

USTRALIAN COMMUNITIES

OUR MISSION

TO BE A TRUSTED AND DYNAMIC ORGANISATION WHICH GENERATES AND DISTRIBUTES PHILANTHROPIC RESOURCES IN PARTNERSHIP WITH DONORS AND OTHERS IN RESPONSE TO SOCIAL ISSUES AND COMMUNITY NEEDS.

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LETTER FROM OUR **CEO**

Since joining Australian Communities Foundation's (ACF) team in June this year I have been inspired by the range of causes and initiatives we support across Australia. 2014/15 was our biggest year yet - we gave a record \$7.7million to community causes, supporting many sectors including education, health and the environment, and reaching vulnerable groups across Australia.

I've had the pleasure of meeting many ACF donors and it's been wonderful to hear positive feedback about the business, the team and the way ACF makes it easy to give to worthy causes. It is also clear that the most valued aspect of being involved with ACF is that we are a community that shares a passion for making a difference.

As Australia's largest independent community foundation, we are uniquely placed to encourage people and organisations to work together to create change. Going forward, ACF will also be well positioned to facilitate important dialogues about national issues.

Moving into the second year of ACF's five-year Strategic Plan, we are building our capacity to support our growing business. As part of this we are making a large investment in our systems to assist us in providing our donor and grantmaking services more efficiently whilst maintaining the personal touch that ACF is known for.

I am immensely proud to be a part of the future of ACF and I'm excited to work with all our donors, supporters and partners to help build a fairer Australia.

Maree Sidey, CEO



ACF Board L-R: Casey Tan, Gayle Hardie, Samantha Smith, Sarah Hosking, George Krithis, Sue Dahn, Steve Rothfield, Catherine Smith *Absent (David Imber, Pamela McLure, David Murray, Emma Woolley)

LETTER FROM OUR **CHAIR**

At the heart of a great community foundation is the ability to connect people to causes. When I joined as Chair of ACF's Board in early 2015, it was immediately evident to me just how hard our team works to do this. By investing time into connecting donors, several sub-funds have jointly supported projects with each other or with our key philanthropic partners, maximising the impact of every dollar donated to the Foundation.

As a business, ACF is performing well following a period of steady growth. Our corpus grew 16.1% in the 2014/15 financial year bringing its value to over \$62million, while all our

charitable trust funds achieved investment returns above their benchmark

Since 1997, ACF has given nearly \$41million in grants and we have no plans to slow down. As a result of strong donor support, we received a record number of donations during the year totalling \$12.2million that is helping us in our quest to achieve positive social change and build healthy and resilient communities.

Our success over the last 12 months all comes down to the people who support the Foundation. A very big thank you to our donors, the Board, committees, staff, and all those individuals and organisations that have worked with us to achieve our mission

Sarah Hosking, Chair of the Board



SARAH HOSKING (CHAIR)

PhD, FAICD **SUE DAHN**

BCom, MBA GradDip Applied Fin & Investment, FFinsia FAICD FASFA ESCPA

GAYLE HARDIE Dip MKTC; B.Sc; MA, AFAIM. MAICD

DAVID IMBER BA. LLB

GEORGE KRITHIS BBus CFP (FPA), CPA (FPS - ASCPA)

PAMELA MCLURE BA, DipSoc, MA

DAVID MURRAY BA. DipCrim. MA

STEVE ROTHFIELD BCom. MBA. CPA

BSc (SpHons) MSF, FIPAA (Vic)

SAMANTHA SMITH BBus (Mktg), MA, DBA

CASEY TAN

BCom MMgt, FCA, FAIM, FAICD, FIPAAV. PHF

EMMA WOOLLEY LLB (Hons)





IMPACTING AUSTRALIA

IN 2014/15:

Value of grants **\$7.7m**

Total number of grant requests 619

Total number of grant payments 532

Supporting **360** organisations

Largest grant **\$602,484**

Smallest grant **\$500**

Median grant size \$5,000

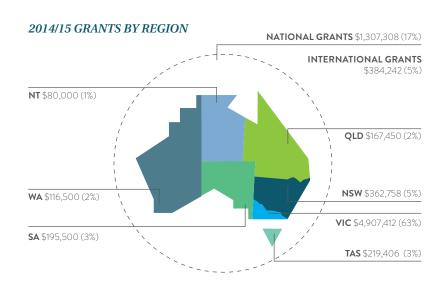
Grants against corpus value 11.3%

Active sub-funds that granted 138 (51.6%)

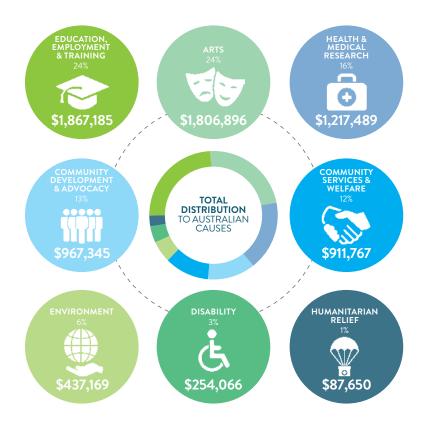
As Australia's only independent, nationwide community foundation, we are striving to increase the scope of our grantmaking and reach all corners of our continent

Over the years we have built valuable partnerships with donors and not-for-profit organisations of all sizes, allowing us to be better connected to funding needs across Australia

When donors choose to establish a sub-fund with ACF, they have the flexibility to support worthwhile causes in any part of Australia, including remote, rural and urban regions.



SUPPORTING AUSTRALIAN CAUSES



In 2014/15 we distributed grants to more causes than ever before. A large portion of our funds went to community development, education and the arts – highlighting the commitment of our donors to these areas of Australian society.

The largest proportion of our grants supported education, employment and training. This included funding for staff at Weenthunga Health Network and support for Ardoch Youth Foundation's partnership with the Southern Teaching Unit in Moorabbin to help students who have become disengaged from school

^{*}Miscellaneous grants to the value of 2% of the total distributed have been omitted from the diagram above.

SUPPORTING AUSTRALIAN COMMUNITIES



Students attending the Laura Aboriginal Dance Festival on Cape York Peninsula.

Many of our grants support groups in Australia who may be experiencing disadvantage or who are vulnerable to risk or inequity. These grants ensure improved access to services and opportunities. They also work to address specific gender gaps, promote equity, and ensure all people are included in the social, economic and community benefits that Australian society can offer.

Over \$1million was granted to projects supporting indigenous culture. One grant to Taree Indigenous Development and Employment (TIDE), a community based non-profit organisation, gave a group of Aboriginal students the opportunity to attend Laura Aboriginal Dance Festival - an event that takes place as part of a nationwide reconciliation ceremony on Cape York Peninsula. Through the many diverse communities, languages, songs, dances and stories highlighted at the festival, the students were given the opportunity to experience contemporary Aboriginal culture.



INDIGENOUS \$1,047,598



WOMEN \$258.600



CHILDREN \$826.309



YOUNG PEOPLE \$549,728



AGED \$78,650



MIGRANT / RFFUGFFS \$289 305



*Approximate numbers. Each person



GROWING AUSTRALIAN PARTNERSHIPS

ACF has a commitment to working collaboratively with funding partners and other philanthropic organisations.

In the last financial year we forged innovative partnerships with the Reichstein Foundation, Australian Environmental Grantmakers Network and Planet Wheeler. These partnerships increase our understanding of the emerging needs in the Australian community and enhance our ability to achieve positive social change through philanthropy.

Using this knowledge sharing, ACF can research and recommend Strategic Grants to donors, ensuring that support is given to the most worthy areas of need across Australia.

We also give donors the opportunity to co-fund projects together, meaning more money can be leveraged for the causes that need it most.

This collaborative work has helped ACF achieve greater impact for its granting dollar – when donors work together we quadruple the value of each donor commitment and contribution.



ACF CEO Maree Sidey speaks at the launch of The Homework Collaboration, an initiative which includes ACF, the Centre for Multicultural Youth and the Stan Willis Trust.

WHY WE PARTNER WITH OTHERS

\$544K

THE AMOUNT OF FUNDING GIVEN THROUGH STRATEGIC GRANTS IN 2014/15

15

THE NUMBER OF STRATEGIC GRANTS
SUPPORTED BY ACE SUR-FUNDS IN 2014/15

7

THE NUMBER OF STRATEGIC GRANTS
THAT WERE CO-FUNDED WITH OTHER
PHILANTHROPIC ORGANISATIONS IN 2014/15

\$26K

THE MEDIAN SIZE OF A

WHEN OUR DONORS WORK TOGETHER, ON AVERAGE WE CAN LEVERAGE



THE INDIVIDUAL DONOR COMMITMENT

CATALYSING THE TRANSFORMATION

RECIPIENT: THE CLIMATE INSTITUTE

DONOR: HAMER FAMILY FUND, DIGGER

& SHIRLEY MARTIN FUND

AMOUNT: \$25,000 LOCATION: NATIONAL

ACF grants are not only working to directly impact the people in our communities, but also to protect the environment that we live in. In 2015, ACF provided a second year of funding to The Climate Institute to support its 2014-17 Strategic Plan.

The overall focus of The Climate Institute's work is to influence policy making by highlighting the opportunities gained from transitioning to a low-carbon economy, and emphasise the economic and social benefits that could be lost to other countries if Australia does not take action.

A zero-carbon economy will create jobs and prosperity for countries like Australia, benefitting the health of our communities and the success of crucial industries like agriculture, as well as protecting the environment.

Using ACF's grant, The Climate Institute has continued to undertake crucial economic and policy analysis to inform business engagement and communications that reach key decision-makers. When the world meets to agree on the next international pollution reduction framework in Paris in December 2015, funding from ACF will be used to ensure that The Climate Institute can communicate the link between the negotiations in Paris and the policy choices being made in Australia.



COMMUNITY PERSPECTIVES ON SOCIAL INEQUALITY

RECIPIENT: AUSTRALIAN COUNCIL OF SOCIAL SERVICE

(ACOSS) AND IPSOS

DONOR: BB&A MILLER FUND, SOCIAL JUSTICE FUND,

HART LINE FUND, KOSHLAND INNOVATION

FUND, REICHSTEIN FOUNDATION

AMOUNT: \$26,000 LOCATION: NATIONAL

The richest 20% of the Australian population receives around five times as much income as a person in the poorest 20%. In contrast, a person in the top 20% wealth group has a staggering 70 times as much wealth as a person in the bottom 20%. And even more frightening is that these gaps look to be widening.

ACF's focus is on the policy solutions needed to tackle this persistent poverty and rising inequality. To get there, a better understanding of public attitudes to inequality is needed in order to influence the public debate on the Australian economy including the budget, welfare reform and community healthcare.

Funding from ACF and The Reichstein Foundation supported a research and communications project completed by the Australian Council of Social Service (ACOSS) and IPSOS to develop insight into how well people in Australia understand the problem of inequality in their country and their perceptions of poverty.

Mind and Mood Report, Ipsos; Marcelle Mogg, CEO, Catholic Social Services Australia; Dr John Spierings, Executive Officer,

Reichstein Foundation

Launched in June 2015 at the ACOSS National Conference, the final report, Community Perspectives on Social Inequality, found that Australians have a genuine concern about how others are coping, and that people care strongly about the fairness of Australian society. It also highlighted Australians' concerns including job security, the health of the economy and their future in retirement.

ACOSS's communications strategy was shaped by the report's findings and, with the help of ACF funding, a series of tools, fact sheets and a video were produced to ensure that the debate reached local communities, schools, unions and the broader public. Available on both Facebook and YouTube, the video has reached over 25,000 people and has been viewed over 12,000 times to date.

"THE SUPPORT FROM ACF'S ANNAMILA FUND HAS ONCE AGAIN BEEN CENTRAL TO OUR ABILITY TO TAKE THE COMPANY ON TOUR TO THE LAND THAT INSPIRES THE STORIES THAT THEN BECOME OUR PERFORMANCES. ENGAGING WITH PEOPLE IN THE COMMUNITIES WE VISIT AND BEING ON THE LAND THAT INSPIRES OUR STORIES IS AN INTEGRAL PART OF THE CREATION PROCESS. IF WE TOOK AWAY THOSE FIRST VITAL STEPS – BEING 'ON COUNTRY', MEETING LOCAL PEOPLE, LEARNING AND SHARING WITH THEM – THE ABILITY TO TELL OUR STORIES WOULD BE SEVERELY RESTRICTED."

Stephen Page, Artistic Director, Bangarra Dance Theatre

ARTISTS-IN-RESIDENCE AND RETURN TO COUNTRY

RECIPIENT: BANGARRA DANCE THEATRE

DONOR: ANNAMILA FUND

AMOUNT: \$98,946

LOCATION: NEW SOUTH WALES

Bangarra is an Aboriginal and Torres Strait Islander organisation and one of Australia's leading performing arts companies. Its productions are created from the stories and culture of the land and its people.

Bangarra's focus on spending time 'on country' with local elders and communities enables its artists to establish and maintain respectful connections with the Aboriginal and Torres Strait Islander cultural traditions that shape and inform the stories presented in each production. The work on country, supported by ACF's Annamila fund, facilitates the sharing of authentic stories with audiences across Australia. The project promotes Aboriginal Culture as well as strengthens ties with the community.

Bangarra took its 2015 mainstage production, *lore*, to Sydney, Canberra, Wollongong, Brisbane and Melbourne. More than 26,700 people purchased a ticket to see the performance across the county. The production's season at the Sydney Opera House was so successful that Bangarra extended it for an additional week to accommodate demand, while in Brisbane it far exceeded box office projections.

Photo: Bangarra dancers participate in traditional Torres Strait Island dance workshop with Betty Tekahika Mabo and Pinau Ghee. Photo by Tiffany Parker

SAFEGUARDING AUSTRALIAN DEMOCRACY

AUSTRALIAN LEARNING LECTURE SERIES

RECIPIENT: STATE LIBRARY OF VICTORIA

DONOR: KOSHLAND INNOVATION FUND

AMOUNT: \$575,000 SINCE 2013

LOCATION: NATIONWIDE

Australia's future wellbeing and prosperity depend on learning being highly valued across society. With Australia's achievement levels in schools declining since 2000 and a growing concern about general levels of Australian innovation, some believe that a national focus on the development of a stronger learning culture is essential.

The Australian Learning Lecture (ALL) series aims to change this trend and ignite an interest in learning within the wider community.

Funded by ACF since 2013, ALL is a joint project of the Koshland Innovation Fund and the State Library Victoria. This ten-year project has been produced to strengthen the importance of learning in Australia and inject big ideas, imagination and a stronger sense of purpose into the debate.

In May 2015, the inaugural ALL lecture on 'Joy and Data' was delivered by renowned British educationalist, Sir Michael Barber. The event, hosted by Dame Quentin Bryce, was streamed nationally and was featured in major media outlets.

With the support of ACF funding, a dedicated website was created to showcase the lecture and a series of 10 case studies demonstrating how 'Joy and Data' can work in real learning environments are being developed.

The next lecture is scheduled for 2017 and further work is underway for ALL to partner with businesses, parents and policy makers to effect real change in Australia's readiness for 21st century challenges and opportunities.

"ACF'S SUPPORT IS HELPING US PUT LEARNING ON THE NATIONAL AGENDA, SO THAT LEARNING AND THE DEMANDS OF LIVING AND WORKING IN THE 21ST CENTURY ARE EMBRACED BY US ALL." Justine Hyde, Acting Chief Executive Officer and State Librarian, State Library of Victoria Australian Learning Lecture

Sir Michael Barber presents 'Joy and Data'.

Photo by Andy Drewitt, The Australian Learning Lecture project.

INSPIRING AUSTRALIANS TO GIVE

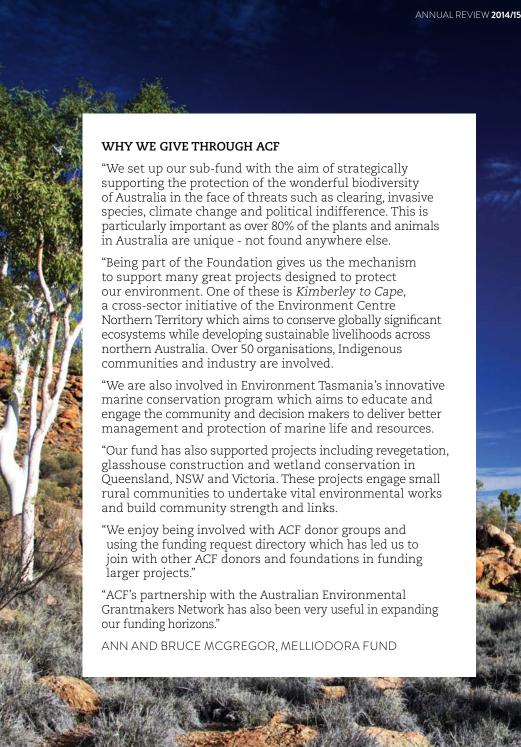
With over 260 sub-funds at ACF, our donor education program is designed to help donors engage with the community, gain knowledge, connect with other donors, build an understanding of the not-for-profit sector, and ultimately maximise the impact of our giving.

The program is proving successful with over half of our funds (51.6%) actively granting throughout the last financial year.

ACF OFFERS:

IN 2014/15 WE:





OUR **FUTURE**

ACF continues to deliver on its Strategic Plan 2014-2019. Moving into year two, we are making significant headway in achieving our five-year goals:

GOAL #1

MAXIMISING
OUR FINANCIAL
CAPABILITY
TO DELIVER
MPROVED SOCIAL
OUTCOMES

GOAL #2

"ENGAGED
PHILANTHROPY"
WITH OUR
DONORS AND THE
COMMUNITY

GOAL #3

MPLEMENT SCALABLE, OPTIMISED 'STEMS THAT SUPPORT GROWTH

GOAL #4

THROUGH
COLLABORATION
FOR
COMMUNITY
IMPACT

GOAL #1: RESPONSIBLE INVESTMENT

ACF granting makes a clear statement about the Foundation's values and that of our donors. As a community foundation, we know that it is important to remain true to our values and the principles of our community. To ensure our investment style and strategy aligns with these values, a comprehensive plan for the transition of our investment portfolio to an Environmental, Social and Governance (ESG) portfolio is now in place. This will be implemented using a staged approach throughout 2015/16. All donors will benefit from knowing that sub-fund capital is employed in areas of business that generally seek to do good and avoid harm to the world.

GOAL #2: IMPACT PHILANTHROPY

An exciting development for ACF will be the introduction of The Forward Fund. Launching in 2016, the Fund will support causes of national importance and relevance that engage our donors and the broader Australian community.

ACF's Forward Fund is focused on creating a better tomorrow with the primary objective of helping Australia progress major social, ethical and environmental issues to enable positive societal change across the nation.

The launch of the Fund will support ACF in meeting strategic goals and provide a mechanism through which we can invest for community impact.



GOAL #3: NEW AND OPTIMISED SYSTEMS

2014/15 has been a milestone year as ACF has been able to consolidate on its growth and invest in its own future.

The introduction of a new IT business management system will significantly enhance our donation, grantmaking and sub-fund services, bringing many benefits to our growing numbers of donors and grant recipients.

This investment is a significant step towards becoming a more modern, efficient and dynamic community foundation that can better support donor engagement and enhance the personal touch for which ACF is known.

GOAL #4: LEAD THROUGH COLLABORATION

For greater impact in our granting, ACF has partnered with like-minded organisations to leverage further investment and support for vital causes. We also supported our sub-funds to collaborate to fund projects. These partnerships have helped to leverage \$544K from ACF towards strategic philanthropic projects.

FINANCIAL SUMMARY 2014/15

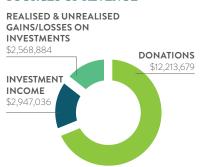
ACF operates three charitable trust funds – ACF Main Fund, ACF Extension Fund and ACF Scholarship Fund.

ACF's total revenue grew by \$3.1M in 2014/15 allowing us to continue to inspire and enable accessible philanthropy to achieve positive social change and build healthy and resilient communities.

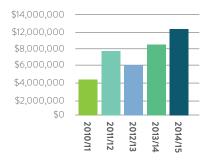
REVENUE

Total revenue for the year was \$17.9M. Donations were \$12.2M for the year, an increase of \$3.5M on the prior year.

SOURCES OF REVENUE



GROWTH IN DONATIONS

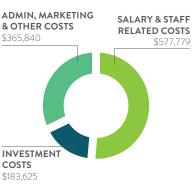


HOW IT WAS DEPLOYED

Grants for the year were \$7.7M, an increase of \$2.9M over last year. Operating costs were contained to \$1.1M for the year, only increasing by \$127K.

GROWTH IN GRANTS COSTS \$9,000,000 \$8,000,000 \$7,000,000 \$365.840 \$6,000,000 \$5.000.000 \$4,000,000 \$3,000,000 \$2.000.000 \$1,000,000 2012/13 2014/15 COSTS 2013/14 \$183.625

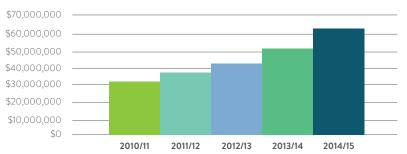
BREAKDOWN OF OPERATING COSTS



A STRONG FINANCIAL POSITION

The ACF corpus as at June 2015 was \$62.58M, an increase of \$8.68M from the prior year. This represents a 16.1% growth in the corpus in this financial year.

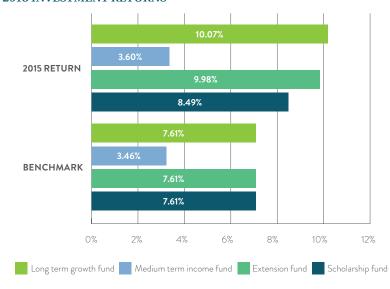
GROWTH IN CORPUS



INVESTMENT PERFORMANCE

Throughout the year, all funds achieved positive absolute returns better than benchmark.

2015 INVESTMENT RETURNS



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FINANCIAL SUMMARY CONTINUED

ABRIDGED FINANCIAL DATA 2015

Revenue	\$
Donations	12,213,679
Investment income	2,947,036
Realised and unrealised gains/losses on investments	2,568,884
Other income	159,176
Total revenue	17,888,775
Outgoings	\$
Granting	7,686,380
Operating costs	1,127,244
Sub-fund expenses*	391,147
Total outgoings	9,204,771
Net earnings for 2015	8,684,004

^{*} Expenses incurred by sub-funds e.g. fundraising

BREAKDOWN OF OPERATING COSTS

	2015 \$
Salary & staff related costs	577,779
Investment costs	183,625
Admin, marketing & other costs	365,840
	1,127,244

ACCUMULATED FUNDS

		Net Assets		
	2015 \$	2014 \$		
ACF Main Fund	54,430,236	47,905,208		
Extension Fund	7,769,912	5,630,846		
Scholarship Fund	387,191	367,281		
Total	62,587,339	53,903,335		

BREAKDOWN OF REVENUE

		Main Fund \$	Extension \$	Scholarship \$	Total \$
Revenue	2015	14,736,241	3,045,812	106,722	17,888,775
	2014	13,289,843	1,286,154	155,206	14,73 1,203
Donations	2015	9,723,855	2,417,431	72,393	12,213,679
	2014	8,009,164	584,403	112,020	8,705,587
Investment income	2015	2,590,852	336,866	19,318	2,947,036
	2014	1,908,919	246,386	16,244	2,171,549
Investment gains/losses	2015	2,282,432	271,441	15,011	2,568,884
	2014	3,256,943	431,090	26,942	3,714,975
Other	2015	139,102	20,074	0	159,176
	2014	114,817	24,275	0	139,092

A BIG THANK YOU

ACF would like to thank all of its donors, partners and volunteers, including the Board and Board Committees who generously give their time and resources to assist the Foundation in its vision.

We would also like to acknowledge the valuable support ACF has received from our partners and friends listed below

Alice Macdougall, Herbert Smith Freehills

Ann Mille

Annie Duncai

Australian Environmental Grantmakers Network

Australian Women's Donor Network

Bruce and Ann McGregor

City of Yarra

Craig Subocz, Russell

DLA Piper Brisbane

Hall & Wilcox

Hans Henkell

JBWere

Karen Mahlal

KPM(

Kris and Stephen Webb

Linda Parlane

Marin Accountants

Melbourne Writers Festival

Michael and Marion Webster

National Gallery of Victor

OneVue Fund Services

Planet Wheeler

Pitcher Partners

Pro Rono Australia

Rob McKie Pitcher Partner

State Library of Victoria

The Reichstein Foundation

William Ruck Accountants





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