



# Annual Report 2005

*The*  
WILLIAM BUCKLAND  
FOUNDATION  
— WBF —

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# The Founder

The Foundation which bears his name commemorates William Buckland, a highly successful businessman and pastoralist of the middle years of the 20th century. Initially involved in building the fledgling motor parts trades, his business interests expanded to include service stations, finance and investment companies and eventually a string of pastoral holdings in the eastern states and Northern Territory. He realised his great fortune by selling his private companies into public ones.

On his death in 1964, after bequests to his family and some favourite causes, William Buckland left the bulk of his large estate – four million pounds – to establish a Foundation, the income of which was to be used in his words “to benefit a wonderful country and a wonderful people. Australia and Australians”. Those interested in learning more of him can obtain a copy of his biography, *William Lionel Buckland* by David T. Merrett from ANZ Trustees Philanthropy Partners or public libraries.

The Will which established the trust deed left half of the income “to divide... in each year among such public hospitals, public benevolent institutions or public benevolent societies in Victoria... and I hereby indicate to my Trustees my hope that in the division of such income, they will favourably consider charities for children”. The other half he wished to apply to “public scientific or public educational purposes in Victoria”. His attachment to the pastoral sector is indicated in his suggestion that his Trustees, in administering the public educational purposes should “give preference to agricultural and related pursuits”.

Today, with careful stewardship by the Foundation’s Trustees, William Buckland’s legacy generates over \$3 million annually which is distributed for charitable purposes. From its establishment until now, the Foundation has distributed a total of over \$50 million.

FROM ITS ESTABLISHMENT UNTIL NOW, THE FOUNDATION  
HAS DISTRIBUTED A TOTAL OF OVER \$50 MILLION.

# Trustees' Overview

In April this year, the Trustees reviewed the Foundation's funding policies and priorities. One aspect of the Founder's Will that they considered might be unclear to potential applicants is the provision for funding "public educational purposes" and "public scientific purposes".

The Trustees agreed that both of these should be interpreted broadly: the first, to support programs aimed at educating or informing the community, improving the access of disadvantaged groups to educational opportunities, helping to improve the wider community's understanding of minority groups, and building the knowledge base of the not-for-profit sector. Similarly, the Foundation also has a broad understanding of "public scientific purposes" to include programs with a direct public benefit coming from the traditional and social sciences, as well as programs of rigorous analysis such as evaluations or projects that collect data that can change service models.

The Foundation has supported a broad spectrum of programs to benefit the community this year: in aged care, disability, multi-cultural and health arenas. Those highlighted below, under the heading of "public educational purposes", illustrate a range of initiatives that help the development of knowledge in and about the Victorian community: for agriculture, for children of parents convicted of an offence, for emerging ethnic groups, for young people at risk, and within academia.

## Some significant public educational projects this year

### Australian Landscape Trust – The Red Gum Plains Buckland Fellow

The forest red gums ecosystem of East Gippsland is now primarily pasture and the agricultural industry in the regions is under stress with declining productivity linked to stressors such as altered water tables, soil acidification, salinity and vegetation dieback. The scientist to be employed under this project will work with the ALT team operating out of Strathfieldsaye in an education and research program with local farmers. It aims to build the community's capacity to establish long term community-based adaptive management practices and foster cultural change to develop more sustainable agriculture.

### Flat Out – Children: Unintended Victims of Legal Process

There has been little research done in Australia or overseas on the impact upon children of incarceration of their parents, nor has there been a coherent service response to meet their needs. This study will examine the child's experience from the point of the parent's arrest to post-release. The evidence base obtained can be used to improve policy and practice for the estimated 7,000 Victorian children in this situation in any one year.

### Horn of Africa Communities' Network – Community Newspaper

The newspaper, *The Ambassador*, has been developed with funding from this Foundation and VicHealth. It is the only African language newspaper in Australia and provides news and information in the first language of seven Horn of Africa communities. The Foundation has granted further funding to assist the newspaper to achieve a level of circulation and sophistication to make it self-sustaining using a traineeship model that will also provide accredited employment training for people within these communities.

### St Kilda Youth Service – ‘HEAT’

This initiative seeks to engage young people who are neither in education nor employment. The project partners are establishing an intensive program that incorporates training in the hospitality industry, work readiness, personal and group support, work experience and employment within the industry in the City of Port Phillip and nearby.

### Victorian College of the Arts – Postgraduate Courses in Community Cultural Development

The Foundation has been a strong supporter of culturally based programs that can achieve significant social benefits, especially for marginalised young people. These new Post-graduate Diploma, Master's by coursework and PhD in Community Cultural Development are the first Australian programs to provide practical and theoretical higher education for professional artists working in the broader community, particularly those working with marginalised groups.

### Thanks

The Trustees thank the staff of ANZ Trustees Philanthropy Partners, which provides secretariat, management, administration, and other services to the Foundation, especially Teresa Zolnierkiewicz and Maria Stylianou; Elizabeth Cham of Philanthropy Australia who has assisted its work for 15 years, and the consultant researchers: Sandra Whitty, Susan Woodward, and Peter Yewers.

Barry Capp

Chairman

THE FOUNDATION HAS BEEN A STRONG  
SUPPORTER OF CULTURALLY BASED PROGRAMS THAT CAN  
ACHIEVE SIGNIFICANT SOCIAL BENEFITS.

# Post-Project Review

The William Buckland Foundation has begun the practice of reviewing some of its major initiatives a few years after the pilot stage, both to learn how the program has evolved since the seed funding, and to see what lessons may be drawn that can inform its future grantmaking. Last year, the Foundation re-examined the juvenile justice group conferencing program. For this annual report, the cancer support nurse initiative was re-visited.

## The Hospital-Based Cancer Support Nurse Program

In 1997, the William Buckland Foundation made a seeding grant for a pilot program at The Alfred Hospital to help address the support needs of newly-diagnosed breast cancer patients. Research and practice wisdom had shown that this is the time of greatest need for information and support, and the number of people affected is great: 22,500 Victorians are newly diagnosed with some form of cancer each year.

Since 1990, the information and support service of the Cancer Council of Victoria has provided a telephone helpline using oncology nurses trained in counselling who use a unique and comprehensive database of up-to-the-minute technical and other information, as well as offering emotional support and referral. The pilot involved an oncology nurse, trained by the cancer information service, being based at the Alfred Hospital to help new patients deal with the shock of the diagnosis, to understand medical information and to address concerns not discussed with clinical staff. She also had access to the Cancer Council's database. Critical to the acceptance of the pilot was its championing by senior staff in each of the partner organisations.

The program has been highly successful. It has moved beyond the initial breast cancer ward and two support nurses are now an ongoing, integral part of the Alfred's cancer service across all wards: surgical, oncology, radiology etc. Patients report that the information they receive from the cancer support nurse increased their knowledge and helped them to formulate questions of their doctor. In one survey, over one-third of patients planned to follow up the nurse's suggestions about diet, relaxation and mental attitude. It has been found useful in reducing patient stress. As well as their work with patients, the Alfred's cancer support nurses assist carers and family to deal with the practical and emotional consequences of the diagnosis and treatment.

The program is being emulated in other metropolitan hospitals – the best measure of a valuable model of practice.

# Trustees and Staff of the Foundation

There are five trustees who constitute the Board of the William Buckland Foundation:

- Mr Barry Capp (Chairman)
- Mr C.G. (Sandy) Clark
- Mrs Louise Gourlay OAM
- Professor Robert Officer
- ANZ Executors & Trustee Company Limited ("ANZ Trustees")

## Staff

ANZ Trustees Philanthropy Partners department provides secretariat, management and administration services to the Foundation.

## Asset consultant

JANA Investment Advisers Pty Ltd

## Research consultants

Sandra Whitty and Associates provides a research service to the Foundation.

# Grant Commitments Made

July 2004 – June 2005

The following commitments were made at meetings of Trustees held in August and December 2004 and in March and May 2005.

## Public hospitals and public benevolent institutions

### Ararat Retirement Village Inc.

Gorrinn House Fit Out \$15,000

The grant assists frail elderly rural people to remain within their communities.

### Austin Health: Royal Talbot Rehabilitation Centre

Music Therapy Pilot \$91,354

The project extends the pilot into clinical wards as a strategy for assisting physical and mental health outcomes.

### Ballarat Hospice Care Inc.

Volunteer Palliative Care Services (over two years) \$81,500

The hospice is reviewing and redeveloping its volunteer palliative care services to support terminally-ill people and their families more effectively.

### Butterfly Foundation

Adolescent Eating Disorder Day Centre (over three years) \$150,000

In partnership with the Myer Foundation, Helen Macpherson Smith Trust and Felton Bequest, the Foundation has made a commitment to provide seed funding to establish the first Australian day centre in a public facility to treat young people with eating disorders.

### Court Network

Children's Court Network – Criminal Division (over two years) \$95,905

This voluntary court service that supports all those making court appearances will now be established in the Children's Court's Criminal Division.

### Deafblind Association

Lifestyle Options Centre \$10,000

A business plan will be developed to broaden the scope of therapeutic services offered to people with multiple disabilities.

### DepressionNet

Service Delivery Enhancement \$29,100

The grant upgrades the agency's technical systems support and funds DepressionNet to become an accredited provider of the Applied Suicide Intervention Skills Training course.

### Flat Out Inc.

The Experiences of the Children of Parents in the Justice System \$37,464

The project will review the policies and practices that affect children of imprisoned primary caregivers from the point of arrest to post-release.

### Gippsland Rotary Centenary House Inc.

Construction of Centenary House \$25,000

The new Traralgon facility will accommodate out-patients from remote areas to receive treatment at the Latrobe Regional Hospital and the new Cancer Centre.



<b>Good Shepherd Youth and Family Service</b>	
DISH	\$49,000
The Developing Independent Skills for Home project works with young adolescents at risk who are living independently but lack basic living skills. The grant consolidates and evaluates the model.	
<b>Grampians Community Health Centre</b>	
Project Dream Chaser	\$78,000
This school-based self-development program helps to engage middle years students at risk.	
<b>Hanover Welfare Services</b>	
Pathways Out of Homelessness	\$28,700
The grant extends a longitudinal study, supported by the Foundation, that investigated the long term outcomes for homeless families involved in Hanover's services.	
<b>Horn of Africa Community Network</b>	
Communities Newspaper	\$50,000
The newspaper will be further developed to provide employment pathways for people in the Horn of Africa communities.	
<b>Hotham Mission</b>	
Asylum Seekers' Community Housing	(over two years) \$50,000
The pilot study examines a housing-based case management system for asylum seekers in the community.	
<b>Jesuit Social Services</b>	
Increasing Family-aware Practice	\$79,930
The project seeks to re-orient the emphasis in agencies working with young people to include approaches that use families as a support and resource.	
<b>MacKillop Family Services</b>	
St Anthony's Family Centre	\$15,000
The redevelopment of the Centre enables MacKillop to expand its services to families with multiple long term problems.	
<b>McCallum Disability Services</b>	
Blocking Press	\$31,000
The new equipment helps the business viability of an enterprise that provides employment for adults with a disability.	
<b>Merrimu Services Inc.</b>	
Woodwork and Craft Facility	\$65,550
The grant improves the quality of life of regional people with a disability and helps to support their inclusion in the wider community.	
<b>Moyne Health Services</b>	
Moyneyana House	\$15,000
The extension provides respite and permanent care for frail elderly people in the west of Victoria.	

# Grant Commitments Made continued

July 2004 – June 2005

## **ParaQuad Victoria**

Respite Program \$20,000

A Williamstown property will offer respite care for people with paraplegia and quadriplegia.

## **Project Respect Inc.**

Regional and Rural Outreach (over two years) \$65,925

This information and support service to women in the sex industry will be extended to rural and regional Victoria.

## **Restdown Retirement Village (Rochester)**

Independent Living Units \$10,000

The project enables elderly rural people to remain within their community.

## **St Vincent de Paul Society Victoria Inc.**

Compeer \$30,000

Compeer links adults suffering from mental illness with members of the community for companionship and social activities. The grant extends this pilot program.

## **Villa Maria Society for the Blind**

Sibling Support \$20,596

This pilot tests, in a special school setting, a model of support to siblings of children with disabilities.

## **West Wimmera Health Service**

Rainbow Nursing Home and Hostel Redevelopment \$15,000

The project assists elderly rural people to remain within their own communities.

## **Westside Circus Inc.**

HOPE Project \$23,000

The circus is establishing links with young people in public housing in the City of Yarra to engage them in positive social activities.

## **Yallambee Traralgon Village for the Aged**

Aged Care Accommodation \$15,000

The grant helps a redevelopment to enable frail aged people to remain within their community.

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**Part 1: Sub-total** **\$1,197,024**

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## **Public educational and public scientific purposes**

### **Australian Landscape Trust**

Red Gum Plains Buckland Fellow (over two years) \$80,000

The Fellow will support the social and practical scientific education of farmers as part of the ALT's extensive adaptive management and community development program in the Gippsland Lakes floodplain.

### **Australian – Polish Community Services**

Analysis and Dissemination of an Ethno-specific Support Service \$10,107

The grant helps to disseminate understanding of an effective service model among the smaller ethno-specific agencies and emerging communities.

**Barwon Health**

Environmental Factors in Multiple Sclerosis (over two years) \$41,170

The investigation collects data on people with MS for three years since the first appearance of symptoms and complements the Ausimmune Study into the role of exposure to UV radiation, Vitamin D and other environmental variables.

**Broadmeadows Health Service (Northern Health)**

GP Diabetes Program \$10,130

The program improves the ability of GPs to manage diabetes in patients from a region with the highest number of years of life lost for the disease in Victoria.

**Compassionate Friends, Victoria Inc.**

Social and Economic Costs of the Death of a Child (over two years) \$78,991

The study aims to establish an evidence base for more effective support services for bereaved parents.

**Deakin University: Centre for Physical Activity and Nutrition Research**

Influences on Changes in Food Consumption (over three years) \$59,905

The research will examine personal, social and environmental factors that influence the dietary habits of rural teenagers and how they change over time. The study can help inform health programs and policies.

**Diabetes Australia (Victoria)**

DAFNE \$24,990

The project trains Australian nurse educators in a new method of controlling blood glucose levels in people with Type 1 diabetes. The system (Dose Adjustment for Normal Eating) has achieved major improvements in these levels and patients' lifestyles overseas.

**Education Foundation**

City Centre – Outreach Fellow (over two years) \$160,000

The position will assist schools in Neighbourhood Renewal Areas to redevelop their Years 9 and 10 teaching methodology and curriculum.

**Education Program for Children**

Behaviour Modification Program \$58,120

EPIC is developing a support and education program for parents of pre-school children with developmental disabilities and who also show problem behaviours.

**Greening Australia (Vic.) Inc.**

Natural Systems for Agricultural Production \$49,708

The course to be developed will give landholders information about their area's pre-cleared ecology and how to use this to farm more sustainably.

**Meadow Heights Learning Shop Inc.**

Study Centre/Computer Club (over three years) \$159,600

The grant supports the replication of an innovative educational model for engaging disadvantaged young people through creative information technology after-school programs.

# Grant Commitments Made continued

July 2004 – June 2005

## **Mental Health Research Institute**

Cunningham-Dax Collection

\$24,000

The grant extends the project to redevelop this internationally renowned collection of psychiatric art as a broader community educational resource about mental illness.

## **Monbulk Primary School**

Monbulk Living and Learning Centre

\$30,000

The centre provides an integrated community hub of learning facilities for education and recreation.

## **Murdoch Children's Research Institute**

Birth Defects and Disabilities Registers

\$35,680

The study is a scoping exercise into the most effective establishment and maintenance of registers for birth defects and disabilities.

## **Murdoch Children's Research Institute**

Paediatric Palliative Care

\$27,947

The research strengthens the evidence base on the service models that best meet the needs of dying children and their families.

## **Muscular Dystrophy Association**

Training Video/CD ROM

\$15,500

The resource will be a practical training tool for carers and volunteers providing specialised respite care for children with this condition.

## **National Stroke Foundation**

Community Education Campaign

\$100,000

The grant supports a series of public education seminars to assist the public to recognise the symptoms of stroke.

## **Philanthropy Australia**

Public Education Program

(over three years) \$75,000

This project focuses on the dissemination of knowledge in the philanthropic and not-for-profit sectors.

## **Portland District Health**

Towards a Healthy Heart Program

\$41,080

This heart disease prevention program will be tested on men in their workplaces.

## **Project Platypus Association**

Saving the Soils of the Six Mile

\$42,500

This collaboration of 11 Landcare groups is establishing an educational catchment management site that combines pasture productivity enhancement with soil conservation strategies.

## **Royal Children's Hospital**

Evaluation of Festival for Healthy Living

\$39,000

The research tests the effectiveness of the Hospital's program of a preventive model of mental health for children and adolescents.

<b>Scope (Vic) Ltd</b>	
Unmet Needs Research	\$29,000
The investigation seeks to identify the met and unmet needs for therapy and equipment for people with cerebral palsy.	
<b>St Kilda Youth Service</b>	
HEAT	(over three years) \$300,000
The pilot will engage young people not in school or work in a program that incorporates training in the hospitality industry with work readiness, personal and group support.	
<b>Victorian Aboriginal Controlled Community Health Organisations</b>	
Publication	\$10,910
The <i>Indigenous Guide to Philanthropy</i> provides information of funding sources for indigenous community organisations.	
<b>Victorian College of the Arts</b>	
Post-Graduate Courses in Community Cultural Development	(over three years) \$100,000
The grant helps to establish a Post-graduate Diploma and Masters degree in Community Cultural Development for professional artists wishing to work in the broader community, especially for those working with marginalised people.	
<b>Warramunda Village Inc.</b>	
Community Dementia Awareness	\$10,000
This Kyabram agency will develop its staff and volunteers' dementia training and extend this to the broader community.	
<b>Evaluation Body to be Determined</b>	
Evaluation of the Medical Research and Technology in Victoria Program	\$20,000
An in-principle grant is made for an evaluation in partnership with the other trusts that contribute to this program.	
<b>Recurrent commitments</b>	
<b>Foundation for Rural and Regional Renewal</b>	
Small Grants for Small Rural Communities Program	\$50,000
<b>Lynley S. Aitken Travelling Fellowship (Royal Melbourne Hospital)</b>	
Megan Hoffman: Development of a Nursing Development Unit	\$10,000
<b>Medical Research and Technology in Victoria Program</b>	
Allocated to 18 projects	\$200,000
<b>Part 2: Sub-total</b>	<b>\$1,818,338</b>
<b>Total commitments made in 2004–05 financial year</b>	<b>\$3,015,362</b>

# Financial Report

# Overview

The Trustees consider that, as the Foundation is a perpetual trust, the amount available for distribution to charities will be maximised over time if a relatively high proportion of the corpus is invested in growth assets, particularly equities.

They also judge it prudent to entrust day-to-day management of the funds to professional investment managers, within asset allocation ranges set by the Trustees. The asset consultant to the Foundation is JANA Investment Advisers Pty Ltd. In February-March 2000, funds that were previously directly invested by the Trustees in a range of Australian equities were transferred to professional managers and the Foundation no longer holds direct equities. The investment managers for the financial year ended 30 June 2005 were:

- Kaplan Funds Management
- Warakirri Asset Management Pty Ltd
- Lend Lease
- Investors Mutual Limited
- Macquarie Investment Management Ltd

Under the terms of the Will, all income is to be distributed and capital cannot be distributed. Capital gains on any investments are retained within the corpus of the trust thus protecting its real value against inflation. Other investment earnings such as dividends, interest, rents and the refund of imputation credits associated with dividends from Australian equities, comprise the income from which expenses are paid and grants are made to eligible charities.

The Management Expense Ratio (MER) is a measure of the level of expenses incurred by the Foundation. The MER, expressed as a percentage of the net assets of the Foundation (averaged over the year), includes the administration fees, investment management fees and other expenses – the components and the amounts are shown in Annexure One. The comparative with the previous year is shown.

The averaged net assets of the Foundation as at 30 June 2005 were \$82,156,568.

The MER	Year ending 2005	Year ending 2004
Net assets (averaged)	\$82,156,568	\$72,020,607
MER	1.09	1.11
Administration fees	0.30%	0.31%
Investment management expenses	0.57%	0.59%
Other expenses	0.22%	0.21%

# Investment Guidelines and Objectives

Each 'Guideline' and 'Objective' is followed by a brief 'Commentary' to assist the reader. Whilst the Foundation has a time horizon of perpetuity it is expected that the Investment Guidelines and Objectives will be reviewed by the Board of Trustees from time to time. The most recent review took place in 2001. The investment powers of the Foundation set out in William Buckland's Will included a number of restrictions which were last varied by the Supreme Court of Victoria in 1993 in response to an application made by the Trustees.

## 1. Asset mix

### 1.1 Guideline

Up to 100 per cent of the Foundation's assets are to be invested in equity (as distinct from debt) assets. Equity assets include shares, property, convertibles, and even debt type assets that offer equity like returns.

### 1.2 Commentary

As the 'community' is the beneficiary, and perpetuity the time horizon of the Foundation, the asset mix should be dominated by equity (shares/property) assets. However, opportunities to buy securities at equity type returns (e.g. government guarantee indexed bonds with high real yields) will be considered.

## 2. Management

### 2.1 Guideline

The policy is that the Foundation's assets should be managed by professional investment managers with a maximum exposure of 60 per cent of the assets of the Foundation to any one manager/group.

### 2.2 Commentary

Since the late 1990s the Foundation has had all its assets managed by professional investment managers. As a matter of prudence, manager diversification should always be a feature of the management of the Foundation's assets.

## 3. Security diversification

### 3.1 Guideline

At no time should the Foundation's exposure to a risk asset (e.g. a company, or single property) exceed 10 per cent of the assets of the Foundation and the overall portfolio of assets should be broadly diversified.

### 3.2 Commentary

It is expected that the share exposure of the Foundation would be spread over at least 30 companies. Too great a concentration is to be avoided. Greater than 10 per cent exposure could be contemplated with 'non risk' assets e.g. government guarantee index bond.

## 4. Investment objectives

### 4.1 Guideline

To maximise income consistent with the modest growth of the real value of the Foundation assets over time. To target an income distribution in the region of five per cent to six per cent of the average value of the Foundation's assets. While recognising that the capital value of the Foundation's assets is expected to fluctuate widely at times due to the variability of share markets, the Trustees seek to structure the Foundation's overall asset portfolio so as not to fluctuate to as great an extent as the share market on the downside (e.g. through ownership of convertibles/property).

### 4.2 Commentary

In no circumstances is the long term real value of the Foundation's assets to be compromised by attempting to maximise income. The Foundation in understanding that asset values fluctuate, desires that its assets not fluctuate as widely as the share market on the downside. However, it recognises that asset values may fall in real terms from time to time.



# Performance

Historical investment performance up to and including the financial year ended 30 June 2005

## The Foundation

Table 1

For year ended 30 June 2005	Annual return (%)	3 year return (% p.a.)	5 year return (% p.a.)	7 year return (% p.a.)	10 year return (% p.a.)
Foundation	19.8	14.5	12.7	12.5	13.2
Benchmark	23.5	14.1	9.7	10.9	11.7
Performance vs Benchmark	-3.7	+0.4	+3.0	+1.6	+1.5
CPI	2.5	2.6	3.3	3.0	2.5
Performance vs CPI	+17.3	+11.9	+9.4	+9.5	+10.7

Table 1: The returns quoted in Table 1 are after management fees paid to investment managers and reflect the benefit of franking credits on a cash received basis, but not Foundation expenses.

The Foundation returned 19.8 per cent for the financial year to June 2005 representing underperformance of the benchmark<sup>1</sup> of 3.7 per cent. In a very strong Australian equity market over the period, Warakirri Asset Management marginally underperformed whilst both Kaplan Funds Management and Investors Mutual underperformed more significantly. The Foundation's investments in unlisted property trusts, APPF Retail and Commercial, also delivered sound returns in the order of 16 per cent and 9 per cent respectively for the 2004–05 financial year. The Foundation has performed very well against its benchmark over the longer term, outperforming over 3, 5, 7 and 10 year time frames.

The Foundation's performance against inflation (as measured by the Consumer Price Index or CPI) is also shown in Table 1, with outperformance over all time periods measured. This indicates that the real value of the Foundation's capital has grown over time. The Foundation has outperformed CPI by 10.7 per cent p.a. over a 10 year time frame.

1. A benchmark is an index or other market measurement which is used as a yardstick to assess the performance of a portfolio or fund. For the Foundation, the benchmark for 2004–05 was a composite with an 80 per cent weighting to the S&P/ASX 300 Accumulation Index (a measure of performance of the Australian equity market) and a 20 per cent weighting to the Mercer Unlisted Property Index (a measure of the Australian Wholesale property market).

## Warakirri Charitable Australian Equities Trust (WCAET)

Table 2

For year ended 30 June 2005	Annual return (%)	3 year return (% p.a.)	5 year return (% p.a.)	Since inception 12/95 (% p.a.)
WCAET	25.5	19.5	19.8	18.3
Benchmark – S&P/ASX 300 Accumulation Index	26.0	14.6	9.4	11.4
Performance vs Benchmark	-0.5	+4.9	+10.4	+6.9

Table 2: The returns quoted in Table 2 are after investment management fees and reflect the benefit of franking credits on a cash received basis.

The performance of the Foundation's investment in the Warakirri Charitable Australian Equities Trust over the 2004–05 financial year was exceptionally strong in absolute terms but was marginally behind benchmark. The investment is significantly ahead of benchmark over both three and five year periods and has outperformed its benchmark by nearly 7 per cent p.a. on a since inception basis from December 1995.

# Performance continued

Historical investment performance up to and including the financial year ended 30 June 2005

## Kaplan Charitable Australian Equities Trust

Table 3

For year ended 30 June 2005	Annual return (%)	3 year return (% p.a.)	5 year return (% p.a.)	Since inception 03/00 (% p.a.)
Kaplan Charitable Australian Equities Trust	17.4	13.3	12.5	12.4
Benchmark – S&P/ASX 200 Accumulation Index	26.4	14.7	9.4	10.3
Performance vs Benchmark	-9.0	-1.4	+3.1	+2.1

Table 3: The returns quoted in Table 3 are after investment management fees and reflect the benefit of franking credits on a cash received basis.

The Kaplan Charitable Australian Equities Trust delivered strong absolute performance over the 2004–05 financial year however significantly underperformed the very strong benchmark. The Manager is behind benchmark over the three year period to 30 June 2005 however remains ahead of benchmark over five years and since inception. The since inception results of Kaplan reflect the Manager's aim to produce relatively stable returns over different time periods.

## Investors Mutual Limited

Table 4

For year ended 30 June 2004	Annual return (%)	Since inception 06/03 (% p.a.)
Investors Mutual Industrial Share Fund	15.6	16.3
Benchmark – S&P/ASX 200 Industrial Accumulation Index	22.4	20.3
Performance vs Benchmark	-6.8	-4.0

Table 4: The returns quoted in Table 4 are after investment management fees and reflect the benefit of franking credits on a cash received basis.

The performance of the Investors Mutual Industrial Share Fund is shown in Table 4. The Fund significantly underperformed its benchmark (by 6.8 per cent) over the 2004–05 financial year however delivered a strong absolute return of 15.6 per cent for the period. This investment performance remains 4.0 per cent p.a. behind benchmark since inception however has delivered 16.3 per cent p.a. over this two year period.

The performance of this portfolio reflects the Manager's relatively conservative investment approach in a very strong equity market.

## Lend Lease APPF Retail

Table 5

For year ended 30 June 2005	Annual return (%)	Since inception 07/02 (% p.a.)
Lend Lease APPF Retail	16.0	15.2
Benchmark – Mercer Unlisted Property Index (pre tax)	13.4	12.3
Performance vs Benchmark	+2.6	+2.9
Benchmark – PCA Australian Retail	17.5	N/A
Performance vs Benchmark	-1.5	N/A

Table 5: The returns quoted in Table 5 are after investment management fees. No imputation credits were received.

Lend Lease APPF Retail delivered strong absolute and relative performance for the 2004–05 financial year, returning 16.0 per cent to be 2.6 per cent ahead of the Mercer benchmark. The Mercer benchmark covers multiple property sectors, and the Performance of APPF Retail partly reflects the outperformance of retail property relative to Office which is also included in the Mercer Index. Over the period since inception, the portfolio is 2.9 per cent p.a. ahead of the Mercer benchmark. Keeping in mind that APPE Retail is a single sector portfolio, the annual performance has also been measured against the PCA Australian Retail Index. The APPF portfolio underperformed this index by 1.5 per cent over the 2004–05 financial year.

## Lend Lease APPF Commercial

Table 6

For year ended 30 June 2005	Annual return (%)	Since inception 07/02 (% p.a.)
Lend Lease APPF Commercial	9.0	7.6
Benchmark – Mercer Unlisted Property Index (pre tax)	13.4	12.3
Performance vs Benchmark	-4.4	-4.7
Benchmark – PCA Australian Office	9.0	N/A
Performance vs Benchmark	0.0	N/A

Table 6: The returns quoted in Table 6 are after investment management fees. No imputation credits were received.

Lend Lease APPF Commercial delivered a return of 9.0 per cent for the 2004–05 financial year, underperforming the Mercer benchmark by 4.4 per cent. Over the period since inception the investment is 4.7 per cent p.a. behind the Mercer benchmark return however the investment is a single sector investment being compared with a diversified benchmark. The benchmark includes high allocations to the Retail and Industrial sectors, which have underperformed Commercial over the past three years. Over the period since inception, the Commercial property market has been weak. Comparing the annual performance of the APPF portfolio with the PCA Australian Office Index shows the portfolio has performed in line with the broader commercial property market over the 2004–05 financial year.

## Macquarie Diversified Treasury Fund

Table 7

For year ended 30 June 2005	Annual return (%)	Since inception 06/04 (% p.a.)
Macquarie Diversified Treasury Fund	5.9	5.9
Benchmark – UBSA Bank Bills	5.6	5.6
Performance vs Benchmark	+0.3	+0.3

Table 7: The returns quoted in Table 7 are after investment management fees. No imputation credits were received.

Over the 2004–05 financial year, the foundation held around 5 per cent of its assets in enhanced cash via the Macquarie Diversified Treasury Fund. Over both the year and period since inception, the investment has outperformed its benchmark by 0.3 per cent p.a. to deliver a return of 5.9 per cent p.a.

# Statement of Financial Performance

For the year ended 30 June 2005

	Note	2005 \$	2004 \$
<b>Income</b>			
Interest income		77,157	181,004
Estate distribution		26,151	0
Imputation credits	1(i)	3,533,177	528,154
Managed investment distributions		8,117,534	4,705,015
Management fee rebate		215,591	185,021
Other income		27,423	0
Unrealised capital profits		1,934,317	0
<b>Total income</b>		<b>13,931,350</b>	<b>5,599,194</b>
<b>Expenditure</b>			
ANZ Trustees' fees		241,388	217,789
Co Trustee fees		4,000	4,000
Consulting fees		122,600	118,500
Audit fees		4,500	12,550
Annual reports		27,345	12,497
Publication of Buckland history		16,060	0
Other		6,316	8,416
<b>Total expenditure</b>		<b>422,209</b>	<b>373,752</b>
<b>Net income for the year</b>		<b>13,509,141</b>	<b>5,225,442</b>
<b>Transfers to capital</b>			
Capital distributions		(1,972,158)	(922,207)
Managed investment distributions – capital buy back		(3,170,917)	(1,547,998)
Imputation credits – capital	1(g)	(2,022,391)	0
Unrealised capital profits		(1,934,317)	0
<b>Total transfers to capital</b>		<b>(9,099,783)</b>	<b>(2,470,205)</b>
<b>Distributable income</b>	1(b)	<b>4,409,358</b>	<b>2,755,238</b>
<b>Transfers (to)/from trust funds to determine total grants determined</b>			
Transfer (to)/from trust funds		(1,204,150)	467,764
<b>Grants determined during the year</b>		<b>3,205,208</b>	<b>3,223,002</b>
<b>Grants determined during the year comprise</b>			
Grants determined and paid during the year	2	3,205,208	3,223,002
		<b>3,205,208</b>	<b>3,223,002</b>

The statement of financial performance to be read in conjunction with the notes to the financial statements.

# Statement of Financial Position

For the year ended 30 June 2005

	Note	2005 \$	2004 \$
<b>Total trust funds</b>			
Income fund	7(a)	3,457,823	2,253,674
Capital fund	7(b)	83,850,711	74,750,928
		<b>87,308,534</b>	<b>77,004,602</b>
Represented by:			
<b>Current assets</b>			
Cash		1,951,472	721,113
Receivables	3	5,489,067	2,276,919
Other assets	4	11,250	11,000
<b>Total current assets</b>		<b>7,451,789</b>	<b>3,009,032</b>
<b>Non-current assets</b>			
Other financial assets	5	79,863,070	74,009,320
<b>Total non-current assets</b>		<b>79,863,070</b>	<b>74,009,320</b>
<b>Total assets</b>		<b>87,314,859</b>	<b>77,018,352</b>
<b>Current liabilities</b>			
Payables	6	6,325	13,750
<b>Total current liabilities</b>		<b>6,325</b>	<b>13,750</b>
<b>Total liabilities</b>		<b>6,325</b>	<b>13,750</b>
<b>Net assets</b>		<b>87,308,534</b>	<b>77,004,602</b>

The statement of financial position is to be read in conjunction with the notes to the accounts.

# Statement of Cash Flows

For the year ended 30 June 2005

	Note	2005 \$	2004 \$
<b>Cash flows from operating activities</b>			
Interest received		77,157	182,577
Refund of imputation credits		1,299,800	528,154
Managed investment distributions received		7,182,013	2,807,001
Management fee rebates received		201,742	216,528
GST received		46,235	36,868
Other income received		27,423	0
ANZ Trustees fees paid		(275,791)	(242,783)
Consulting fees		(135,135)	(118,500)
Audit fees paid		(13,750)	0
Membership paid		(6,050)	0
Other expenses paid		(48,643)	(44,369)
<b>Net cash provided by operating activities</b>	8(a)	<b>8,355,001</b>	<b>3,365,476</b>
<b>Cash flows from investing activities</b>			
Proceeds from sales of units/shares		0	8,881,499
Payments for purchase of units/shares		(3,919,434)	(9,913,225)
<b>Net cash provided by investing activities</b>		<b>(3,919,434)</b>	<b>(1,031,726)</b>
<b>Cash flows from granting activities</b>			
Grants paid		(3,205,208)	(3,223,002)
<b>Net cash used in granting activities</b>		<b>(3,205,208)</b>	<b>(3,223,002)</b>
Net increase/(decrease) in cash held		1,230,359	(889,252)
Cash at the beginning of financial year		721,113	1,610,365
Cash at the end of the financial year	8(b)	1,951,472	721,113

# Notes to the Accounts

For the year ended 30 June 2005

## 1. Statement of accounting policies

### (a) Basis of preparation

In the opinion of the Trustees, the Foundation is not a reporting entity. The financial report of the Foundation has been drawn up as a special purpose financial report at the request of the Trustees.

The financial report has been prepared on the accrual basis of accounting as defined in AAS 6 'Accounting Policies' using the historical cost convention and going concern assumption. Except where stated, it does not take into account changing money values or current valuations of non-current assets. Except where stated, the accounting policies have been consistently applied.

The financial report has been prepared in accordance with the recognition and measurement aspects of all applicable Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board that have a material effect. The financial report does not include the disclosure requirements of the following pronouncements having a material effect:

- AAS16 Segment Reporting
- AAS 22 Related Party Disclosures
- AAS 33 Presentation and Disclosure of Financial Instruments

### (b) Distributable income

The financial report has been prepared in accordance with the basis of preparation at Note 1(a). In determining the distributable income, regard is had to any items of income or expenditure that from a trust law perspective would be considered to be on capital account in determining distributable income.

### (c) Investments

Investments are carried at the current market value at year-end.

### (d) Income

Dividends, income distributions and capital distributions received from unit trusts and direct equity holdings are recognised as at the date the unit value is quoted ex-distribution.

Dividend income and income distributions comprise the income portion of distributions received from managed funds and direct equity holdings.

Imputation tax credits in respect of distributions and dividends received are recognised as revenue as at the date the share is quoted ex-dividend. As the application for the refund of excess imputation credits can only be made after year-end, the applicable revenue is accrued for at year end.

Interest income is earned from the cash management account and is credited to the fund's account on a monthly basis.

### (e) Taxation

The Foundation is a charitable trust in accordance with section 50-5 of the Income Tax Assessment Act 1997 and is therefore exempt from paying tax.

# Notes to the Accounts continued

For the year ended 30 June 2005

## (f) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and distribution activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

## (g) Share buy-backs

The managed funds and securities that the Foundation is invested in may participate in buy-backs, where appropriate, and receive the proceeds in the form of a capital and a fully franked dividend component. The full proceeds received by the Foundation, as part of the distribution income of the Foundation, (including franking credits) are applied to the capital of the Foundation given the intent, purpose and nature of these transactions are purely capital in nature under Trustee Law. For accounting purposes, the dividend component is treated as income.

## (h) IFRS

For reporting periods starting on or after 1 January 2005, the Foundation must comply with the IFRS as issued by the AASB.

A working party has reviewed the IFRS standards. It has been concluded that there is a potential impact on the Foundation's investments and the compliance with standards. The working party has ascertained that the only changes applicable will be as follows:

Fair market value – the assets of the Foundation are currently valued at close of business based on the last sale price. It may be necessary to ascertain the value going forward for account preparation at the mid price between the last sale price and the last purchase price. This will require changes to the carrying value of all assets. However, as management could not quantify the fair market value as at the beginning of financial year ended 30 June 2005, the closing value could not be prepared on this basis as data could not be comparable. Further to this the financial accounts for the year ended 30 June 2006 will be prepared on the basis of fair market value.



## 2. Grants determined during the year

	2005 \$	2004 \$
Grants determined and paid during the year	3,205,208	3,223,002

## 3. Receivables

Imputation credits	2,233,377	0
Estate distribution	26,151	0
Managed investment distributions	3,159,954	2,225,473
Management fee rebate	56,691	42,842
GST	12,894	8,604
	5,489,067	2,276,919

## 4. Other assets

Prepayments	11,250	11,000
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## 5. Other financial assets

Fixed interest, equity and property trusts and managed funds, at market value	79,863,070	74,009,320
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## 6. Payables

Other creditors: audit fees and other	6,325	13,750
	6,325	13,750

## 7(a). Income fund

Net income for the year before charitable distributions	13,509,141	3,677,445
Accumulated income at the beginning of the financial year	2,253,674	2,721,438
	15,762,815	6,398,883
Amounts transferred (to)/from capital fund	(9,099,784)	(922,207)
Charitable distributions paid	(3,205,208)	(3,223,002)
	3,457,823	2,253,674

## 7(b). Capital fund

Opening balance	74,750,928	64,342,173
Net increase in capital	9,099,783	10,408,755
	83,850,711	74,750,928

# Notes to the Accounts continued

For the year ended 30 June 2005

## 8(a). Reconciliation of net income to net cash provided by operating activities

	2005 \$	2004 \$
Net income	13,509,141	5,225,442
Less items classified as investing activities		
Unrealised capital gains	(1,934,317)	0
Income reinvested	0	(354,840)
Other	0	600
Changes in assets and liabilities		
(Increase)/decrease in receivables	(3,162,662)	(1,506,276)
Increase/(decrease) in payables	(57,161)	550
<b>Net cash provided by operating activities</b>	<b>8,355,001</b>	<b>3,365,476</b>

## 8(b). Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash at bank. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statements of financial position as follows:

	2005 \$	2004 \$
Cash	1,951,472	721,113

## 9. Imputation Credits

Imputation credits are recorded on an accruals basis. The accounting policy has changed from 30 June 2004 where the imputation credits were recorded on a cash basis. The reason for this change is to improve the relevance and reliability of the financial statements due to greater certainty surrounding the imputation credit calculation as a receivable. As a result of this policy change imputation credits earned include both \$1,299,800 received during the year from the 2003–04 refund and \$2,233,377 receivable at year-end for the 2004–05 refund period.

If the imputation credits were recorded on an accruals basis, the financial year ended 30 June 2004 net income would have been \$5,997,088 an increase of \$771,646 and distributable income would have been \$2,863,457 an increase of \$108,219. For the financial year ended 30 June 2005 net income would have been \$12,209,341 a decrease of \$1,299,800 and distributable income would have been \$3,772,985 a decrease of \$636,373.

# Auditor's Report

For the year ended 30 June 2005



**Chartered Accountants  
& Advisers**

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**AUDITOR'S REPORT TO THE TRUSTEES OF  
THE WILLIAM BUCKLAND FOUNDATION  
YEAR ENDED 30 JUNE 2005**

**Independent Audit Report**

We have audited the summarised financial report of the William Buckland Foundation for the year ended 30 June 2005 as set out on pages 18 to 24 in accordance with Australian Auditing Standards.

In our opinion, the information reported in the summarised financial report is consistent with the annual statutory financial report from which it is derived and upon which we expressed an unqualified audit opinion in our report to the trustees dated 21<sup>st</sup> February 2006. For a better understanding of the scope of our audit, this report should be read in conjunction with our audit report on the annual statutory financial report.

*BDO*

**BDO**

*M. Schofield*

**MATTHEW SCHOFIELD**  
Partner

Melbourne : 5th April 2006

*BDO is a national association of separate partnerships and entities*

# Annexure One

The net assets of the Foundation as at 30 June 2005 were \$87,308,534.

## Expenses

### 1. Administration fee

(a) Trustee fee to ANZ Executors & Trustee Company Limited:	\$241,388
Management fees are 0.30 per cent of capital in accordance with the Trustee Companies' Act Victoria 1984 (Section 21A) which allows a fee of up to 0.96 per cent of capital.	
(b) Fees to the four individual Co-Trustees:	\$4,000
Set fee of \$1,000 each per annum as provided in the Will of William Buckland.	
<b>Total</b>	<b>\$245,388</b>

### 2. Investment management fees

Lend Lease APPF Retail	\$30,779
Lend Lease APPF Commercial	\$42,664
Investors Mutual Industrial Share Fund	\$97,486
Warakirri Asset Management Pty Ltd	\$218,719
Kaplan Funds Management Pty Ltd*	\$72,008
Macquarie Investment Management Ltd	\$9,455
<b>Total</b>	<b>\$471,131</b>

### 3. Other expenses

Fee for preparation of annual accounts and audit	\$4,500
Annual research fee	\$79,100
Asset consultancy fees	\$43,500
Miscellaneous research and expenses	\$22,376
Annual report	\$27,345
<b>Total</b>	<b>\$176,821</b>

\* No performance fee was achieved.

All fees are GST exclusive.

# What the Foundation Funds

The broad areas of interest to the Foundation are stipulated in William Buckland's Will. This is in two parts – the first for public hospital and public benevolent institutions; the second for public scientific or public educational purposes. Grants are restricted to Victoria. The Foundation has developed a set of guidelines to carry out its charter.

The Foundation will support innovation in practice; strengthening the ability of not-for-profit bodies to deliver effective services to the community; and building knowledge within the not-for-profit sector and the wider community. In general, the Foundation supports larger projects or those which are likely to have a significant impact and consequently applications for grants of less than \$20,000 are not preferred. Consideration may be given to more modest grants to evaluate projects or to enable dissemination of a successful model so that it can be replicated elsewhere. Grant funding is normally provided for one year only unless there are special reasons, such as sufficient time to test an innovative approach or to bring a new model to scale.

As a minimum, the Foundation requires programs to focus on the prevention of problems, addressing the causes of disadvantage rather than the symptoms. It also prefers programs that will make a significant contribution to the body of knowledge of the subject area or other positive impact on community wellbeing, especially for disadvantaged groups and rural communities. The Foundation has taken a broad interpretation of "public educational purposes" and "public scientific purposes".

The Foundation gives priority to programs that take innovative approaches to solving community problems, advance concepts to the demonstration stage or explore new fields of interest through research and development. Trustees are interested also in programs that are able to leverage financial support from, or in partnership with, other trusts and foundations, governments or others and those that are sustainable in the longer term.

Because the value of a new model is its ability to be replicated, the Foundation pays special attention to evaluation of programs, and to dissemination of their findings.

THE FOUNDATION GIVES PRIORITY TO PROGRAMS THAT TAKE  
INNOVATIVE APPROACHES TO SOLVING COMMUNITY PROBLEMS.

# The Grantmaking Process

## Administration

Applications are directed to ANZ Trustees Philanthropy Partners which provides secretariat, administration and other general services to The William Buckland Foundation.

## Research

Applications are investigated by the Foundation's researchers. The applicant will be contacted and the submission discussed. The researcher will also contact other relevant bodies e.g. referees.

## Visitors at Trustees' meetings

The William Buckland Foundation Trustees may invite one or two of the applicant agencies to attend the meeting. This is an opportunity for the Trustees to deepen their understanding of the particular sector in which an agency works and to ask questions of the applicant. As well as applicant organisations, Trustees may invite public policy makers or academics to talk about an area of interest.

## At the meeting

Trustees meet quarterly. Factors Trustees take into account when determining which projects to fund include:

- need in the community for the initiative;
- whether the organisation has received a grant in recent years (usually the last three);
- availability of other funding sources, including Government;
- innovation;
- capacity to change practice;
- projects that involve partnerships with other foundations;
- the scale of the request – it may not be possible to satisfy the full request; and
- the potential of the project to leverage wider support.

Decisions that may be made at the meeting: a grant made in full or part, application declined, or consideration deferred until a later meeting.

## After the meeting

Notification of the outcome of a grant application is usually sent within 10 to 14 days of the meeting.

## Reporting

All grant recipients are required to submit a report on their project outcomes at the conclusion of the funding period. As a key priority of the Foundation is the dissemination of information, recipients will be asked to nominate 20 other organisations to which they will send their report.

# How to Find Out About Funding

Copies of the full guidelines are available from:

ANZ Trustees Philanthropy Partners

Website: [www.anz.com/aus/fin/trustees](http://www.anz.com/aus/fin/trustees)

Freecall\* 1800 808 910

Applications must be submitted on the special form attached to the guidelines together with documentation as specified in the guidelines (e.g. taxation status). Trustees meet quarterly to consider applications.

The *Australian Directory of Philanthropy* contains summary information on the major Trusts and Foundations in Australia. Contact your local library for access to a copy or if this is not possible, the Directory's publishers, Philanthropy Australia on telephone (03) 9620 0200.

\* *Freecall™* is a trademark of Telstra Corporation Limited ABN 33 051 775 556.

