection of the outstanding natural and cultural values of Northern Australia. The program also opposes unsustainable developments.

- ACF prioritized the return of lands, protection of values (Aboriginal National Parks and World Heritage) and Indigenous land management on Cape York;
- National Heritage listing and land management in the Kimberley;
- Protection of Kakadu and Northern Australia from uranium mining and waste dumps;
- We partnered with EcoTrust Australia to promote culture and conservation economies in the north; and
- ACF communicated through new supporter engagement channels and the media.

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT BY THE BOARD
FOR THE YEAR ENDED 30 JUNE 2012**

FINANCIAL REVIEW

ACF is reporting a surplus from ordinary activities which amounted to \$242,605 (2011: deficit \$1,515,119).

This surplus is the result of increasing our campaign restricted funding reserves (income received in advance) by \$270,940 (2011: \$677,000 deficit); ACF made an unrestricted surplus of \$61,279 before the unrealised decrease in equity holdings of \$89,616 took this to a small reported deficit of \$28,337 (2011: \$838,119 deficit).

Income for the year was \$12,693,558 (2011: \$12,462,728), an increase of 2% on 2011. In difficult economic times ACF believes this result is a good achievement.

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 from individuals through regular giving, direct appeals, grants (both government and private) and membership was \$11,643,562 (2011: \$11,358,988).

Expenditure was \$12,361,337 (2011: \$13,977,846), a reduction of 12%. ACF continued a process begun in 2011 of reviewing of our expenditure base and made 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 \$5,815,896 (2011: \$6,873,422). This decrease was due to less restricted funds (income previously received) being spent in 2012 than in 2011.

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 \$2,404,730 (2011 \$2,262,268). Other fundraising costs associated with generating donation income include direct salaries, database administration, supporter maintenance and other direct costs decreased from \$3,155,736 to \$2,415,436 due to restructuring and technological efficiencies.

ACF invested resources in the development of the website and digital tools to enhance and increase the efficiency of our engagement with supporters, members and the community. This included updating an aging IT infrastructure. This impacted on administration costs from 11% in 2011 to 13% for the year. Through contract renegotiations, strict cost control and organisational efficiencies, overall admin costs were held at under 1% growth. Administration costs are budgeted be 11% in 2013.

Cash holdings increased by 6%, to \$4,559,799 (2011: \$4,293,152). The fluctuating share market has caused a devaluation of financial assets not-for-sale of \$89,616. This 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 improve our operating reserves through sustainable surpluses to provide for greater flexibility and agility in future years.

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT BY THE BOARD
FOR THE YEAR ENDED 30 JUNE 2012**

ACFID CODE OF CONDUCT

As a member of the Australian Council for International Development (ACFID), the financial report has been prepared in accordance with ACFID Code of Conduct. Detailed disclosures and information are outlined in Note 15 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.

In 2011, ACF wound down the focus on environmental issues affecting the Asia Pacific region to focus on specific challenges within Australia.

RISK MANAGEMENT

The Board, through 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.

INSURANCE

During the financial year, the Australian Conservation Foundation paid a premium of \$4,950 (2011: \$3,992) 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 one 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 licenses for fundraising in those states.

These states requiring licenses are listed below:

Victoria	License No	10416
New South Wales	License No	14379
Queensland	License No	CP4888

EVENTS SUBSEQUENT TO REPORTING DATE

There were no significant changes in the nature of the activities of ACF during the 2011-12 year, or since the reporting date.

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT BY THE BOARD
FOR THE YEAR ENDED 30 JUNE 2012**

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 2012 and of its performance for the year end on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements, and other authoritative pronouncements of the Australian Accounting Standards Board.

(b) at the date of this statement there are reasonable grounds to believe that the Australian Conservation Foundation Inc. will be able to pay its debts as and when they fall due.

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



President - Ian Lowe
22 September 2012



Treasurer - Todd Davies
22 September 2012

STATEMENT BY MANAGEMENT

The Executive Director (CEO) and Chief Operating Officer 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) - Don Henry
22 September 2012



Chief Operating Officer - Danny Vadasz
22 September 2012

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT BY THE BOARD
FOR THE YEAR ENDED 30 JUNE 2012**

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

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



Treasurer - Todd Davies
22 September 2012



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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 2012, and the statement of 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 by the Directors.

Responsibility of the Directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Associations Incorporation Act 1991. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be 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 which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

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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 applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's Opinion

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

- i presents fairly, in all material respects, the Company's financial position as at 30 June 2012 and of its performance and cash flows for the year then ended ; and
- ii complies with Australian Accounting Standards and the relevant legislation.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B.A. Mackenzie
Partner - Audit & Assurance

Melbourne, 22 September 2012

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF COMPREHENSIVE INCOME
AS AT 30 JUNE 2012



	NOTES	Restricted	Operating Unrestricted	2012 TOTAL \$	2011 \$
Income					
Operating activities		1,722,025	9,921,537	11,643,562	11,358,988
Non-operating activities		-	1,049,996	1,049,996	1,103,739
Total Income	2 (a)	1,722,025	10,971,533	12,693,558	12,462,728
Expenditure					
Environmental Campaigns & Programs					
Northern Australia		672,982	188,090	861,072	1,329,983
Healthy Environments		168,562	1,037,847	1,206,409	1,064,956
Climate Change		576,431	722,082	1,298,513	1,489,170
Sustainable Australia		322	190,904	191,226	239,301
Outreach / Supporter Engagement		-	1,612,317	1,612,317	2,158,615
New Economics & Asia-Pacific		32,785	613,572	646,357	591,397
SubTotal		1,451,082	4,364,812	5,815,896	6,873,422
Fundraising Expenditure					
New supporters recruitment & acquisition		-	2,404,730	2,404,730	2,262,268
Staff, other direct costs & supporter maintenance		-	2,415,436	2,415,436	3,155,736
Administration & support to campaigns & fundraising		-	1,593,382	1,593,382	1,566,978
Organisational restructure costs		-	131,892	131,892	119,442
Total Expenses	2 (b)	1,451,082	10,910,253	12,361,337	13,977,846
SURPLUS / (DEFICIT) FOR THE YEAR		270,942	61,279	332,221	(1,515,118)
Net Unrealised (loss) on revaluation of financial assets		-	(89,616)	(89,616)	-
TOTAL COMPREHENSIVE INCOME (DEFICIT) FOR THE YEAR		270,942	(28,337)	242,605	(1,515,118)

The Australian Conservation Foundation has decided to increase transparency of its income and expenditure between that **restricted** for a particular purpose by the donor (usually 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 Campaigns 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 offices around the country, and the support functions such as Finance, HR, 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 2012**



	NOTES	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	3	4,559,799	4,293,152
Trade and other receivables	4	471,160	637,937
Financial assets	5	1,567,719	1,703,189
Other assets	6	54,332	144,974
TOTAL CURRENT ASSETS		6,653,010	6,779,252
NON-CURRENT ASSETS			
Artwork	7	18,500	18,500
Property, plant and equipment	8	9,043,020	9,187,190
Intangible assets	9	434,501	354,830
TOTAL NON-CURRENT ASSETS		9,496,021	9,560,520
TOTAL ASSETS		16,149,031	16,339,772
CURRENT LIABILITIES			
Trade and other payables	10	781,979	1,090,469
Monies held in trust - The Climate Collaboration		145,000	0
Provisions	11(a)	1,019,039	1,256,981
TOTAL CURRENT LIABILITIES		1,946,019	2,347,450
NON-CURRENT LIABILITIES			
Provisions	11(b)	38,605	70,519
TOTAL NON-CURRENT LIABILITIES		38,605	70,519
TOTAL LIABILITIES		1,984,624	2,417,969
NET ASSETS		14,164,407	13,921,801
EQUITY			
Reserves & retained surplus		13,921,801	15,436,920
Surplus / (Deficit)		242,605	(1,515,119)
TOTAL EQUITY		14,164,406	13,921,801

The accompanying notes form part of this financial report

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 June 2012



2011-12	Building Fund Reserve	Restricted Environment Program Fund Reserve	Endowment Fund Reserve	Unrestricted Operating Reserve	Total
	\$	\$	\$	\$	\$
Balance 1 July 2011	9,069,380	757,733	2,052,610	2,042,078	13,921,801
Transfers to reserves	-	1,722,025	-	-	1,722,025
Transfers from reserves	-	(1,451,084)	-	-	(1,451,084)
Surplus / (Deficit) for year	-	270,942	(89,616)	61,279	242,605
Balance 30 June 2012	9,069,380	1,028,675	1,962,994	2,103,357	14,164,406

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

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 cash flow requirements of ACF.

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

The accompanying notes form part of this financial report

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 June 2012**



	NOTE	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members, supporters and customers		10,185,238	9,738,954
Receipts from grants		1,463,121	1,195,032
Receipts from bequests		860,467	725,375
Interest & other investment income received		296,775	201,800
Payments to suppliers, contractors and employees		(12,269,269)	(14,016,706)
NET CASH PROVIDED BY OPERATING ACTIVITIES	13 (b)	536,332	(2,155,545)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment; software & website		(315,540)	(382,227)
Net Proceeds on sale of financial assets		145,854	945,000
Net Payment for addition of financial assets		(100,000)	(13,221)
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		(269,685)	549,552
Net increase (decrease) in cash held		266,647	(1,605,993)
Cash at the beginning of the financial year	3	4,293,152	5,899,145
CASH AT THE END OF THE FINANCIAL YEAR	3	4,559,799	4,293,152

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

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 or fair value, less where applicable any accumulated depreciation and impairment losses.

Property, plant and equipment

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

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

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 2012



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	2%
Intangibles (Software and Website)	30 - 50%

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

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

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

Leases

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

Intangible assets

Computer software 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 expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and subsequent measurement

(i) Financial assets at fair value through 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 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 comprehensive income.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2012



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

Cash and cash equivalents

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

Comparative figures

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

Critical accounting estimates and judgments

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make estimates, judgements and assumptions based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within ACF. Actual results may differ from these estimates.

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 2012



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 is recognised when ACF has established that it has a right to receive a dividend.

Revenue from the sale of goods or services is recognised upon the delivery of goods or services to customers.

All revenue is stated net of the amount of goods and services tax (GST).

NSW Charitable Fundraising Act requirements

NSW Charitable Fundraising Act 1991: This Act and supporting Charitable Fundraising Regulation prescribe the manner in which fundraising activities are conducted, controlled and reported in NSW. The amounts shown in the Statement of Comprehensive Income on page 10 are in accordance with Section 23 (3) of the Act and Part 2 Sections 5, 7 and 8 of the Regulations, unless otherwise indicated.

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

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

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

Education cost allocation: all fundraising activities are structured for the dual purposes of raising funds for expenditure on various services and to educate target groups about environmental issues, ACF and the services it provides. ACF is a signatory to the Australian Council for International Development Code of Conduct, which 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 Comprehensive Income.

International aid and development programs

The Australian Conservation Foundation is a signatory to the ACFID Code of Conduct and 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 AusAID, 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) the financial report has been prepared in accordance with ACFID Code of Conduct.

Detailed disclosures and information are outlined in Note 14.

No single appeal or other form of fundraising for an international aid and development program designated purpose generated 10% or more of total income for the year under review. Gifts in kind of goods and services have been valued and included in the Statement of Comprehensive Income only if the value could be substantiated within the year as allowed by the Code of Conduct.

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 before 1 July 2011) 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 CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2012



2. OPERATING SURPLUS / (DEFICIT) FOR THE YEAR

Surplus for the year has been determined after:

(a) **Revenue**

Operating activities

	Campaigns Restricted	Operating Unrestricted	2012 Total \$	2011 \$
Donations	320,422	8,335,403	8,655,826	8,514,369
Legacies and bequests	-	860,467	860,467	725,375
Subscriptions	-	485,230	485,230	578,881
Grants - Non-government	848,457	78,662	927,119	884,963
Grants - AusAID	41,013	-	41,013	17,599
Grants - Government	494,989	-	494,989	325,697
Sponsorship, advertising & sales	-	55,654	55,654	164,449
Other income	17,144	106,120	123,264	147,655
SubTotal	1,722,025	9,921,537	11,643,562	11,358,988

Non-operating activities

Investment income	-	234,232	234,232	227,739
Rental income from investment properties	-	-	-	21,510
Rental income from other sources	-	813,533	813,533	762,800
Unrealised gains on financial assets	-	-	-	91,691
Net gain on disposal of financial assets	-	2,231	2,231	-
SubTotal	-	1,049,996	1,049,996	1,103,739
Total Income	1,722,025	10,971,533	12,693,557	12,462,728

(b) **Expenses**

	Restricted	Unrestricted	Total \$	\$
Administration & insurance	154,967	306,660	461,626	542,799
Depreciation and amortisation	759	378,621	379,380	366,066
Finance costs				
Auditor remuneration - audit or review services	-	33,000	33,000	36,519
Banking transaction costs	118	92,064	92,182	72,227
Net loss on disposal of financial assets	-	-	-	21,000
Net loss on disposal of property, plant and equipment	-	1,913	1,913	18,709
Doubtful debts expense	-	44,143	44,143	2,062
Investments	-	16,920	16,920	32,166
Marketing & fundraising (non-staff)	39,877	3,301,387	3,341,263	3,535,516
Occupancy costs	8,675	280,392	289,067	261,748
- Lease payments on operating leases	26,380	61,079	87,459	103,159
Program campaigning (non-staff)	266,753	428,323	695,076	1,001,659
Program travel	123,692	369,216	492,908	598,375
Recruitment and development	1,626	113,164	114,790	147,613
Staff and on-costs	828,237	5,483,372	6,311,609	7,238,231
SubTotal	1,451,083	10,910,254	12,361,337	13,977,846
Unrealised movements on financial assets	-	89,616	89,616	-
Total Expenditure	1,451,083	10,999,870	12,450,953	13,977,846
Surplus / (Deficit) for the year	270,942	(28,337)	242,605	(1,515,118)

Note (b) Expenses has been expanded to give a clearer picture of the types of costs ACF incurs on an annual basis, than reported in prior years.

3. CASH AND CASH EQUIVALENTS

	2012 \$	2011 \$
CURRENT		
Cash on hand	2,000	2,000
Cash at bank	2,520,470	2,255,950
Cash on term deposits	2,037,329	2,035,201
	4,559,799	4,293,152

The effective interest rate on short-term deposits was 5.61% (2011: 5.82%); these deposits are currently available at short notice.

A Credit facility with Westpac was undertaken in April 2008 and was on an unsecured basis. The facility is not utilised at reporting date June 2012.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2012



4. TRADE AND OTHER RECEIVABLES	2012	2011
CURRENT	\$	\$
Trade receivables	424,139	336,533
Provision for impairment of receivables	(44,039)	-
Other receivables	91,060	301,404
Total trade and other receivables	471,160	637,937

a) At 30 June 2012, the aging analysis of trade receivables is as follows:

	Total	0-30 Days	31-60 Days	61-90 Days	+ 90 Days
2012	424,139	348,761	16,325	8,139	50,914
2011	336,533	320,323	15,737	-	473

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

b) Provision for impairment loss

Trade receivables are non-interest bearing and are generally on 30 day terms. A provision for impairment loss is recognised where there is objective evidence that an individual trade receivable is impaired. A provision for a debtor in liquidation has been made for \$44,039.

Movements in the impairment provision	2012	2011
	\$	\$
1 July balance	-	2,545
Charge for the year	44,039	-
Amounts written off	-	(2,545)
30 June balance	44,039	-

5. FINANCIAL ASSETS

CURRENT

Financial Assets at fair value through comprehensive income

Equity trusts - at fair value	331,404	362,673
Property trusts - at fair value	64,487	105,880
Equity Share Portfolio - at fair value	1,071,828	1,234,637
Direct mortgage - amortised cost	100,000	-
	1,567,719	1,703,189

6. OTHER ASSETS

CURRENT

Prepayments & accruals	28,158	56,470
Accrued income	26,173	88,505
	54,331	144,974

7. ARTWORK

NON-CURRENT

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

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2012



8. PROPERTY, PLANT & EQUIPMENT	2012	2011
NON-CURRENT	\$	\$
Land & buildings	8,883,756	8,834,630
Accumulated depreciation	(135,213)	(65,961)
	8,748,543	8,768,669
Office furniture and fittings - at cost	491,703	485,588
Accumulated depreciation	(409,242)	(371,428)
	82,461	114,160
Communications & information technology equipment - at cost	808,250	823,111
Accumulated depreciation	(596,234)	(518,750)
	212,016	304,361
Motor vehicles and accessories - at cost	60,732	60,732
Accumulated depreciation	(60,732)	(60,732)
	-	-
TOTAL Property Plant & Equipment Written-Down-Value (WDV)	9,043,020	9,187,190

Movements in carrying amounts

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

<u>2012</u>	WDV Balance 1/07/2011 \$	Additions \$	Transfers & Write-offs \$	Depreciation expense \$	WDV Balance 30/06/2012 \$
Land & buildings	8,768,668	49,329	(204)	(69,251)	8,748,543
Office furniture and fittings	114,160	6,115	-	(37,814)	82,461
Computers & ICT	304,361	132,346	(128,594)	(96,096)	212,016
Motor vehicles and accessories	-	-	-	-	-
	9,187,189	187,790	(128,798)	(203,161)	9,043,020

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

9. INTANGIBLE ASSETS	2012	2011
NON-CURRENT	\$	\$
Computer software & website (development costs)	1,184,000	928,111
Accumulated amortisation	(749,499)	(573,281)
	434,501	354,830

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>2012</u>	WDV Balance 1/07/2011 \$	Additions \$	Transfers & Write-offs \$	Amortisation expense \$	WDV Balance 30/06/2012 \$
Website & computer software	354,830	129,004	126,885	(176,218)	434,501
	354,830	129,004	126,885	(176,218)	434,501

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

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

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2012



10. TRADE & OTHER PAYABLES	2012	2011
CURRENT	\$	\$
Trade payables	441,548	554,850
Sundry payables & accruals	131,452	276,534
Deferred membership income	208,978	259,085
	781,979	1,090,469

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.
ACF received monies from The Climate Collaboration in June 2012 to hold in trust until the Memorandum of Understanding is agreed and signed between the parties involved, expected July 2012.

11. PROVISIONS	2012	2011
CURRENT	\$	\$
Provision for employee benefits	11(a) 1,019,039	1,256,981
NON-CURRENT		
Provision for employee benefits	11(b) 38,605	70,519
	1,057,645	1,327,500

As at 30 June 2012, there were 67 (2011 - 79) fulltime equivalent staff (FTE) posts within ACF. (Headcount 74, 2011 - 90)

12. LEASE COMMITMENTS	2012	2011
Operating lease commitments for rent of the Melbourne, Sydney, Cairns, Canberra, Adelaide and Broome offices.		
Payable within 1 year	95,505	95,081
Payable later than 1 but within 5 years	28,782	123,484
Payable later than than 5 years	-	-
	124,287	218,565

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

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

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

The Adelaide office was closed Sept 2011, and the lease was terminated early.

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

13. NOTES TO CASH FLOW STATEMENT	2012	2011
(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	242,605	(1,515,119)
<u>Non-cash flows from surplus</u>		
Depreciation of property, plant and equipment	203,161	252,923
Amortisation of intangible assets	176,218	113,143
Provision for doubtful debts	44,143	-
Net (gain) / loss on disposal of financial assets & property, plant and equipment	(318)	39,709
Unrealised (gains) / losses on financial assets	89,616	(91,691)
<u>Changes in assets and liabilities</u>		
(Increase) / decrease in receivables	(87,710)	(201,480)
(Increase) / decrease in other assets	300,987	(265,428)
Increase / (decrease) in payables / other liabilities	(162,515)	(553,845)
Increase / (decrease) in provisions	(269,855)	66,241
Net cash provided by operating activities	536,332	(2,155,547)

(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 2012



14. INTERNATIONAL AID AND DEVELOPMENT ACTIVITIES	2012	2011
Income	\$	\$
Donations - monetary	-	-
Donations - non-monetary	-	35,094
Grants	-	-
AusAID	40,505	-
Other Australian	-	-
Other overseas	-	-
Other income	-	-
Total Income	40,505	35,094
Expenditure		
International aid & development programs	40,505	-
Funds to international projects	23,492	55,560
International programs - support costs	2,811	10,440
Community education	-	7,415
Fundraising - public	-	-
Fundraising - government & private	-	5,006
Accountability & administration	5,228	3,730
Total disbursements	72,036	82,151
Excess of disbursements over revenue	(31,530)	(47,057)
In-kind volunteer services contribution (included above)	-	35,195

ACF received a grant from AusAID for the Asia Pacific Climate Change Leadership Congress.
ACF's Asia-Pacific programme was wound down in June 2011, with focus shifted to domestic environmental issues.
ACF has not and will never accept monies or expend monies for International Political or Religious Adherence Promotion.

15. 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	
Danny Vadasz	Chief Operating Officer	Appointed: March 2010	
Denise Boyd	Director Campaigns	Appointed: February 2006	
Richard Madgwick	Director Marketing	Appointed: September 2011	Resigned: April 2012
Mal Lewis	Director Finance and Operations	Appointed: January 2011	
Charles Berger	Director Strategic Ideas	Appointed: November 2007	
Lucy Farmer	Director Media & PR	Appointed: April 2004	

	2012	2011
	\$	\$
Short term benefits		
Remuneration paid	884,505	771,193
TOTAL Short-term benefits	884,505	771,193
Long term benefits		
Superannuation contributions	76,165	69,782
Long service leave paid	9,346	4,160
TOTAL Long term benefits	85,511	73,942
Total Compensation	970,016	845,135

16. ASSOCIATION INFORMATION

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

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2012



17. SEGMENT INFORMATION

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

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

	2012 \$	2011 \$
Total ACF fundraising income for the year ending June 30, 2012	<u>11,643,562</u>	<u>11,272,080</u>

However, for the purposes of the NSW Charitable Fundraising Act only certain classes of income are included under the definition of 'fundraising income' (and income from bequests, membership and unsolicited donations is specifically excluded). The following figures are those applicable under the NSW Act's classification.

Details of total income and expenditure from fundraising activities (As classified by the NSW Charitable Fundraising Act)	2012 \$	2011 \$
Total income from fundraising activities	10,435,826	9,535,335
Less total expenditure on fundraising activities	4,010,042	4,219,094
Net surplus from fundraising activities	<u>6,425,784</u>	<u>5,316,241</u>

Information on material matters

All fundraising activities achieved the targeted returns under the NSW Charitable Fundraising Act.

ACF has made a significant investment in the EarthVoice monthly giving program. The return on this investment, as is usual for this type of program, is achieved over a number of years, and distorts the true return of ACF fundraising activities.

Application of funds for charitable purposes

During the year ACF achieved a net surplus of \$6,425,784 (2011 \$5,316,241) from fundraising activities as defined under the NSW Charitable Fundraising Act. Of this surplus, \$2,394,862 (2011 \$1,966,830) was used to fund environmental programs; no funds were available for allocation to the endowment fund and operating reserves for future development and cash flow needs. \$1,352,459 was allocated to organisational support (2011 \$1,215,081).

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.

	2012 \$	2011 \$
Gross income from fundraising activities involving external service providers	5,039,225	4,885,772
Gross expenditure on fundraising activities involving external service providers	2,404,730	2,262,268
Gross Contribution	<u>2,634,495</u>	<u>2,623,503</u>

In FY2011, ACF brought in-house all of its appeal fundraising activity, and stopped using external suppliers. Only face-to-face income and costs with external providers are now 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).

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

A divided by B	A \$	B \$	2012 %	2011 %
Total cost fundraising/Gross proceeds of fundraising	4,010,042	10,435,826	38%	44%
Net surplus from fundraising/Gross proceeds of fundraising	6,425,784	10,435,826	62%	56%
Environmental programs expenditure/Expenditure	5,815,896	12,450,952	47%	49%
Environmental programs expenditure/Income	5,815,896	12,693,557	46%	55%

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.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2012



19. FINANCIAL INSTRUMENTS

(a) Financial risk management

ACF's financial instruments consist of deposits with banks, local money market instruments, investments, accounts receivable and payable. ACF does not have any derivative instruments at 30 June 2012.

	NOTES	2012 \$	2011 \$
Financial assets			
Cash and cash equivalents	3	4,559,799	4,293,152
Loans and receivables	4	471,160	637,937
Financial assets at fair value through profit or loss			
- equity investments	5	1,567,719	1,703,189
- direct mortgages	5	100,000	-
		6,698,678	6,634,278
Financial liabilities			
Trade and other payables	11	781,979	1,090,469
		781,979	1,090,469

i. Treasury risk management

A Finance and Audit Committee consisting of Board members and independent members meets on a regular basis to analyse and advise the Board on treasury exposures and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial risks

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

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

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

Credit risk - The maximum exposure to credit risk, excluding the value of any collateral or other security, at 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 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% (2011: +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.

		2012 \$	2011 \$
Cash on deposit			
Net result - Increase/(Decrease)	+2%	40,725	58,295
Net result - Increase/(Decrease)	-1%	(20,363)	(29,147)
Equity	+2%	32,709	33,015
Equity	-1%	(16,355)	(16,507)

(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.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2012



2012	Within 1 Year	Greater than 1 Year	Total
Financial liabilities due for payment			
Trade and other payables	1,896,523	67,387	1,963,910
Total expected outflows	1,896,523	67,387	1,963,910
Financial assets - cash flows realisable			
Cash and cash equivalents	4,559,799	-	4,559,799
Loans and receivables	471,160	-	471,160
Financial assets at fair value through profit or loss			
- equity investments	1,467,719	-	1,467,719
- direct mortgages	100,000	-	100,000
Total anticipated inflows	6,598,678	-	6,598,678
Net (outflow)/inflow on financial instruments	4,702,155	(67,387)	4,634,767

2011	Within 1 Year	Greater than 1 Year	Total
Financial liabilities due for payment			
Trade and other payables	2,442,532	194,002	2,636,534
Total expected outflows	2,442,532	194,002	2,636,534
Financial assets - cash flows realisable			
Cash and cash equivalents	4,293,152	-	4,293,152
Loans and receivables	637,937	-	637,937
Financial assets at fair value through profit or loss			
- equity investments	1,703,189	-	1,703,189
- direct mortgages	-	-	0
Total anticipated inflows	6,634,278	-	6,634,278
Net (outflow)/inflow on financial instruments	4,191,746	(194,002)	3,997,743

(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 is used which 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).

2012	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity trusts	-	331,404	-	331,404
Property trusts	64,487	-	-	64,487
Equity share portfolio	1,071,828	-	-	1,071,828
Direct mortgages	100,000	-	-	100,000
	1,236,315	331,404	-	1,567,719

2011	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity trusts	-	362,673	-	362,673
Property trusts	105,880	-	-	105,880
Equity share portfolio	1,234,637	-	-	1,234,637
Direct mortgages	-	-	-	-
	1,340,517	362,673	-	1,703,190