

2011

*The*  
WILLIAM BUCKLAND  
FOUNDATION

W<sub>B</sub>F

Annual Report 2011

# Contents

The Founder	1
What the Foundation Funds	2
Trustees' Overview	3
Governance	4
2011 Projects – A Snap Shot	7
Investment Overview	12
Investment Guidelines and Objectives	14
Investment Performance	15

# The Founder

The Foundation which bears his name commemorates William Buckland, a highly successful businessman and pastoralist in the middle years of the 20th century. Initially involved in building the fledgling motor parts trade, 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 – £4 million – 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 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 in the order of \$5.0 million annually which is distributed for charitable purposes. From its establishment until now, the Foundation has distributed over \$74 million.

# What the Foundation Funds

## Mission

*To support organisations, activities and projects that create lasting public benefit for the Victorian community.*

## Focus

The Foundation chooses to focus its support on:

- health and community wellbeing, particularly for children and young people
- scientific and educational activities, particularly in agriculture

Particular areas of interest are:

- breaking the cycle of social disadvantage
- enabling employment creation
- facilitating access to education
- promoting sustainable land use

The Foundation can only provide funding to Victorian charitable organisations. The Foundation prefers to support proposals that:

- employ a collaborative approach;
- have a specific geographic focus, particularly rural or regional Victoria;
- demonstrate a multiplier and/or leverage effect;
- come from well-governed organisations with strong leadership.

# Trustees' Overview

The ongoing impact of the global financial crisis on the 2010/2011 financial year, and the fact that we have made a number of forward commitments, has led to some very careful research, budgeting, and decision making – within the constraints of a reduced disposable income year.

We as Trustees are forever cognisant of our responsibility to carry out the wishes of William Buckland and therefore refer frequently to the terms of the Will for confirmation. Our decisions on the suitability of grant applications are carefully assessed and we are always looking for projects that are innovative and sustainable. We have also recently given favourable consideration to those 'not for profit' organisations under financial pressure as a result of the GFC.

As a result of relatively recent changes to legislation, the Trustees have spent a considerable amount of time negotiating an appropriate fee with the ANZ Trustees. Ms Cheryl Bart AO, the Chairman of ANZ Trustees, joined our Board for a short time and we thank her for her contribution. Ms Bart has recently been replaced by Ms Sarah Dunn, General Manager, Clients ANZ Trustees, and we are already benefiting from her input.

The diversity of grants given is reflected in the list on the following pages and the independent Trustees are most grateful to the ANZ Trustees staff, who have worked with us to fulfill the aims of our granting policy. We are also very grateful to Dr Rachelle Buchbinder who is the Chairman of The Victorian Medical Research and Technology Committee for her continued enthusiasm and guidance. A decision was made to increase our annual distribution to this committee to \$250,000.

Robyn Charwood and Shaun Cannon greatly contributed to our decision making for the first half of the year and Louise Arkles and Chris Wootton have latterly provided astute and professional advice. We thank them all and especially Teresa Zolnierkiewicz, Head of Philanthropy, for her advice and valuable oversight.

Finally, I would like to sincerely thank my co Trustees, Jane Gilmour OAM, Sandy Clark and Graeme Sinclair. We have had a stimulating, exacting and interesting year and their friendship, support and input have been invaluable to me.

We have continued to support medical research in a small way through a \$200,000 allocation to the Medical Research and Technology in Victoria Program that is administered by ANZ Trustees on behalf of a number of charitable foundations. Through this fund we provide support for the purchase of equipment essential for research to take place. We are indebted to the Chair, Professor Rochelle Buchbinder, and other members of the Advisory Committee for their work in assessing the applications and recommending the grants.

**Louise Gourlay, OAM**

# Governance

Five Trustees constitute the Board of The William Buckland Foundation:

- Mrs Louise Gourlay OAM (Chairman)
- ANZ Trustees (represented by Ms Cheryl Bart AO until March 2011 and then Ms Sarah Dunn)
- Mr C.G. (Sandy) Clark
- Dr Jane Gilmour OAM
- Mr Graeme Sinclair (since December 2009).



## Management

ANZ Trustees provides secretariat and management services.

## Asset consultant

JANA Investment Advisers Pty Ltd until February 2011.

## Granting consultants

Philanthropy, ANZ Trustees:

- Teresa Zolnierkiewicz, Head of Philanthropy
- Chris Wootton, Grant Program Development Manager
- Grant Hooper, Grant Program Manager.

# Grants

July 2010 - June 2011

The following commitments were made at the meetings of Trustees held in August and December 2010 and May 2011.

## Part A

Arts Access Society Inc (over 3 years) \$269,000

The establishment of Thermos, a portable multi-purpose arts facility for use by artists with a disability

Centacare Catholic Family Services (over 3 years) \$180,000

Green Patch Plus – a pilot program to train and place refugees with farming experience in agricultural, or related, enterprises

Centre for Multicultural Youth \$35,965

Girlsplace – a pilot program providing support through a safe space for refugee girls in the Dandenong area

Federation of Community Legal Centres Victoria (over 2 years) \$300,000

A pilot program to provide support and legal assistance to victims of sexual assault who suffer from a cognitive impairment

Gippsland Carers Association \$20,000

Support for the development of a regional support network for unpaid family carers in the Gippsland region

McAuley Community Services for Women (over 3 years) \$447,228

McAuley Pathways – a pilot outreach support program for women who have experienced domestic violence

SecondBite (over 2 years) \$133,000

A pilot program to develop food redistribution partnerships between food suppliers and community agencies in non-metropolitan areas.

Victorian Immigrant & Refugee Women's Coalition (over 2 years) \$198,712

Women Building Bridges – a program to increase social cohesion and build leadership capacity for migrant women.

## Part B

---

Bush Heritage Australia	\$95,750
-------------------------	----------

---

Planning for effective biodiversity conservation in Victoria's Riverina goldfields area

---

Earthwatch Australia	(over 3 years) \$146,946
----------------------	--------------------------

---

Support for the application of the Scientist for a Day model for a research project investigating the ecology and conservation of microbats in Melbourne

---

NorthWestern Mental Health	(over 2 years) \$130,191
----------------------------	--------------------------

---

Understanding the needs of non-English speaking caregivers for people with a psychosis with a view to developing more appropriate services for the carers.

---

Open Family Australia Inc	(over 3 years) \$106,887
---------------------------	--------------------------

---

The establishment of a Leadership and Skills Program in association with Redskins Basketball Club to work with western suburbs youth at risk of disengaging from formal education.

---

Project Platypus	(over 2 years) \$101,100
------------------	--------------------------

---

Farming in the 21st century – promoting the adoption of new ideas and sustainable practices to assist farming communities respond to changing markets and climate change.

---

Victoria University	\$150,000
---------------------	-----------

---

A project to work with the Wathaurung community in north-western Victoria to pilot a new cultural mapping tool.

---

Victorian Aboriginal Community Services Association (VACSAL)	\$9,627
--	---------

---

To update and enhance the previously funded Participants Not Recipients research to make it more widely accessible.

---

Victorian Branch of the Australian Aphasia Association	\$8,117
--	---------

---

Editing and production of DVDs, to be made publicly available, to assist people with aphasia and their families to live positively with the condition

---

Visionary Images Inc	\$30,000
----------------------	----------

---

The first phase of a two-year arts-based pilot program in south-western Gippsland working with disadvantaged and disengaged youth.

---

Zoological Parks & Gardens	(over 3 years) \$250,000
----------------------------	--------------------------

---

Support for the implementation of a biodiversity management plan for the Coranderrk Bushland Reserve which adjoins Healesville Sanctuary and for which Zoos Victoria is the custodian.

---

Total Commitments made in 2010-11 financial year:	\$2,612,523
---	-------------

---



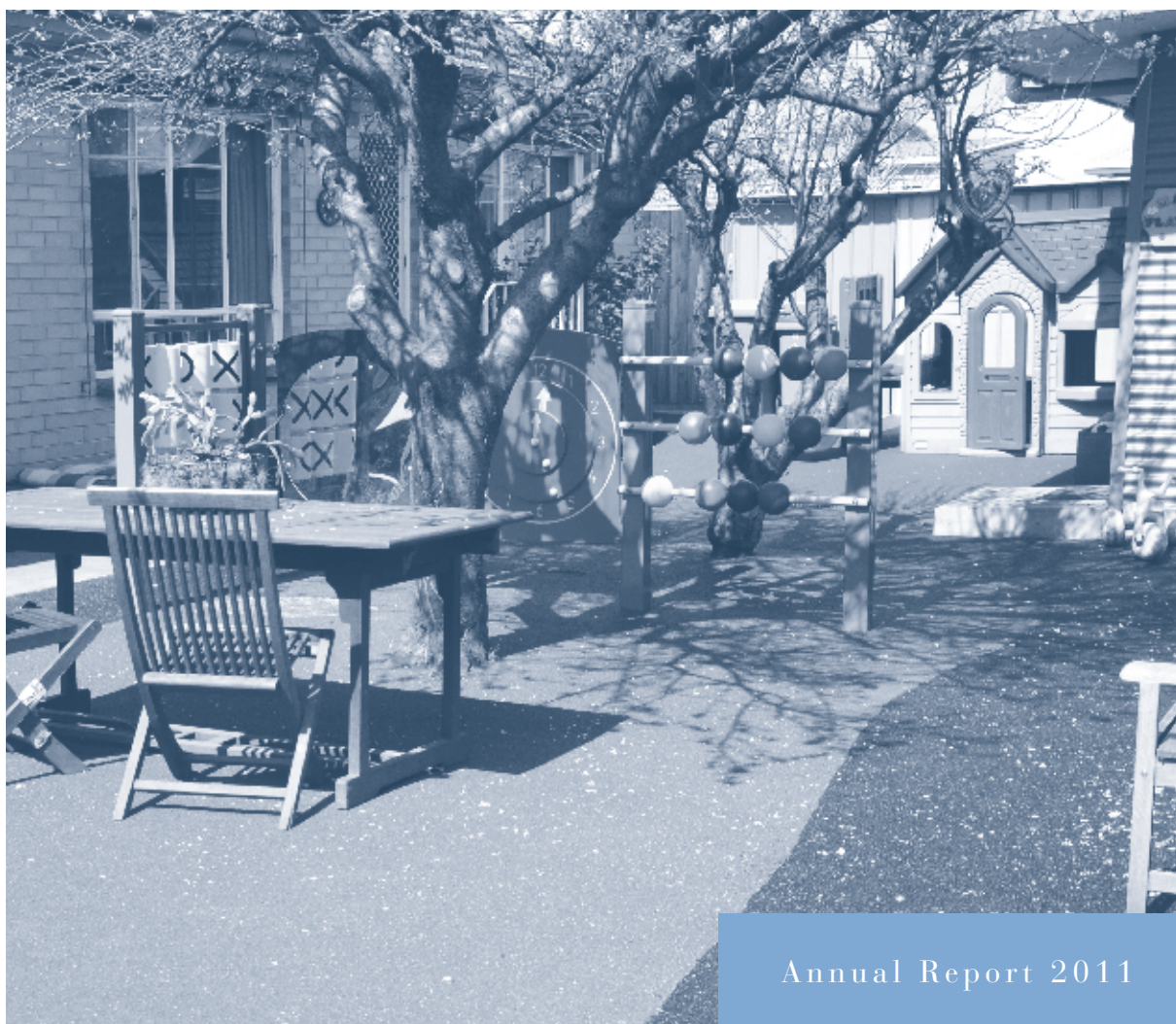
# 2011 Projects – A Snap Shot

## McAuley Community Services for Women

McAuley Community Services for Women provides accommodation, services and support for women and children who have experienced homelessness, domestic violence and mental illness. Their work is focussed in the north-western region of Melbourne, but they also accept referrals statewide. The organisation provides practical support in terms of crisis accommodation, income security, food, clothes, legal and family arrangements, as well as emotional support.

*The Buckland Foundation is supporting a three-year trial of an outreach program for women who have suffered domestic violence once they leave the safe house environments provided by the organisation.*

Two specialist outreach workers will be employed to support women and children as they reintegrate into the community. The program seeks to prevent further instances of domestic violence and homelessness, improve the social, economic and educational outcomes for the women and children and to help rebuild the mother-child relationship, which has often been damaged through the experience of domestic violence.



# 2011 Projects – A Snap Shot

## Victorian Immigrant and Refugee Women's Coalition

The Victorian Immigrant and Refugee Women's Coalition is a peak body that represents over 65 migrant and refugee women's organisations and related agencies across Victoria. Based at the Queen Victoria Women's Centre in central Melbourne, this small organisation provides a suite of services including counselling and peer support, leadership courses and legal advice, as well as undertaking research into issues affecting the status of migrant and refugee women.

*The Foundation is supporting a two-year pilot community development project to build social cohesion and increase leadership capacity for migrant women.*

The project, Women Building Bridges, will take place in northwest and southwest Melbourne, both areas with high concentrations of recently arrived migrants. A pool of volunteer Women Champions will be established in each region. They will work with staff to undertake a range of community education and training activities, build networks and partnerships and provide advice, referral and support. A key focus of the work will be to address issues such as women's isolation, youth disengagement and mental health problems within families. The Victorian Immigrant and Refugee Women's Coalition believes that after the two-year pilot it will be in a strong position to continue the program through local council support, volunteers and ongoing partnerships with mainstream organisations.





# 2011 Projects – A Snap Shot

## Bush Heritage Australia

Bush Heritage Australia is a national organisation that protects Australia's biodiversity by acquiring and managing land of significant conservation value. Bush Heritage has established Beyond the Boundaries, a program to work in partnership with other landholders to support their efforts to make conservation a viable activity on their properties.

Nardoo Hills, in the Victorian Riverina goldfields, is the Victorian node of the organisation's strategy to protect grassy box woodlands ecosystems in south-east Australia. This is one of the highest priority areas of concern in Victoria for biodiversity conservation.

*The Buckland Foundation's support will allow Bush Heritage to develop a conservation planning tool for the region.*

The plan, which will be developed in consultation with key stakeholders, particularly local landholders, will be used by Bush Heritage for management on its own properties, education and information for landholders in the region as well as for the implementation of land management agreements with property owners, such as Voluntary Conservation Agreements.



# 2011 Projects – A Snap Shot

## Visionary Images

Visionary Images is an arts organisation that works with disadvantaged or disengaged youth through art and contemporary communication media. Its work has been primarily focussed in Melbourne and it has developed a very effective model to involve young people (many of whom are referred by other agencies) in all stages of a creative arts project, thus building not only arts and creative skills, but also practical life skills in project management, collaboration and mutual respect.

*The Buckland Foundation's support for the organisation is allowing it to implement a two-year pilot program for disadvantaged and disengaged youth in South-West Gippsland.*

Twice-weekly workshops are being held in photography, video, animation, digital imaging and other skills. Works created will be exhibited in a shopfront in Wonthaggi to foster stronger connections between the young people and the broader community.



# Financial Report

*W. B. Buckland*

*The* WILLIAM BUCKLAND FOUNDATION

# Investment 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 investment managers for the financial year ended 30 June 2011 were:

- ANZ Trustees Limited
- Lend Lease Corporation Limited
- Tyndall Investment Management Limited
- Warakirri Asset Management Pty Ltd

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, includes the administration fees, investment management fees and other expenses. The comparison with the previous year is shown.

The net assets of the Foundation as at 30 June 2011 were \$96,754,771

The MER	Year ending 2011	Year ending 2010
Net assets	<b>\$96,754,771</b>	\$90,320,715
• Trustees fees	<b>0.45%</b>	0.48%
• Investment management expenses	<b>0.65%</b>	0.66%
• Other expenses	<b>0.11%</b>	0.11%
MER	<b>1.21%</b>	1.25

# Investment Guidelines and Objectives

While 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 investment powers of the Foundation set out in William Buckland's Will included a number of restrictions which were varied by the Supreme Court of Victoria in 1993 and 2005 in response to application made by the Trustees.

## 1. Asset mix

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

## 2. Management

The Foundation's assets should be managed by professional investment managers with a maximum exposure to any one manager/group of 50 per cent of the assets of the Foundation.

## 3. Security diversification

At no time should the Foundation's exposure to a single risk asset (e.g. a company, or single property) exceed 10 per cent of the assets of the Foundation. The overall portfolio of assets should be broadly diversified to obtain a satisfactory yield without increasing risk by concentration in any industry, geographic location, company or individual.

## 4. Investment objectives

The Foundation's investment objectives are to:

- maximise income, consistent with the modest growth of the real value of the Foundation's assets over time;
- target an income distribution in the region of 5 per cent of the average value of the Foundation's assets over each year; and
- seek to structure the portfolio such that the real income distribution is maintained and grows over time. It is anticipated that this objective, combined with the income distribution target, will mean that over time the capital value of the portfolio shall not decline by as much as the market during those periods where the market return is negative.

# Investment Performance

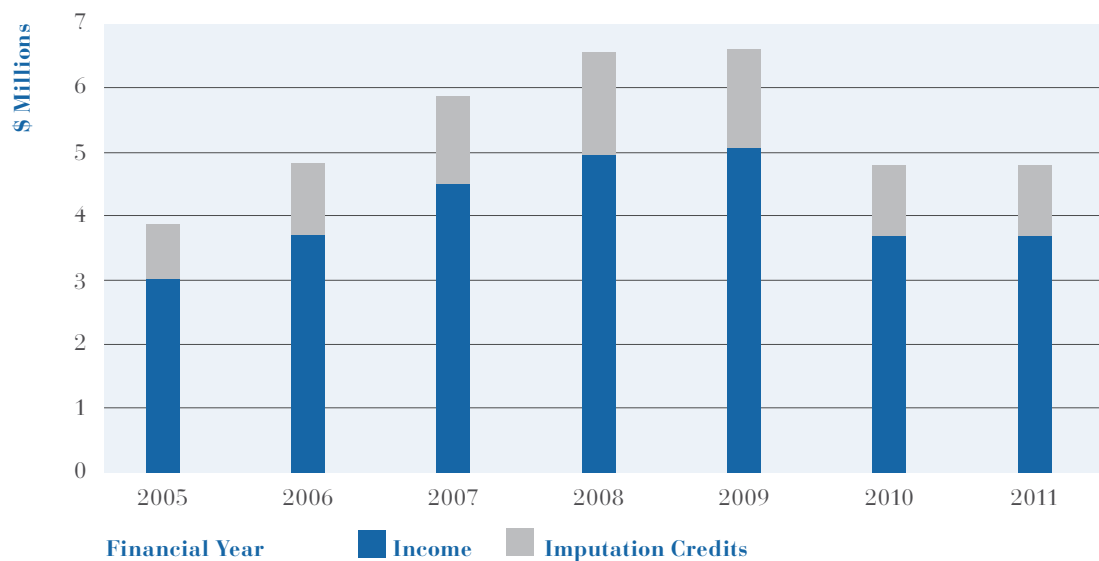
The movement in the capital value of the Foundation over recent years is shown in the chart below.

## The Foundation's Capital Value

The Foundation's Distributable Income is set out in the chart below.



## The Foundation's Distributable Income





The Buckland Foundation recognises its income, on a 'cash received' basis using trust law definitions of income, to determine the amount it has available to distribute each year under the terms of the will. However, the accounts that are incorporated in this report also show the income on an accrual, or 'as earned' basis. The distinction is important as a significant part of the Foundation's income earned each year is in the form of franking credits from shares. Given that these have to be claimed back from the Australian Taxation Office, there is a delay of one year until these credits are received and thus recognised as being available for granting.

In 2010-2011 income on an accrual basis, or distributable income, has risen strongly, following the decline in the previous year caused by the impact of the GFC. While the amount earned, after all Foundation expenses, of \$4,736,930 is still below the levels prior to the GFC, it represents a strong rebound of earnings, up 13% from the \$4,182,079 in the previous year. It is also a healthy 5.6% net income return on average capital funds of \$87m over the year. The substantial 18% increase in income earned was from two of the three fund managers as well as a timely switch from a lower yielding direct property holding to high yielding term deposits.

However, the strong rise in income on an accrual basis has not translated through to a sharp increase in the amount received in cash, and thus available to be granted this year. Income received on a cash basis for the 2011 year was \$4,677,470, a slight decline from the \$4,733,563 received in the 2010 year. Most of the difference between the 'earned' basis of income and the 'received' basis is due to the lagged receipt of franking credits.

# Statement of income available for granting

for the financial year ended 30 June 2011

	Note	2011 \$	2010 \$
<b>Income</b>			
Interest		624,507	254,623
Dividends		1,798,446	31,874
Managed investment distributions		2,897,083	1,316,985
Imputation credits		1,611,722	2,197,796
Management fee rebate		93,179	1,141,743
Other income		545,707	136,756
Net market movements		2,928,501	5,950,814
<b>Total income</b>		<b>10,499,145</b>	<b>11,030,591</b>
<b>Expenses</b>			
ANZ Trustees Limited fees		427,472	427,854
Co Trustees' fees		4,000	3,000
Investment management and custodian fees (Tyndall)		184,800	181,495
Consulting fees		31,710	68,627
Audit fees		7,288	6,800
Annual report publication		15,101	16,439
Other expenses		19,555	9,592
<b>Total expenses</b>		<b>689,926</b>	<b>713,806</b>
<b>Net income for the year</b>		<b>9,809,219</b>	<b>10,316,785</b>
<b>(Less) Transfer Capital Components</b>			
Capital components of net income		(2,143,789)	(972,819)
Net market movement		(2,928,500)	(7,107,524)
<b>Total capital transfers</b>		<b>(5,072,289)</b>	<b>(6,134,705)</b>
<b>Distributable income for the year</b>		<b>4,736,930</b>	<b>4,182,079</b>
Adjustment to income for accruals	1(b)	(59,460)	551,484
<b>Distributable income received for the year</b>		<b>4,677,470</b>	<b>4,733,563</b>
<b>Distribution capacity</b>			
Opening cash balance at 1 July 2010		4,154,251	4,609,381
Distributable income received 2010/2011		4,677,470	4,733,564
Transfer to income		40,130	-
Grants paid 2010/2011	1(c)	(3,375,160)	(5,188,694)
<b>Total income available for distribution</b>			
<b>At 30 June 2011</b>	1(a)	<b>5,496,691</b>	<b>4,154,251</b>

# Statement of Financial Position

As at 30 June 2011

	Note	2011 \$	2010 \$
<b>Current Assets</b>			
Cash and cash equivalents	9(b)	6,403,030	4,104,386
Term deposits		11,000,000	3,145,000
Receivables	4	2,366,511	1,831,095
Prepayments		-	13,292
<b>Total Current Assets</b>		<b>19,769,541</b>	<b>9,093,773</b>
<b>Non-Current Assets</b>			
Financial assets	5	77,179,848	81,427,258
<b>Total Non-Current Assets</b>		<b>77,179,848</b>	<b>81,427,258</b>
<b>Total assets</b>		<b>96,949,389</b>	<b>90,521,031</b>
<b>Current Liabilities</b>			
Payables	6	194,618	200,316
<b>Total Current Liabilities</b>		<b>194,618</b>	<b>200,316</b>
<b>Total liabilities</b>		<b>194,618</b>	<b>200,316</b>
<b>Net assets</b>		<b>96,754,771</b>	<b>90,320,715</b>
Represented By:			
Retained earnings		7,151,599	5,749,700
Capital funds	8	89,603,172	84,571,015
<b>Total trust funds</b>		<b>96,754,771</b>	<b>90,320,715</b>

Notes to the special purpose report are on page 4 to 10.

# Grants paid

for the financial year ended 30 June 2011

	2011 \$
<b>1(c) Grants paid 2010/2011</b>	
<b>Part A of will</b>	
Arts Access Society Inc	149,000
Australian Red Cross Victoria	120,000
Centacare Catholic Family Services	60,000
Centre for Multicultural Youth	35,965
Disability Housing Trust	50,000
Drummond Street Relationship - Just Families	125,000
Emergency Accommodation & Support	60,000
La Trobe University	60,000
Mcauley Community Services for Women	149,272
Mental Health Legal Centre	89,421
Noweyung Limited	5,000
Queen Elizabeth Centre Foundation	86,000
Sacred Heart Mission St Kilda Inc	250,000
Second Bite	88,000
Torch Project	50,000
Typo Station	100,000
Uniting Care Moreland Hall	80,000
Victorian Association for the Care & Resettlement of Offenders	171,217
Victorian Foundation for Survivors	241,830
Victorian Immigrant & Refugee Womens Coalition	97,856
Westside Circus Inc	20,000
	<b>2,088,561</b>
Refund of grant from Court Network	(66,262)
Refund of grant - Kilmore & District Hospital	(100,000)
	<b>1,922,299</b>

# Grants paid

for the financial year ended 30 June 2011

	2011 \$
<b>1(c) Grants paid 2010/2011</b>	
<b>Part B of will</b>	
Refugee & Immigration Legal Centre	166,509
Earthwatch Australia	58,154
Visionary Images Inc	30,000
Project Platypus Association	67,000
La Trobe University	30,000
Monash University	28,300
Walter & Eliza Hall Institute	30,000
University of Melbourne Centre for Neuroscience	30,000
University of Melbourne Centre for Eye Research	27,980
University of Melbourne - Dr Hadi Lioe	28,080
RMIT University - Dr Cromer	18,000
University of Melbourne - Dr Sartor	7,640
Odyssey house victoria	70,750
Australian Red Cross Victoria	120,000
Centre for Eye Research Australia Limited	27,980
Australian Aphasia Association	8,117
Open Family Australia Inc	28,307
Victorian Aboriginal Community Services	9,627
Philanthropy Australia Inc	25,000
Brophy Family & Youth Services	51,600
Foundation for Rural & Regional Renewal	100,000
The Royal Melbourne Hospital	10,000
Victoria University Community Cultural Heritage Protection	150,000
Northwestern Mental Health	63,483
Bush Heritage Australia	95,750
Victoria University - Community Cultural Mapping	150,000
Sane Australia	117,750
Song Room Inc	80,814
	<b>1,630,841</b>
Refund of grant - University of Melbourne	(27,980)
Refund of funds - lost chq - Victoria University	(150,000)
	<b>1,452,861</b>





