

ANNUAL & SUSTAINABILITY REPORT

2012–2013

AUSTRALIAN CONSERVATION FOUNDATION



ACF

PRESIDENT REPORT

Ian Lowe



The fundamental challenge for ACF is to catalyse support for new approaches and new values that would be compatible with a sustainable future.

THIS IS MY LAST REPORT AS ACF PRESIDENT. ACF's constitution rightly sets limits on the length of time anyone can occupy an elected office, so I will be replaced by council early next year. It has been an honour and a privilege to be president for most of the fifth decade of ACF's history.

I want to put on the record my appreciation of the support I have received from ACF members, council and board. I also want to pay tribute to the wonderful work of our dedicated staff, and give a special mention to our CEO, Don Henry.

For the entire period of my presidency, Don has been an inspirational leader of the ACF team. I was delighted to see his wonderful contribution recognised when he was named Prime Minister's Environmentalist of the Year 2013. Many of our great achievements in the last year were made possible by Don Henry's vision, determination and negotiating skill.

The year has seen the culmination of many campaigns ACF has been working on for a very long time. We now have the world's largest network of protected marine areas; Koongarra has been integrated into Kakadu National Park; huge areas of Cape York have been handed over to Traditional Owners or set aside as national parks; the Murray-Darling basin is having water restored; and there has been real advances in protecting Tasmania's wonderful forests.

We are also seeing dramatic changes in energy supply and use. Since the modest price on carbon has been introduced, our pollution from electricity use has actually fallen: a radical break from historic trends. More than a million households now use solar energy and wind power is making a major contribution to electricity needs. The Clean Energy Finance Corporation, an innovation for which ACF can take credit, has invested over \$500 million in renewable energy and energy efficiency projects, catalysing some \$2 billion of funding from other sources.

This is no time for celebration, however. We face major challenges. Governments are seeking to reverse some of the important gains of recent years. The latest report on the state of the Australian environment was a reminder that we are still losing biodiversity, our inland rivers and productive land are still threatened, the pressures on the coastal zone are still increasing and our overall level of greenhouse pollution is still growing.

These are all symptoms of the driving forces of unsustainable development: increasing population and increasing consumption per person putting compounding pressure on our natural systems, and the social values that see these trends as acceptable or even desirable.

The fundamental challenge for ACF is to catalyse support for new approaches and new values that would be compatible with a sustainable future. I am proud to have been associated with ACF council's adoption of a new strategic plan to work toward these vital goals. Your support has convinced me we are on the right path.

CEO REPORT

Don Henry



We face significant challenges for the future. The new federal government plans to repeal the carbon laws. It plans to review the marine reserves, and before the election it floated the idea of delisting Tasmanian forests from World Heritage status.

IT'S BEEN A BIG YEAR FOR OUR ENVIRONMENT, with a number of achievements for ACF. However, we face challenging times ahead.

Big plusses for the environment include the clean energy laws and the Clean Energy Finance Corporation (CEFC) coming into effect. The Tasmania Forest Agreement was finalised and parts of Tasmania's forests were World Heritage listed. Kakadu has been protected against uranium mining, and there have been favourable conservation and Indigenous outcomes for the Kimberley and Cape York. Restoration of the degraded Murray-Darling river system has started, and there has been great progress on marine reserves.

Laws to put a price on carbon pollution passed through Australia's parliament in 2011, and came into effect in July 2012. The clean energy laws mean that big polluters pay the cost of their pollution, not individual taxpayers. The pollution price will be paid by Australia's top 500 polluting businesses, with the carbon price as an incentive to cut pollution and innovate. The \$10 billion CEFC was part of the clean energy laws. The CEFC establishes Australia as a world power in clean energy development.

On 24 June 2013 a contested area of Tasmania's high conservation value forests was granted official World Heritage protection by the UN. A 170,000 hectare extension of the state's wilderness now falls under international protection. These are the tallest flowering plants to have ever existed on earth.

In February 2013, former environment minister Tony Burke introduced legislation to permanently protect the spectacular Koongarra from uranium mining, allowing its inclusion in Kakadu National Park. The long-awaited move is testament to the courage and vision of Jeffrey Lee, the senior Djok Traditional Owner of Koongarra who has fought for years to keep uranium mining out of his country. Congratulations too to ACF's nuclear free campaigner Dave Sweeney who has supported Jeffrey's efforts over many years to protect his country from the scourge of uranium mining.

Federal Parliament finally legislated 3,200 gegalitres of environmental water plus extra funding to improve flows for the Murray-Darling Basin. Modelling shows the extra water will prevent the build-up of lethal salinity levels in the Coorong and allow water to collect in wetlands long enough for migratory waterbirds to breed. ACF was instrumental in securing this extra water.

Our new network of marine reserves, the largest in the world, has been a giant stride in marine protection. The Coral Sea is now one of the world's biggest marine parks and buffers the Great Barrier Reef, excluding oil and gas. But despite this the Reef remains at grave risk. The World Heritage Bureau is actively considering whether the Reef should be listed as World Heritage in danger. The Great Barrier Reef Marine Park authority recently noted that ocean acidification caused by carbon pollution, is the biggest long-term threat to the Reef.

We face significant challenges for the future. The new federal government plans to repeal the carbon tax laws. It plans to review the marine reserves, and before the election it floated the idea of delisting Tasmanian forests from World Heritage status.

The awareness, commitment, and vigour of millions of Australians — and thousands of our supporters — has resulted in great things for our environment and our future. ACF and our supporters have our work cut out for us to defend our achievements. We will continue to be a strong voice for the environment and the climate, to protect the places we love, and to guarantee the future of our planet.



CAMPAIGN SUCCESSES 2012-13

CLIMATE

Photo:
Bette Devine

THE LAST YEAR HAS SEEN BIG WINS AND BIG THREATS FOR ACF'S CLIMATE CAMPAIGN.

After more than a decade of campaigning, strong national laws on climate change have been instated and we've seen that they work. In the first year of the price on carbon, greenhouse gas emissions fell by more than 12 million tonnes. That's equivalent to taking 2.6 million cars off the road. Thanks to the 20 per cent renewable energy target and the 1 million Australian homes with solar power on their roofs, we've generated enough power for all the homes in Queensland and Victoria.

Just as we have started to see some real progress, we're also seeing big threats that could take it all away. The Coalition spent the year running a campaign against the carbon price, the Clean Energy Finance Corporation, and the Climate Change Authority. If these laws are removed, our pollution will rise again, to 23 per cent by 2020.

ACF will continue to campaign for laws that can cut Australia's pollution quickly and deeply. Much of the battle over the last year has been fought in the media. On that front, ACF was on radio, in the newspapers and on TV an average of 10 times per week. It's also meant arming our members and supporters with the facts, so that they can challenge the misleading myths propagated by opponents of action on climate change. We've

worked with them to help get letters in the newspapers which often skew opinion towards big polluters and climate change denial.

Despite the sustained scaremongering campaign against the price on pollution, more than 60 per cent of Australians say they want to see the government do more, not less, to tackle climate change. The degree of public support for cutting pollution is at the root of political action. That's why ACF partners with Al Gore's The Climate Reality Project, supporting over 410 dedicated volunteers to talk about climate change with currently one in 56 Australians.

In June 2013 the election campaign hadn't officially started, but ACF's climate campaign was well underway. ACF was putting the policies of all parties under the spotlight, providing Australians with independent information about what was on offer from the parties.

Incredibly, the year ahead is going to be even tougher than the year just gone. We'll be throwing everything we've got at the campaign to ensure Australia doesn't become a drag on the global effort to tackle climate change.



CAMPAIGN SUCCESSES 2012-13

HEALTHY ECOSYSTEMS PROGRAM

Photo:
Peter Bongiorno

AFTER DECADES OF FALSE DAWNS AND FAILED REFORMS AUSTRALIA TOOK A SIGNIFICANT STEP

towards resolving the conflict over water rights in the Murray-Darling Basin. Last November the Murray-Darling Basin Plan was adopted. Covering 1.1 million square kilometres, the Murray-Darling is one of the world's largest and most heavily utilised river basins. The Plan dedicates over \$11 billion to recovering 3,200 billion litres of water for rivers, wetlands and floodplains of the Basin. This should enable 65 per cent of river health targets to be achieved and keep the world-renowned Coorong estuary alive. ACF has worked closely with farmers, Indigenous nations, scientists and other environment groups to demand a Plan for the river and ensure it is environmentally adequate, and we now continue the journey to ensure it delivers real outcomes.

Also in November, the world's largest national marine reserve network was inscribed in Australian law. ACF is proud of the role our members, supporters and staff have played in securing the reserves, which cover

40 per cent of Australia's waters and are home to 45 of the world's 78 whale and dolphin species, six of the seven known species of marine turtle and over 4,000 fish species.

Decades of conflict in Tasmania's forests is coming to a close through an historic peace deal that will see half a million hectares of high conservation value forest protected and a new, sustainable future for the state's wood products industries. Three tough years of negotiations between environment groups, industry, unions and timber community representatives culminated in signing the Tasmanian Forest Agreement at the end of 2012. Federal and state governments have since been progressively translating it into law, with logging ceased in most of the area already. In June, core areas were given the highest level of protection possible, as 170,000 hectares were inscribed on the World Heritage list. ACF continues to work with other signatories and both governments to ensure the full realisation of the agreement.

NORTHERN AUSTRALIA PROGRAM



Photo:
Bette Devine

CAPE YORK PENINSULA

On 21 November 2012 the 241,637 hectare former Batavia pastoral lease was formally handed back to the Atambaya, Northern Kaanju and Yinwum Traditional Owners.

With their full consent 56,037 hectares was dedicated as the new Batavia National Park (Cape York Peninsula Aboriginal Land) with 79,157 hectares of the remaining Aboriginal Freehold land gazetted as a Nature Refuge alongside the Wenlock River. The area includes wetlands, monsoon and riverine rainforests and is home to palm cockatoos and the spotted cuscus.

This handover of land to Traditional Owners together with creation of a large new National Park and Nature Refuge, is the latest achievement of the land tenure reform process on Cape York which ACF has supported over many years with the generous assistance of the Myer Foundation. In June 2013 the Queensland Government committed \$11.3 million over 4 years to continue the land reform process along with \$4.2 million to employ an additional 40 Indigenous Rangers on Cape York and in western Queensland.

KAKADU NATIONAL PARK AND NUCLEAR FREE CAMPAIGN

In March 2013, 12,000 hectares of the former Koongarra Project Area near the well-known (Burrunggui/Anbangbang) Nourlangie rock art site within the World Heritage listed Kakadu National Park was protected from the threat of uranium mining. It was formally granted UNESCO World Heritage listing, and was included into Kakadu National Park. ACF worked with the Traditional Owners and others over many years to prevent attempts to mine at Koongarra. Jeffrey Lee, senior Traditional Owner of the Djok clan had long sought to protect his country and resist the French nuclear and mining giant Areva's promises of wealth. This magnificent region is important in traditional storylines that include the Rainbow Serpent and Lightning Man. Jeffrey Lee's generous vision has now become a lasting legacy for all Australians for all time.

ACF built new partnerships with Traditional Owners and other organisations to contest and prevent the opening of new uranium mines in Queensland, NSW and Western Australia, including disseminating a joint report with seven partners in early 2013 entitled *High Risk-Low Return* making a compelling case against uranium mining in Queensland. ACF also continued to make a strong case for responsible and transparent radioactive waste management in Australia and prevented the building of the proposed Muckaty radioactive waste facility in the Northern Territory. This is now subject to legal action in the federal court.

THE KIMBERLEY

In April 2013, the proposal to build a huge LNG processing plant at James Price Point on the pristine Kimberley coast north of Broome was withdrawn in favour of pursuing a floating gas processing platform over the Browse Basin hundreds of kilometres offshore. This announcement came after two years of concerted ACF action alongside other groups, including alerting investors in the Browse Basin joint venture of the potential major impacts on the remarkable natural and cultural values of the region. These values are the basis of a valuable tourism industry in the Kimberley region and the withdrawal of the LNG plant on the coast will help protect the National Heritage listed dinosaur track ways, along with migratory humpback whale routes, bilbies and endangered monsoonal vine thicket ecosystems.

ACF continued to work in partnership with the Kimberley Land Council to support new jobs and income opportunities for Indigenous communities in land and sea management, carbon farming, and in nature and culture based tourism enterprises.



CAMPAIGN SUCCESSES 2012-13

SOCIAL AND CULTURAL CHANGE AND SPARK! PROGRAM

Photo:
Kathryn McCallum

HOW WE ENGAGE with our environment and the values, attitudes and behaviours promoted in our society to nurture or deplete our natural world are at the heart of our Social and Cultural Change work. Our relationship to place, our sense of belonging and connection to the diversity of life is key to how much we care and advocate for a thriving natural world.

In developing the social and cultural pathway we have reviewed leading thinkers and social researchers, such as Richard Louv, who argue that reconnection to nature is needed for our own health and wellbeing.

Specific project initiatives include:

- ACF facilitating members, staff and friends to participate in walking the Lurujarri Trail with the Goolarabooloo community. The nine day walk north of Broome passes through the proposed Kimberly gas hub at Walmadan/James Price Point. The walk

provided a deeper engagement with and understanding of the places we advocate for; and

- ACF partnered with the YMCA to develop the SPARK Energy for Change Program. Right now, seven pilot sites in kindergartens and leisure centres throughout regional Victoria are actively working to improve energy efficiency literacy. This program is scheduled for national rollout in 2014.

ACF, on behalf of the Australian Education for Sustainability Alliance (AESA), is managing a federally-funded project to engage with mainstream teachers, educators and government decision makers. The project recommends ways to improve the accessibility of classroom resources; support the alignment of learning tools and programs with the Australian Curriculum; and provide better training and support services to teachers and educators for efficient delivery of sustainability learning outcomes. www.educationforsustainability.org.au



CAMPAIGN SUCCESSES 2012-13

ECONOMIC TRANSFORMATION

Photo:
Jessie Borrelle

ACF'S ECONOMIC TRANSFORMATION TEAM is dedicated to reimagining our economy in a way that works with nature, not against it. We believe that economics and ecology must go hand-in-hand, and this year we kicked off our economic transformation work with major speeches by Ian Lowe at the National Press Club and Chuck Berger at the Sustainable Living Festival.

These presentations, and a new economic policy suite to back them up, help position ACF as a leader on innovative approaches to economics and economic policy.

During 2012-13, we also delivered significant advances in sustainable economic thought and action. These include:

- Completing the pilot of the Australian National Development Index, Australia's first and only citizen-led measure of progress and a better alternative to narrow economic measures of success like GDP. Working with leading academics and community groups, ANDI has secured a 3-year hosting agreement with Deakin University for the research component of the project;
- Launching the New Economics Advisory Service, an initiative to provide expert advice on ecological economics to community groups. The service delivered formal advice to 11 clients in Victoria, on topics ranging from the economics of urban forests to the cost of coastal pollution to the economic value of wetlands and other environmental assets;
- A final decision not to proceed with a gas processing hub at James Price Point in the Kimberley, following focused and effective engagement by ACF with key investors, highlighting the social and environmental costs of the proposal; and
- Welcoming the passage of the \$10 billion Clean Energy Finance Corporation legislation, the culmination of an idea hatched by ACF's economics, legal and climate staff in 2008.

2013 has been a time for development of new projects with the potential to revolutionise how we think about the connections between our environment and our economy. These include major pieces of work on green infrastructure, zero-impact manufacturing, and green fiscal reform.



SUPPORT OF ACF CAMPAIGNS

TRUSTS, FOUNDATIONS AND BUSINESSES

Photo:
Peter Bongiorno

**PROVIDING SIGNIFICANT FINANCIAL OR IN-KIND
SUPPORT TO ACF.**

6A Foundation	Support of ACF campaigns
Arnold Bloch Liebler	Pro bono legal services
AusAID	The Climate Reality Project
Australian Association for Environmental Education	Australian Education for Sustainability Alliance
Australian Council of Learned Academies	Australian National Development Index (ANDI)
Australian Education Union	Australian Education for Sustainability Alliance
309 Australian volunteer Climate Reality Leaders	The Climate Reality Project
bankmecu Ltd	New Economics program; support of ACF campaigns
Barb Frey	The Climate Reality Project
Bytenew Pty Ltd	Support of ACF campaigns
Chris Lonergan, Lonergan Research	Market research and advice
CoDesign studio	New Economics program
Colonial First State Global Asset Management	Support of ACF campaigns
Corrs Chambers Westgarth	Pro bono legal services
Count Charitable Foundation	Northern Australia program
Darinka Pty Ltd	General counsel

Department of Climate Change and Energy Efficiency	The Climate Reality Project and SPARK
Department of Education, Employment and Workplace Relations	National liaison — Indigenous internship
Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education	The Climate Reality Project
Environment Defenders Office	Support of ACF campaigns
The Environmental Trust	Sydney Office costs
Ernst & Young	6oL Green Building
Henry's Hydraulics Pty Ltd	The Climate Reality Project
Hill Family Conservation Foundation	Support of ACF campaigns
Hunter Hall International Limited	Support of ACF campaigns
Ian Pimblett Corporate Synergy	Organisation change and leadership
The Intrepid Foundation	Northern Australia program
Kevin Murphy Business Services Pty Ltd	The Climate Reality Project
King & Wood Mallesons	Pro bono legal services
Koreen Conservation Ltd	Support of ACF campaigns

SUPPORT OF ACF CAMPAIGNS



Leif Nowland, PwC	The Climate Reality Project	Oomph Pty Ltd	habitat magazine app
Lord Mayor's Charitable Foundation	New Economics Advisory Service, ANDI and Healthy Ecosystems program	Our Community	Support of ACF campaigns
Marathon Pty Limited	Support of ACF campaigns	The Pratt Foundation	The Climate Reality Project
Marich Foundation	Support of ACF campaigns	Pryor Tzannes & Wallis	6oL Green Building
Microsoft Pty Ltd	Software Donation Program	RobMeree Foundation	Support of ACF campaigns
Minax Uriel Pty Ltd	Support of ACF campaigns	Skellern Family Foundation	Support of ACF campaigns
The Myer Foundation	Northern Australia program	Stevenson and Halifax P/L	Organisation change and executive leadership
Nick Middendorp Family Foundation	Northern Australia program	Todd Davies and Associates	6oL Green Building
Nordia Foundation Pty Ltd	Northern Australia program	Toot Sweet Consulting Pty Ltd	Support of ACF campaigns

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 supporting ACF's work, or to make a gift, please contact Stuart Garratt on (03) 9345 1260 or s.garratt@acfonline.org.au.

SUPPORT IN ACTION

Harold Levien has been an ACF member for over 20 years and is an ACF Living Legacy leader. This is Harold's story.

HAROLD LEVIEN'S LIFETIME ADVOCACY for social justice has led his support for government intervention to moderate capitalism's exploitation of both human beings and the environment.

Harold is the son of Australian-born parents and grew up in the Sydney suburb of Rose Bay. His secondary education was at Sydney High School. He joined the air force during the final years of WWII, and then studied economics at Sydney University after the war.

During high school he developed a strong interest in politics which led him to join the ALP at the age of 16. At university he became an active member of the Sydney University Labor Club. In 1950 he stood as the Labor candidate for the conservative-held seat of Vaucluse. While he had no expectations of winning, the campaign — actively supported by the Labor Club — was a formative adventure.

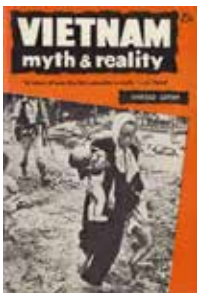
In 1952, inspired by the then famous British weekly *The New Statesman*, he founded and edited a monthly journal of current affairs called *Voice, The Australian Independent Monthly*. It provided comment on Australian

and international issues from a left point of view.

Most articles were written by distinguished academics and prominent public figures, while Harold wrote the editorials. Among the many subscribing embassies were the US and USSR. *Voice* was often quoted in

The Herald and *The Age*. The editorial committee included Fred Gruen and Alan Lloyd.

Fred later became professor of economics at the University of Melbourne and adviser to prime minister Gough Whitlam. Alan later became professor of agricultural economics at the University of Melbourne. *Voice* struggled financially, and in August 1956, as a result of being unable to achieve sufficient financial support to ensure long-term security, the journal ceased publication.



In 1966, concerned with the destructiveness of the Vietnam War, Harold published a booklet entitled *Vietnam, Myth and Reality*. It went into several editions, selling 27,000 copies, and had a significant effect on opposition to Australia's involvement in the war.

Greatest environmental concerns today are climate change, coal seam gas, population growth and the future of the Great Barrier Reef.

In 1983, following disillusionment with the Hawke Labor government, Harold resigned from the Labor Party. At around this time he became attracted to ACF's campaigns on environmental issues and joined as a member.

Harold says that in the 50s and 60s we weren't acutely aware of

environmental issues, but with environmental degradation increasing over recent years this has changed. His greatest environmental concerns today are climate change, coal seam gas, population growth and the future of the Great Barrier Reef.

Harold believes the profit motive is the most worrying aspect of our society. It encourages business and government to lose sight of the real needs of humanity and our intimate dependence on the environment. He is proud to be an ACF bequestor, leaving a gift in his will to support ACF's vital work in the future.

To find out how you can leave a **Living Legacy** please contact Nola Wilmot on **1800 332 510**, bequests@acfonline.org.au or www.acfonline.org.au/bequests

THE PRESIDENT'S CIRCLE

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

"Throughout our proud history, ACF has been dependent upon the generosity of private donors. Without our most dedicated supporters, ACF would not be able to work towards the sustainable future Australia's environment needs. The President's Circle recognises the commitment and passion of these vital people,"— Professor Ian Lowe AO, ACF president

Leader (\$25,000+)

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Mr H. Edwin Michell
Dr Patricia A. Michell
Vicki Olsson
Norman Pater
Anonymous donors

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Mary and Bill Bush
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Ann Miller

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Beverley Weynton
Anonymous donors

ACF would like to thank *all* of its members and donors for their ongoing and valued support.

For more information on ACF's President's Circle please go to www.acfonline.org.au/presidentscircle or contact us on 1800 332 510.

LEGACIES LIVING ON

GIFTS MADE THROUGH A WILL ARE VERY SPECIAL AND PROVIDE FOR ACF'S FUTURE CAMPAIGNING ABILITY. STRONG SUPPORT FROM BEQUESTS AND 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.

John Atkinson, NSW

Sebastian J Campbell, NSW

Arthur Harrold, QLD

Stanley Jackson, NSW

Pauline Johnston, VIC

Ada Martindale, VIC

Edmund F Matecki, QLD

Gwynneth A Oxnam, WA

Christopher F Patterson, QLD

Alfred Rowe, QLD

Robert S Sweney, QLD

Adelheid E Teague, VIC

Jocelyn M Van Haren, NSW

Elizabeth Woodbridge, NSW

Sally Wykes, VIC

We are thankful for the support we received through their estates this year and acknowledge their generosity to their families and friends.

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.

Your confirmation of a gift in your will of \$100,000 or greater entitles you to receive benefits at the Legacy Leader level of ACF's recognition society — The President's Circle.

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

GIFTS IN MEMORY

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 2012-2013 IN MEMORY OF THE FOLLOWING PEOPLE:

Mr Iain Paterson

Dr Conrad Williams

To give a gift in memory 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**.

WORKPLACE GIVING PROGRAM

Photo:
Bette Devine

Australian Taxation Office

CAF Australia

Corrs Chambers Westgarth

Department of Education,
Employment & Workplace
Relations

Karma Currency

King & Wood Mallesons

University of Wollongong

STAFF OF THE FOLLOWING COMPANIES HAVE GIVEN SIGNIFICANT FINANCIAL SUPPORT IN EXCESS OF \$5,000 TO ACF OVER THE PAST YEAR.

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





VOLUNTEERING FOR THE ENVIRONMENT

Photo:
Peter Bongiorno

AT ACF WE ARE LUCKY to get to work with passionate, interested and caring people who volunteer to create change for our environment. We love our volunteers!

Our volunteers do a wide range of work, from researching policy reform, new media internships, making phone calls, event management, and office assistance.

We personally thank every one of our amazing volunteers, for all your hard work and the breath of fresh air you each bring to ACF.

The following people have all volunteered at ACF over the past financial year. Thank you!

Angus Keck	Marjorie Rolls
Lisa Williams	Tina Pandeloglou
Kate Wood	Lana Kagan
Beryl Blake	Kasia Pawlikowski
Trevor Blake	Tarni Perkal
Sarah Day	Annette Jones
Meg Pillai	Naemi Gunlycke
Daniel Wraith-Franck	Chinthanie Kulatunge
Hannah Sparks	Erin Seymour
Maelor Himbury	Mahendra Tirimanne
Rebecca Yap	Blake Wells
Libby Lewis	Gina Tsai
Kerri-Anne Hempshall	Haley Lambert
Nick Pastalatzis	Aisling Callaghan
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Peter Saunders	Gina Tsai
Phil Bezemer	Bill King
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Albert Ryan	Jacinda Chou
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Terry Dao	Chloe Steadman
Melissa Onden Lin	Karunya Prasad
Michelle Davidov	Gena Glark
Mairead Dwyer	Davina Louie
Marilyn Oliff	Sherman Tang
Ruby Michael	Zsuzsa Octaviano
Lucy Newmany	Helayne Short
Angelique Renieris	Reza Orbien
Morgan Ellis	Sasanka Karunanayake
Lesley Howard	Stephanie Borrelle
Shoni Bruell	Tien Du
Claudia Avil	Guy Abrahams
Alice Russell	Christine Burnup
Rithika Fernandes	Barb Frey
Bonnie Tran	Nicky Robinson
Renée Mazzoni	Norman Pater
Melody Plesman-Mackaness	Zaneta Mascarenhas
Iva Bujanovic	Hamzah (Rama) Ramadhan

ACF BOARD

Photo:
Peter Bongiorno

Ian Lowe (I.Lowe@acfonline.org.au)

President

QLD

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

Irina Cattalini (I.Cattalini@acfonline.org.au)

Vice president

WA

Irina is chief executive officer of the Western Australian Council of Social Service. Irina is passionately committed to developing a sustainable energy future for Australia, and is keen to strengthen alliances between Australia's social and environment sectors. Prior to joining WACOSS in March 2005, she spent three years working at the Conservation Council of Western Australia on various energy and greenhouse related policy and projects.

Robert Fowler (R.Fowler@acfonline.org.au)

Vice president

SA

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

Gavin Wigginton (G.Wigginton@acfonline.org.au)

Honorary Secretary

VIC

Gavin Wigginton has worked as a volunteer advising ACF on governance systems since 2001. Gavin was honorary secretary from 2004 until 2012, 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.

Todd Davies

Treasurer

VIC

Todd Davies 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 for 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.



ACF BOARD

Peter Christoff (P.Christoff@acfonline.org.au)

Board member

VIC

Over the past three decades, variously at local, state and national levels, Dr Peter Christoff has fought to save the forests of East Gippsland; for effective hazardous waste management; for nuclear disarmament and against uranium mining; and to stop global warming. He has served in government as the assistant commissioner for the environment, and on various Victorian government committees on climate mitigation and adaptation. As an academic at the University of Melbourne, he teaches and writes about environmental and climate politics and policy. He has been on ACF's council and board since 2000, and a vice president from 2006 to 2009 and again in 2011 and 2012.

James 'Jimmy' Cocking

(J.Cocking@acfonline.org.au)

Board member

NT

Jimmy is the coordinator of the Arid Lands Environment Centre (ALEC) based in Alice Springs. He has been instrumental in its growth from a small environmental lobby group to becoming a central player in major sustainable development initiatives in Central Australia. Jimmy holds a bachelor of science (biomedical) honours at Monash University and has completed his master of social science (international urban and environmental management) at RMIT. He is an active board member of the Olive Pink Botanic Gardens and a founding director of Wide Open Space Music Festival.

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.

Ellen Sandell (E.Sandell@acfonline.org.au)

Board member

VIC

Ellen has 10 years' experience in campaigning, and two years as CEO of the Australian Youth Climate Coalition. She was recognised as the Banksia Awards Young Environmentalist of the Year in 2009. In 2007 she was elected environment officer in the University of Melbourne student union where she led a 3-year campaign to get the university to become carbon neutral. The campaign was successful in getting the university to commit \$3.5 million to environmental initiatives. She was also previously employed in the Victorian Department of Premier and Cabinet where she helped develop a whole-of-government climate change strategy including a green paper.

Piers Verstegen (P.Verstegen@acfonline.org.au)

Board member

WA

Piers has a diverse range of experience in environmental policy, law, politics, and economics. In 2012 Piers was named one of Western Australia's 100 most influential people by *The West Australian* newspaper, for his work in the environment and sustainability fields. He is currently the director of Western Australia's peak environment and sustainability advocacy organisation, the Conservation Council of WA. Previously Piers has worked as a senior policy advisor for four WA environment ministers, he has advised governments on science, climate change, emissions trading, waste management, air quality, environmental law, environmental education, industry regulation and pollution control.

Photo:
Bette Devine

SUSTAINABILITY REPORT

Environmental Performance

	2010/11	2011/12	2012/13
Total water consumption ¹ (kL)	257.5	253.8	274.5
Total paper consumption ² (A4 sheets)	244,515	184,783	254,903
Total electricity consumption ³ (kWh)	104,550	92,780	85,381
Total distance flown by staff and Council & Board members (km)	1,611,124	1,432,235	1,458,551
Fuel consumption by ACF vehicle ⁴ (L)	1,380	575	1,367
Employees who commute without a car (%)	88	92	93
Total emissions offset ⁵ (tonnes CO ₂ equiv)	<u>511.5</u>	<u>474</u>	<u>457</u>

Social Performance

	2010/11	2011/12	2012/13
Total number ⁶ (FTE)	70	55*	61
Overall level of satisfaction ⁷ (%)	65	not available	not available
Turnover rate (%)	15.5	27.1**	18.8
Average annual training per employee (hours)	6	not available	12
Employees covered by collective bargaining agreements ⁸ (%)	91	93	91.3
Members & supporters ⁹ (Total number)	40,581	35,526	39,560

Outreach

	2010/11	2011/12	2012/13
ACF media mentions			
› Newspapers, magazines and websites	1,299	751	592
› Radio and television	1,631	964	1,061
› Online	305	989	935
Website visitors (average unique visitors per month)	27,315	22,827	29,417

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 survey was not conducted in 2012/13 financial year.

8. ACF senior managers are employed under performance based contracts. All other staff are covered by a collective bargaining agreement.
 9. Comprises current financial members and supporters — those who made a financial contribution in the 2012/13 financial year.
- * The 2011/12 Annual Report reported incorrect figures on FTE staff, as they included consultants, contractors and casual staff.
- ** The 2011/12 Annual Report reported incorrect figures on turnover as they also took into account contracting positions.

ANNUAL FINANCIAL REPORT



**AUSTRALIAN
CONSERVATION
FOUNDATION**

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2013

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.

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2012–13



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AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD FOR THE YEAR ENDED 30 JUNE 2013

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 Jun 2013.

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

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

The Board is committed to ensuring the highest standards of good governance. Under the ACF structure, the elected members of Council set the long term strategic direction of the organisation. The Board is responsible for appointment of the CEO and oversight of operational performance including risk management. It approves and monitors the implementation of the strategic plan, and ensures legal and regulatory compliance.

The Board has developed a number of governance reference documents and conducts its affairs according to their provisions. It reviews its own performance and has established the following sub-committees: the Finance & Audit Committee, the Governance Committee, 60L Committee, Business and Performance Committee and the Remuneration Committee.

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

Current	Member Type	Position	Attendance
Ian Lowe	Ex-Officio	President	7/10
Irina Cattalini	Ex Officio	Vice President	8/10
Rob Fowler	Ex Officio	Vice President	8/10
Todd Davies	Co-opted	Treasurer	10/10
Gavin Wigginton	Co-opted	Honorary Secretary	9/10
Chrissy Grant	Co-opted	Board member	7/10
Grant Blashki	Co-opted	Board member	4/10
Peter Christoff ***	Councillor	Board member / VP	10/10
Ellen Sandell *	Councillor	Board member	5/6
Piers Verstegen *	Councillor	Board member	5/6
Jimmy Cocking *	Councillor	Board member	6/6
Former	Member Type	Position	
Jonathan King **	Councillor	Board member	4/4
Rosemary Hill **	Ex Officio	Vice President	3/4
Nadia McLaren **	Councillor	Board member	4/4

* Councillor's term begun at the Board meeting held on 24 November 2012

** Councillor's terms ended at the Board meeting held on 24 November 2012

*** Peter Christoff was Vice President from 1st July to 2nd November 2012

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

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

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD FOR THE YEAR ENDED 30 JUNE 2013

STRATEGY & OBJECTIVES & ACTIVITIES

OUR PURPOSE

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

OUR STRATEGY

ACF continues to build on our proud history of achievement and experience by focusing on three principal pathways to achieve our goals:

Environmental Protection - 2012-2013 Key achievements

Our large supporter base opens doors to important decision makers, including government powerbrokers and business leaders, who we work with to drive the transformation we need.

Healthy Ecosystems

- *Protection of Tasmania's high conservation value forests*
ACF played a central role in brokering a historic agreement to end the decades of conflict engulfing Tasmania's forests, providing protection for 504,012 hectares of forests. Furthermore, the World Heritage Committee agreed to expand the Tasmanian World Heritage Area (WHA) by 170,000 hectares. The WHA now includes high conservation values forests including the Styx, the Florentine, the Great Western Tiers and the Southern Forests.
- *World class network of national marine reserves*
ACF worked with other conservation groups to achieve a world-class network of marine reserves that protect our ocean treasures. In June 2013 Australia's parliament voted in favour of the network, the largest on Earth.
- *Progress to restoring the Murray River to health*
Following years of campaigning by ACF, a Murray Darling Basin Plan was signed into law in November 2012, guaranteeing 2750 gigalitres of additional water to the river system. In February 2013 a further 450 gigalitres was committed to the water recovery target. While this falls short of fully achieving the scientific targets required to have a healthy river, it is a critical start to helping our Murray Darling Basin return to health and surviving the next big drought.

Climate

- *Maintaining the integrity of the Renewable Energy Target (RET)*
ACF played an active role in the 2012 review of the 20% RET, working closely with industry and the Climate Change Authority to make the case for an increased target. ACF strongly and successfully opposed efforts by a number of energy retailers to have the RET weakened, achieved by development of an online community education tool and commissioning analysis of renewable energy potential in Australia.

Northern Australia

- *Cape York land tenure reform and conservation outcomes*
Building on our previous success with the establishment of the Cape York Peninsula Heritage Act (Qld), ACF successfully campaigned for adequate government funding for the land tenure reform process (including a \$11.3 million commitment by the state

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD FOR THE YEAR ENDED 30 JUNE 2013

government). In November 2012, the 241,637 hectare former Batavia pastoral property on Cape York was formally handed back to its Traditional Owners, and with their consent 56,037 hectares was dedicated as a new National Park, and 79,157 hectares gazetted as a Nature Refuge. The area includes wetlands, monsoon and riverine rainforests and is home to palm cockatoos and spotted cuscus.

- *Kimberley coastline saved from industrial gas processing plant*
After years of campaigning to protect the Kimberley, including engaging with potential investors, the proposal to build an on shore gas processing hub was finally shelved in early 2013 in favour of a floating offshore platform. This ensures the pristine Kimberley coast remains intact as a place for migrating whales, bilbies and threatened ecological communities.

Progressing an environmentally sustainable economy - 2012-2013 Key achievements

ACF challenges the flawed economic policies that create environmental problems in the first place and advocates a rapid shift to an economy that is cleaner, more productive and sustainable.

- *Policies for a smart, clean economy*
The Clean Energy Finance Corporation, first conceived of by ACF, became reality in July 2012 with the passing of relevant legislation, resulting in \$10 billion of funding leveraging private investment into renewable energy and energy efficiency projects. We also celebrated other milestones, such as the commitment by the Australian Government to remove fringe benefit tax concessions from company cars, and the issuance of Australia's first comprehensive set of environmental-economic accounts.
- *Australian National Development Index (ANDI)*
ACF has been a leading partner in the development of ANDI, Australia's first and only citizen-led interactive project to explore and define long-term progress for our nation. ANDI is now an incorporated entity, with an exciting business plan coupled by a generously funded research program to support its development. ANDI will begin its engagement with a broad community of people concerned about the long term during 2013-14.
- *New Economics Advisory Service pilot program*
ACF piloted a New Economics Advisory Service, providing advice to community groups on economic aspects of environmental issues and activities. Clients included those seeking to oppose unsustainable developments, and those seeking to take proactive action to protect and restore ecological systems. The pilot has provided an opportunity to demonstrate how economics can and should be practiced, taking full account of ecological systems and human wellbeing.

Promoting positive environmental values and behaviours - 2012-2013 Key achievements

ACF tackles the underlying social issues threatening our environment from the wasteful way we consume resources to our growing disconnection from nature. We connect people with the environment, and equip people, communities and organisations with the information, skills and tools to build an ecologically response society.

- *National sustainability partnership with the YMCA*
This multi-year program has ACF working in partnership with the YMCA to deliver training and practical solutions for greater energy efficiency.
- *Advancing the Implementation of Sustainability Education in the Classroom & Community*
This multi-year project engages with the Australian Education for Sustainability Alliance and key education for sustainability stakeholders to assess and recommend strategies for action for the delivery of learning for sustainability outcomes across the Australian Curriculum

AUSTRALIAN CONSERVATION FOUNDATION INC. STATEMENT BY THE BOARD FOR THE YEAR ENDED 30 JUNE 2013

FINANCIAL REVIEW

ACF is reporting a surplus from comprehensive income which amounted to \$494,767 (2012: surplus \$242,605).

This surplus can be deconstructed as follows; a surplus to our Campaign restricted funding reserves (income received in advance) of \$65,397 (2012: \$270,940 surplus); ACF made an unrestricted operating surplus of \$125,590 (2012: \$61,279 surplus), before the unrealised increase in equity holdings of \$303,778 (2012: \$89,616 decrease) which took this to a surplus of \$429,368 (2012: \$28,337 deficit).

Comprehensive Income for the year was \$13,316,212 (2012: \$12,693,558), an increase of 5% on 2012.

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 \$12,001,080 (2012: \$11,643,562).

Other income from investments, interest and dividends, and rental & outgoings income from the 60L tenants was \$1,315,132 (2012: \$1,049,996).

Expenditure was \$13,125,223 (2012: \$12,361,337). ACF continues to review our expenditure base and make resource decisions necessary to remain a sustainable and effective organisation. This was done with minimum impact on environmental campaign outcomes.

Expenditure on environmental programs was \$6,158,789 (2012: \$5,815,896).

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 cost were \$2,394,282 (2012: \$2,404,730).

Fundraising costs associated with generating ongoing donation and fundraising income including direct salaries, database administration & supporter services, and other direct costs were \$2,844,875 (2012: \$2,415,436). Development of the website and digital tools to enhance and increase the efficiency of our engagement with supporters, members and the community were responsible for part of this increase.

ACF administration (excluding Board & Council) costs fell from 13% to 12% for the year, as a result of contract renegotiations and a reduction in office costs; overall admin costs were held at 2% growth. Administration costs are budgeted to remain at 12% in 2013-14 year.

Cash holdings increased by 10% as at 30 June 2013 to \$5,051,898 (2012: \$4,559,799). The revaluation of financial assets not-for-sale of \$303,778 was applied against the long-term Endowment reserves that these equities underpin.

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

ACF Board is actively budgeting to increase our operating reserves through sustainable surpluses over a 5 year period to provide for income security in unstable economic times and agility in future years. Establishment of new environmental activities and endeavour's in the coming year have budgeted a break-even result for FY2013-14.

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT BY THE BOARD
FOR THE YEAR ENDED 30 JUNE 2013****ACFID CODE OF CONDUCT**

The Australia Conservation Foundation is a signatory to the Australian Council for International Development (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 organisations must comply to maintain membership of ACFID. These organisations are required to become a signatory to and demonstrate compliance with the code before they are eligible to obtain accreditation with the 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.

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.

During the 2012-13 financial year, ACF received funds from AusAID for the Climate Educators' Skillshare programme, run within Australia. The 8-week program saw 23 educators from India and Indonesia travel to Australia for intensive training, focusing on development of leadership skills, sharing research and practical improvement strategies for school educators. Its purpose was to educate community leaders on the science, impacts and solutions of climate change and provide immediate, relevant tools which can be replicated, at scale, upon the educators return to their community. Survey and evaluation of the educators and the service providers have been performed. Most of the 23 educators have replicated the program's outreach elements within their communities. Several have met with influential policy makers to secure impactful and meaningful actions in their home countries. Especially developed training resources, including curriculum guidance have also been provided in the home country languages to enable ongoing learning and development in climate change issues. This will be kept updated via the website set up for this work.

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

RISK MANAGEMENT

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

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

INSURANCE

During the financial year, the Australian Conservation Foundation paid a premium of \$4,938 (2012: \$4,950) 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

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT BY THE BOARD
FOR THE YEAR ENDED 30 JUNE 2013**

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 allegations of wrongful dismissal, discrimination, unfair dismissal, wrongful refusal to employ/promote, sexual harassment and defamation and libel or slander.

FUNDRAISING LICENCES

Australia does not have a Federal law governing fundraising, and it is required of ACF to monitor, apply and report against State laws (which differ broadly), and in some instances, hold specific 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 2012-13 year, or since the reporting date.

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT BY THE BOARD
FOR THE YEAR ENDED 30 JUNE 2013**

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 2013 and of its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements, and other authoritative pronouncements of the Australian Accounting Standards Board.
- (b) at the date of this statement there are reasonable grounds to believe that the Australian Conservation Foundation Inc. will be able to pay its debts as and when they fall due.

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



President - Ian Lowe
20 October 2013



Treasurer - Todd Davies
20 October 2013

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
20 October 2013



Chief Operating Officer - Danny Vadasz
20 October 2013

**AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT BY THE BOARD
FOR THE YEAR ENDED 30 JUNE 2013**

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 on behalf of the Board, that in my opinion:

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



Treasurer - Todd Davies
20 October 2013

Auditor's
Report

2012–13



Grant Thornton Audit Pty Ltd
ACN 130 913 594

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

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 2013, 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.

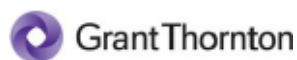
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

**Auditor's
Report**

2012-13



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 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 2013 and of its performance and cash flows for the year then ended ; and
- ii complies with Australian Accounting Standards and the relevant legislation.

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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

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

Brock Mackenzie
Partner - Audit & Assurance

Melbourne, 20 October 2013

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF COMPREHENSIVE INCOME
AS AT 30 JUNE 2013



	NOTES	Restricted	Operating Unrestricted	2013 TOTAL \$	2012 \$
Income					
Operating activities		1,551,032	10,450,048	12,001,080	11,643,562
Non-operating activities		-	1,315,132	1,315,132	1,049,996
Total Income	2 (a)	1,551,032	11,765,180	13,316,212	12,693,558
Expenditure					
Environmental Protection Campaigns & Sustainability programs					
Northern Australia		482,827	322,232	805,059	861,072
Healthy Environments		32,626	904,836	937,462	1,206,409
Climate Change		423,350	721,376	1,144,726	1,298,513
Environmental Economics		165,990	584,161	750,151	646,357
Sustainable Australia		-	35,543	35,543	191,226
Outreach / Supporter Engagement		-	1,753,144	1,753,144	1,430,003
Environmental Values & Behaviours		380,840	351,863	732,703	182,314
SubTotal		1,485,633	4,673,155	6,158,788	5,815,896
Fundraising Expenditure					
New supporters recruitment & acquisition		-	2,394,282	2,394,282	2,404,730
Staff, other direct costs & supporter maintenance		-	2,844,875	2,844,875	2,415,436
Administration & support to campaigns & fundraising		-	1,597,833	1,597,833	1,593,382
Organisational restructure costs		-	129,445	129,445	131,892
Total Expenses	2 (b)	1,485,633	11,639,590	13,125,223	12,361,337
SURPLUS / (DEFICIT) FOR THE YEAR		65,397	125,590	190,989	332,221
Net Unrealised gain / (loss) on revaluation of financial assets (Note 5)			303,778	303,778	(89,616)
TOTAL COMPREHENSIVE INCOME (DEFICIT) FOR THE YEAR		65,397	429,368	494,767	242,605

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

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

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

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

The accompanying notes form part of this financial report

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013



	NOTES	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	3	5,051,898	4,559,799
Trade and other receivables	4	814,355	471,160
Financial assets	5	1,541,600	1,567,719
Other assets	6	53,881	54,332
TOTAL CURRENT ASSETS		7,461,734	6,653,010
NON-CURRENT ASSETS			
Artwork	7	18,500	18,500
Property, plant and equipment	8	9,021,384	9,043,020
Intangible assets	9	290,165	434,501
TOTAL NON-CURRENT ASSETS		9,330,049	9,496,021
TOTAL ASSETS		16,791,783	16,149,031
CURRENT LIABILITIES			
Trade and other payables	10	930,646	781,979
Monies held in trust - The Climate Collaboration		-	145,000
Provisions	11(a)	1,159,845	1,019,039
TOTAL CURRENT LIABILITIES		2,090,491	1,946,018
NON-CURRENT LIABILITIES			
Provisions	11(b)	42,116	38,605
TOTAL NON-CURRENT LIABILITIES		42,116	38,605
TOTAL LIABILITIES		2,132,607	1,984,624
NET ASSETS		14,659,176	14,164,406
EQUITY			
Reserves & retained surplus		14,164,406	13,921,801
Surplus / (Deficit)		494,767	242,605
TOTAL EQUITY		14,659,176	14,164,406

The accompanying notes form part of this financial report

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2012-13

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 June 2013



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2012-13

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

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

Purpose of Reserves

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

Endowment fund reserve - represents reserves set aside to fund the future growth and development needs of ACF. These reserves are underpinned by long term financial assets not for sale. As such, the ACF Board has a policy of treating any unrealised movement in the value of the financial assets against the Endowment reserves.

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

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

The accompanying notes form part of this financial report

AUSTRALIAN CONSERVATION FOUNDATION INC.
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 June 2013



	NOTE	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members, supporters and customers		10,217,108	10,185,238
Receipts from grants		1,436,182	1,463,121
Receipts from bequests		891,402	860,467
Interest & other investment income received		421,995	296,775
Payments to suppliers, contractors and employees		(12,579,557)	(12,269,269)
NET CASH PROVIDED BY OPERATING ACTIVITIES	13 (b)	387,131	536,332
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment; software & website		(224,959)	(315,540)
Net Proceeds on sale of financial assets		403,807	145,854
Net Payment for addition of financial assets		(73,881)	(100,000)
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		104,968	(269,685)
Net increase (decrease) in cash held		492,098	266,647
Cash at the beginning of the financial year	3	4,559,799	4,293,152
CASH AT THE END OF THE FINANCIAL YEAR	3	5,051,897	4,559,799

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

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AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2013



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2012-13

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
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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 2013



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
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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.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2013



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 Charities & Not-for-profit Commission (ACNC)

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

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2013



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2. OPERATING SURPLUS / (DEFICIT) FOR THE YEAR

Surplus for the year has been determined after:

(a) **Revenue**

Operating activities

	Campaigns Restricted	Operating Unrestricted	2013 Total \$	2012 \$
Donations	325,152	8,798,199	9,123,350	8,655,826
Legacies and bequests	-	891,402	891,402	860,467
Subscriptions	-	394,117	394,117	485,230
Grants - Non-government	172,038	53,000	225,038	927,119
Grants - AusAID	182,000	18,200	200,200	41,013
Grants - Government	846,521	164,423	1,010,944	494,989
Sponsorship, advertising & sales	-	87,367	87,367	55,654
Other income	25,321	43,340	68,661	123,264
SubTotal	1,551,032	10,450,048	12,001,080	11,643,562

Non-operating activities

Investment income	-	362,141	362,141	234,232
Rental income from other sources	-	888,799	888,799	813,533
Net gain on disposal of financial assets	-	64,192	64,192	2,231
SubTotal	-	1,315,131	1,315,131	1,049,996

Total Income	1,551,032	11,765,180	13,316,212	12,693,557
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(b) **Expenses**

	Restricted	Unrestricted	Total \$	\$
Administration & insurance	25,341	345,612	370,953	461,626
Depreciation and amortisation	150	390,781	390,931	379,380
Finance costs				
Auditor remuneration - audit or review services	-	37,300	37,300	33,000
Banking transaction costs	300	79,532	79,832	92,182
Net loss on disposal of property, plant and equipment	-	19,251	19,251	1,913
Doubtful debts expense	-	30	30	44,143
Investments	-	14,780	14,780	16,920
Marketing & fundraising (non-staff)	47,291	3,517,703	3,564,993	3,341,263
Occupancy costs	8,246	263,150	271,396	289,067
- Lease payments on operating leases	26,976	61,682	88,657	87,459
Program campaigning (non-staff)	314,549	597,776	912,325	695,076
Program travel	186,437	352,749	539,186	492,908
Recruitment and development	1,393	82,799	84,192	114,790
Staff and on-costs	874,951	5,876,445	6,751,396	6,311,609
Total Expenditure	1,485,634	11,639,590	13,125,223	12,361,337
Surplus / (Deficit) for the year before Unrealised Movements	65,397	125,589	190,989	12,681,961
Unrealised movements Gains/(losses) on financial assets	-	303,778	303,778	(89,616)
Surplus / (Deficit) for the year	65,397	429,370	494,767	242,605

3. CASH AND CASH EQUIVALENTS

CURRENT

	2013 \$	2012 \$
Cash on hand	2,000	2,000
Cash at bank	2,161,077	2,520,470
Cash on term deposits	2,888,821	2,037,329
	5,051,898	4,559,799

The effective interest rate on short-term deposits was 4.62% (2012: 5.61%); 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 2013.

AUSTRALIAN CONSERVATION FOUNDATION INC.
NOTES TO THE FINANCIAL REPORT
AS AT 30 JUNE 2013



4. TRADE AND OTHER RECEIVABLES

	2013 \$	2012 \$
CURRENT		
Trade receivables	613,443	424,139
Provision for impairment of receivables	-	(44,039)
Other receivables	200,912	91,060
Total trade and other receivables	814,355	471,160

a) At 30 June 2013, the aging analysis of trade receivables is as follows:

	Total	0-30 Days	31-60 Days	61-90 Days	+ 90 Days
2013	613,443	371,951	201,249	3,098	37,144
2012	424,139	348,761	16,325	8,139	50,914

ACF is actively pursuing the debtors for funds; we received 80% of debtors over 90 days 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 made for \$44,039 in 2011-12 was not recoverable and written off in 2012-13.

	2013 \$	2012 \$
Movements in the impairment provision		
1 July balance	44,039	-
Charge for the year	-	44,039
Amounts written off	(44,039)	-
30 June balance	-	44,039

5. FINANCIAL ASSETS

	Market Value 30/06/2012 \$	Purchases \$	Sales/ Withdrawals \$	Market Revaluation \$	Market Value 30/06/2013 \$
Equity trusts - at fair value	331,404	-	-	88,850	420,254
Property trusts - at fair value	64,487	-	-	4,759	69,246
Equity Share Portfolio - at fair value	1,071,828	154,696	(384,593)	210,169	1,052,099
Direct mortgage	100,000	-	(100,000)	-	-
	1,567,719	154,696	(484,593)	303,778	1,541,600

6. OTHER ASSETS

CURRENT		
Prepayments & accruals	17,965	28,158
Accrued income	35,916	26,173
	53,881	54,332

7. ARTWORK

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

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8. PROPERTY, PLANT & EQUIPMENT	2013	2012
NON-CURRENT	\$	\$
Land & buildings	8,945,033	8,883,756
Accumulated depreciation	(212,519)	(135,213)
	8,732,514	8,748,543
Office furniture and fittings - at cost	491,703	491,703
Accumulated depreciation	(438,897)	(409,242)
	52,806	82,461
Communications & information technology equipment - at cost	943,587	808,250
Accumulated depreciation	(707,524)	(596,234)
	236,063	212,016
Motor vehicles and accessories - at cost	60,732	60,732
Accumulated depreciation	(60,732)	(60,732)
	-	-
TOTAL Property Plant & Equipment Written-Down-Value (WDV)	9,021,384	9,043,020

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

<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

9. INTANGIBLE ASSETS	2013	2012
NON-CURRENT	\$	\$
Computer software & website (development costs)	1,070,755	1,184,000
Accumulated amortisation	(780,591)	(749,499)
	290,164	434,501

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

<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

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10. TRADE & OTHER PAYABLES

	2013	2012
CURRENT	\$	\$
Trade payables	446,598	441,548
Sundry payables & accruals	260,585	131,452
Deferred membership income	223,463	208,978
	930,646	781,979

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, which it then paid out according to the Memorandum of Understanding signed between the parties involved. No funds remain held in trust.

11. PROVISIONS

	2013	2012
CURRENT	\$	\$
Provision for employee benefits 11(a)	1,159,845	1,019,039
NON-CURRENT		
Provision for employee benefits 11(b)	42,116	38,605
	1,201,962	1,057,645

As at 30 June 2012, there were 70 (2012 - 67) fulltime equivalent staff (FTE) posts within ACF. (Headcount 79, 2012 - 74)

12. LEASE COMMITMENTS

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

Payable within 1 year	70,316	95,505
Payable later than 1 but within 5 years	22,777	28,782
Payable later than 5 years	-	-
	93,093	124,287

The lease for the Sydney property is to end it's 3 term 4 months early, in July 2013, rent payable monthly in advance

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

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

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

13. NOTES TO CASH FLOW STATEMENT

	2013	2012
(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	494,767	242,606
<u>Non-cash flows from surplus</u>		
Depreciation of property, plant and equipment	220,018	203,161
Amortisation of intangible assets	170,914	176,218
Provision for doubtful debts	-	44,143
Net (gain) / loss on disposal of financial assets & property, plant and equipment	-	(318)
Unrealised (gains) / losses on financial assets	(303,778)	89,616
<u>Changes in assets and liabilities</u>		
(Increase) / decrease in receivables	(233,372)	(87,710)
(Increase) / decrease in other assets	(109,402)	300,987
Increase / (decrease) in payables / other liabilities	3,668	(162,515)
Increase / (decrease) in provisions	144,317	(269,855)
Net cash provided by operating activities	387,131	536,332

(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.

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14. INTERNATIONAL AID AND DEVELOPMENT ACTIVITIES	2013	2012
Income	\$	\$
Donations - monetary	-	-
Donations - non-monetary	-	-
Grants	-	-
AusAID	200,200	40,505
Other Australian	-	-
Other overseas	-	-
Other income	-	-
Total Income	200,200	40,505
Expenditure		
International aid & development programs (within Australia)	159,656	40,505
Funds to international aid projects overseas	-	23,492
International programs - support costs	2,839	2,811
Community education	-	-
Fundraising - public	-	-
Fundraising - government & private	-	-
Accountability & administration	5,486	5,228
Total disbursements	167,981	72,036
Excess of disbursements over revenue	32,219	(31,530)
In-kind volunteer services contribution (included above)	-	-

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

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 Environment Campaigns	Appointed: February 2006	Resigned: December 2012
Paul Sincalir	Director Environment Protection	Appointed: April 2013	
Mal Lewis	Director Finance and Operations	Appointed: January 2011	
Charles Berger	Director Economic Transformation	Appointed: November 2007	
Lucy Farmer	Director Media & PR	Appointed: April 2004	
Vacant	Director of Marketing		

	2013	2012
Short term benefits	\$	\$
Remuneration paid	820,507	884,505
TOTAL Short-term benefits	820,507	884,505
Long term benefits		
Superannuation contributions	81,096	76,165
Long service leave paid	20,094	9,346
TOTAL Long term benefits	101,190	85,511
Total Compensation	921,697	970,016

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.

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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

2013	2012
\$	\$
12,001,080	11,643,562

Total ACF fundraising income for the year ending June 30, 2013

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)

2013	2012
\$	\$
Total income from fundraising activities	10,245,680
Less total expenditure on fundraising activities	4,467,752
Net surplus from fundraising activities	5,777,928
	6,425,784

Information on material matters

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

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

Application of funds for charitable purposes

During the year ACF achieved a net surplus of \$5,777,928 (2012 \$6,425,784) from fundraising activities as defined under the NSW Charitable Fundraising Act. Of this surplus, \$2,379,759 (2012 \$2,394,862) 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. \$1,080,827 was allocated to organisational support (2012 \$1,352,459).

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.

2013	2012
\$	\$
Gross income from fundraising activities involving external service providers	5,192,524
Gross expenditure on fundraising activities involving external service providers	2,394,282
Gross Contribution	2,798,242
	2,634,495

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

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

EarthVoice monthly giving program

Mail appeals - July, September, November, March and May

Major donor program

Business partnerships program

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

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

A divided by B	A	B	2013	2012
	\$	\$	%	%
Total cost fundraising/Gross proceeds of fundraising	4,467,752	10,245,680	44%	38%
Net surplus from fundraising/Gross proceeds of fundraising	5,777,928	10,245,680	56%	62%
Environmental programs expenditure/Expenditure	6,158,789	13,125,222	47%	47%
Environmental programs expenditure/Income	6,158,789	13,619,990	45%	46%

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.

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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 2013.

	NOTES	2013 \$	2012 \$
Financial assets			
Cash and cash equivalents	3	5,051,898	4,559,799
Loans and receivables	4	814,355	471,160
Financial assets at fair value through profit or loss			
- equity investments	5	303,778	1,467,719
- direct mortgages	5	0	100,000
		6,170,031	6,598,678
Financial liabilities			
Trade and other payables	10	930,646	781,979
		930,646	781,979

i. Treasury risk management

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

ii. Financial risks

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

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

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

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

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

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

(b) Interest 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.

		2013 \$	2012 \$
Cash on deposit			
Net result - Increase/(Decrease)	+2%	49,262	40,747
Net result - Increase/(Decrease)	-1%	(24,631)	(20,373)
Equity	+2%	18,454	31,354
Equity	-1%	(9,227)	(15,677)

(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.

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2013	Within 1 Year	Greater than 1 Year	Total
Financial liabilities due for payment			
Trade and other payables	2,160,808	64,893	2,225,701
Total expected outflows	2,160,808	64,893	2,225,701
Financial assets - cash flows realisable			
Cash and cash equivalents	5,051,898	-	5,051,898
Loans and receivables	814,355	-	814,355
Financial assets at fair value through profit or loss		-	
- equity investments	303,778	-	303,778
- direct mortgages	-	-	0
Total anticipated inflows	6,170,031	-	6,170,031
Net (outflow)/inflow on financial instruments	4,009,224	(64,893)	3,944,330

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

(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 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).

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

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



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