



DONDUNSTANFOUNDATION

Annual Report 2002/2003



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*The Annual Report Published March 2004
by the Don Dunstan Foundation
Level 3, 10 Pulteney Street, University of Adelaide, SA 5005
<http://www.dunstan.org.au>*

ABN 71 448 549 600

REPORT FROM THE CHAIR

The financial year 2003 culminated in successful discussions and generous agreements with the University of Adelaide and the State Government. The Foundation's medium term future is secured, providing a base for the consolidation of the Foundation over the longer term. With the support of all key parties, the Trustees, the Board of Management, Foundation staff, volunteers, sponsors, donors, other supporters and the community I am looking forward to a bright and exciting future for the Foundation.

The strategic review of the Foundation undertaken last year set key directions on policy research, debate and development. These directions were seen to be important by the State Government, which agreed to support the Foundation by releasing one of its senior public servants for two years, George Lewkowicz, to be the Foundation's new Executive Director. George joined the Foundation in May 2003. The University of Adelaide also provided support by agreeing to fund the position of Business and Development Manager. Flinders University has allocated two academic staff to provide program support to the extent of one day a week. We are most grateful to those parties for the confidence they have shown in the Foundation.

The Trustees continued to play an important role as have members of the Board of Management. The Board of Management is in the process of putting the Foundation's strategic directions into operation. The Trustees and the Board have been working on establishing a new Constitution to provide a more streamlined framework for the operation of the Foundation and I expect that it will be in place by end of 2003. The new Constitution also provides for the formal recognition of Chapters of the Foundation.

All Chapters are keen to contribute to the work of the Foundation and have plans for considerable activity over the next year. I would like to thank all involved in staying with the Foundation and being in readiness for the new year. Volunteers have continued to give many hours to mail outs and organisation of events.

Our donor base has also been maintained. Thank you for your donations and support for events. I would also like to acknowledge the bequest from the estate of the late Rhona Sylvia Ovedoff.

Our business supporters have also continued to provide support in the form of donations of goods and services and we are especially grateful

to JB Jarvis Marketing, Lane Print Group and Viv and Brian Tonkin at the Governor Hindmarsh Hotel.

I would like to end my report by recording my sincere thanks to the staff of the Foundation for their work, Jane Russell, Executive Officer and Tricia Borgas, Administrative Officer.

I look forward to a successful future for the Foundation.

Hon Greg Crafter

FOUNDATION YEAR IN REVIEW

The Don Dunstan Foundation was established in 1999 with a view to perpetuating the memory of Don Dunstan and reflecting his life's work through fostering research and education on a broad range of issues concerning social development. The Foundation has developed sound linkages with academics working in social research and with government and non-government bodies. These connections provide the Foundation with the basis for stimulating debate and the establishment of programs that can add significant value to the community.

The Foundation has consolidated its financial base through obtaining support from the State Government and the University of Adelaide for the funding of the positions of Executive Director and Business and Development Manager for the next two years. Flinders University has also agreed to make available two academic staff to provide program support. The University of Adelaide has also agreed to provide support for IT services and office space. The Foundation co-located its offices with the Centre for Labour Research, Level 3, 10 Pulteney Street, Adelaide.

The Foundation is acutely aware that it will need to establish a vigorous program to raise funds through a range of avenues to maintain its capital base and to obtain additional funds to underpin its long term future. The establishment of a Don Dunstan Chair of Social Research is a key objective of the Foundation's forward agenda. A special fund raising committee will be established to work with the Foundation's Business and Development Manager on fund raising.

The Foundation maintained its long-term pledge donors and is very appreciative of their support.

Clarity of the Foundation's strategic directions was important in obtaining Government and university support.

The Foundation continued to fund the PhD scholarships of Jadyne Harvey and Sonia Mezenic. It also funded an undergraduate scholarship for Zoe Campbell, through the Smith Family's Learning for Life program.

The Foundation's prime project was that of The Neighbours Program coordinated by Professor Julian Disney. The Program will involve a Round Table in Adelaide and Melbourne to discuss ways of

strengthening interaction between leading community organisations in Australia and the neighbouring countries of South East Asia and the Pacific, especially Indonesia and Malaysia. The countries will have a substantial and growing impact on many aspects of Australia's economic, social, cultural and environmental interests. The Round Table will be led by Sharan Burrow, President, Australian Council of Trades Unions, Don Henry, Executive Director, Australian Conservation Foundation, Megan Mitchell, Executive Director, Australian Council of Social Services, and Louise Sylvan, former Executive Director, Australian Consumers Association. (The project was included in The Bulletin magazine's Smart 100 list).

The SA Chapter held a very successful luncheon with the Premier, the Hon. Mike Rann in August, where the Premier addressed the topic, "The First 100 Days". Often citing Don Dunstan as his inspiration, the Premier spoke about the Labor Government's focus on the areas of social inclusion, health and education.

The Foundation supported the publication of an important critique of the de-regulation and privatisation of the electricity industry, 'Power Politics – the electricity crisis and you', edited by John Spoehr and published by Wakefield Press.

With the support of the State Government the Foundation has been able to initiate a project on 'Social Inclusion at Work'. Undertaken with the assistance of the University of Adelaide, Centre for Labour Research the project will provide a focal point for debate and policy development on issues such as the future of work, under-employment and unemployment, the quality of work, work and family and workforce ageing.

The Foundation has forged a collaborative relationship with the new Australian Institute for Social Research at the University of Adelaide. The Institute is a federation of the Centre for Labour Research, the National Centre for Social Applications of Geographical Information Systems and the Public Health Information Development Unit. Over the next few years the Foundation will work with the Institute on projects of mutual interest in order to consolidate a stronger relationship with the research community within the University of Adelaide.

THE DON DUNSTAN FOUNDATION TRUSTEE'S REPORT

The Board of Trustees of The Don Dunstan Foundation ("The Foundation") has pleasure in submitting the statement of financial position of The Foundation at 30th June 2003, related statement of financial performance and statement of cash flows for the year then ended and report as follows.

Trustees

The names of the Trustees in office at the date of this report are:

Hon Greg Crafter

Ms Bronwen Dohnt

Professor James McWha (Vice Chancellor, University of Adelaide, ex officio member)

Professor Anne Edwards (Vice Chancellor, Flinders University, ex officio member)

Mr Bill Cossey

Principal Activities

The Foundation was established to perpetuate the memory of Don Dunstan and to reflect his life's work through the fostering of research and education on a broad range of issues concerning social development.

Results

The net profit of the Foundation for the financial period was \$3,897 (2002: (loss) of \$76,963)

Trustees' Benefits

During the financial period, no Trustee has received or become entitled to receive a benefit, other than benefits disclosed in the financial statements or the fixed salary of a full-time employee of the Foundation, by reason of a contract made by the Foundation with the Trustee or with a firm of which the Trustee is a member, or with a company in which the Trustee has a substantial financial interest.

This report has been made in accordance with a resolution of the Trustees.

Signed:

Bill Cossey

Trustee

Adelaide

Hon Greg Crafter

Trustee

Adelaide

THE DON DUNSTAN FOUNDATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED
30 JUNE 2003

	Notes	30th June 2003 \$	30th June 2002 \$
Revenues from ordinary activities	2	239,656	272,456
Employee benefits expense		(42,384)	(6,556)
Office expense		(14,364)	(27,673)
Publicity and promotion expense		(6,558)	(10,571)
Funding expense		(40,484)	(105,698)
Functions expense		(8,252)	(16,944)
In-kind expense		(120,144)	(174,975)
Other expenses from ordinary activities		<u>(3,573)</u>	<u>(7,002)</u>
Net profit (loss) from ordinary activities	3	<u>3,897</u>	<u>(76,963)</u>
Net increase (decrease) in asset revaluation reserve		<u>0</u>	<u>0</u>
Total revenues, expenses and valuation adjustments attributable to beneficiaries of the trust recognised directly in equity		<u>0</u>	<u>0</u>
Total changes in equity		<u><u>3,897</u></u>	<u><u>(76,963)</u></u>

THE DON DUNSTAN FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2003

	Notes	30th June 2003 \$	30th June 2002 \$
CURRENT ASSETS			
Cash assets	4	354,715	387,846
Receivables	5	966	1,797
Inventories	6	728	728
TOTAL CURRENT ASSETS		<u>356,409</u>	<u>390,371</u>
NON CURRENT ASSETS			
Property, plant and equipment		312	312
TOTAL NON-CURRENT ASSETS		<u>312</u>	<u>312</u>
TOTAL ASSETS		<u>356,721</u>	<u>390,683</u>
CURRENT LIABILITIES			
Payables	7	26,494	64,353
TOTAL CURRENT LIABILITIES		<u>26,494</u>	<u>64,353</u>
TOTAL LIABILITIES		<u>26,494</u>	<u>64,353</u>
NET ASSETS		<u>330,227</u>	<u>326,330</u>
EQUITY			
Retained profits	8	330,227	326,330
TOTAL EQUITY		<u>330,227</u>	<u>326,330</u>

THE DON DUNSTAN FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003

	Notes	30th June 2003	30th June 2002
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		107,307	84,523
Payments to suppliers and employees		(160,555)	(154,644)
Dividends received		0	0
GST returned by the ATO		5,984	5,827
Interest received		14,133	10,592
Borrowing costs		0	0
Net cash (used by) operating activities	12b	<u>(33,131)</u>	<u>(53,702)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		0	(312)
Proceeds on sale of investments		0	0
Net cash (used by) investing activities		<u>0</u>	<u>(312)</u>
Net (decrease) in cash held		(33,131)	(54,014)
Cash at beginning of year		387,846	441,860
Cash at end of year	12(a)	<u>354,715</u>	<u>387,846</u>

**THE DON DUNSTAN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2003**

Note 1: Statement of Significant Accounting Policies

This financial report is a general-purpose financial report that has been prepared in accordance with the Australian Accounting Standards and Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Foundation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Income Tax

The Foundation is exempt from income tax as it is a charitable institution for the purposes of Item 1.1 of Section 50-5 of the Income Tax Assessment Act 1997.

Property, Plant and Equipment

Minor assets acquired by the Foundation are expensed upon acquisition. Other property, plant and equipment used by the Foundation are assets of The University of Adelaide. (refer to Revenue Accounting Policy Note)

Inventories

Inventories are valued at the lower of cost and net realisable value. Inventory consists of books promotional merchandise (t-shirts, hats). Original inventory stock was received as a gift-in-kind from the University of Adelaide. Inventory has been sold and given away as promotional material during the financial period.

Provision for Employee Entitlements

No employee entitlements are provided for as the University of Adelaide and the Government of South Australia provide employees as in-kind gifts (refer to Revenue Accounting Policy

Note). Provision for Employee Entitlements attributable to the University of Adelaide employee is borne by the University and the Executive Director who is employed by the Government of South Australia has his entitlements met by the Government of South Australia.

Revenue

Revenue is recognised when, and only when, all the following conditions have been satisfied:

- (a) the Foundation gains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the Foundation; and
- (c) the amount of the contribution can be measured reliably.

The Foundation's sources of revenue include government grants, donations, gifts in-kind, bank interest, sale of merchandise and proceeds from ticket sales for fundraising events.

In accordance with the revenue recognition policy stated above, pledge donations (including government grants) are only recognised when a formal, legally enforceable agreement exists.

Gifts in-kind represent goods and services provided by donors in lieu of cash and include cost of rental of office and storage space and one full-time equivalent staffing position paid by the University of Adelaide on behalf of the Foundation, and the Executive Director's salary paid by the Government of South Australia on behalf of the Foundation.

Gifts in-kind do not include services and use of assets provided by the University of Adelaide including furniture, access to photocopying facilities and telecommunications. Similarly, the personal library of Don Dunstan bequeathed to the Foundation, has not been recognised as revenue due to difficulties in reliably measuring the contribution.

Gifts in-kind are recorded as a revenue and expense in the financial statements with no impact on cash flow.

Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at banks including at call deposits with banks.

Financial instruments included in assets

Trade debtors are initially recorded at the amount of contracted sales proceeds.

Bank deposits are carried at cost. Interest revenue is recognised on an effective yield basis.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Comparative Figures

Where necessary, comparative figures have been adjusted to conform with the presentation of the 2003 financial statements.

Note 2: Revenue

	Notes	
	30th June 2003	30th June 2002
	\$	\$
Operating activities		
--- Donation income	32,173	42,499
--- State Government grants	50,000	0
--- Other grants	5,000	7,000
--- Fundraising income	15,657	21,643
--- Bequests	0	9,000
--- Sales income	627	4,381
--- Bank interest income	15,099	10,592
--- University of Adelaide in-kind income	17 120,144	174,975
--- In-kind income from other sources	956	2,366
Total revenue	<u>239,656</u>	<u>272,456</u>

Note: 3 Net Profit/(Loss) from Ordinary Activities

Net Profit/(Loss) from ordinary activities has been determined after significant expenses.

The following expense item is relevant in explaining the financial performance:

	30th June 2003	30th June 2002
	\$	\$
Funding expenditure - scholarships	<u>40,484</u>	<u>105,698</u>

The board of Trustees have reviewed their treatment of scholarships granted and have decided to expense the total scholarships granted when they have been awarded. An expense of \$58,804 was taken up as at 30th June 2002.

Note 4: Cash Assets

	30th June 2003	30th June 2002
	\$	\$
Cash at bank and on hand	28,213	125,209
Deposits at call	326,502	262,637
	<u>354,715</u>	<u>387,846</u>

Note 5: Receivables

	30th June 2003	30th June 2002
	\$	\$
Sundry debtors	966	1,797
	<u>966</u>	<u>1,797</u>

Note 6: Inventory

	30th June 2003	30th June 2002
	\$	\$
Merchandise goods	728	728
	<u>728</u>	<u>728</u>

Note 7: Payables

	Notes	30th June 2003	30th June 2002
		\$	\$
Scholarships	3	19,330	58,804
Sundry creditors		4,964	3,349
Accruals	9	2,200	2,200
		<u>26,494</u>	<u>64,353</u>

Note 8: Retained Profits

	30th June 2003	30th June 2002
	\$	\$
Retained profits at the beginning of the year	326,330	403,293
Net profits/(loss) attributable to the Foundation	3,897	(76,963)
Retained Profits at the end of the financial year	<u>330,227</u>	<u>326,330</u>

Note 9: Remuneration of Auditors

	30th June 2003	30th June 2002
	\$	\$
The following total remuneration was received, or is due and receivable, by the auditor of the Foundation in respect of:		
Auditing the financial statements	<u>2,200</u>	<u>2,200</u>
Total remuneration received	<u>2,200</u>	<u>2,200</u>

Note 10: Events Subsequent to Reporting Date

The Administration Officer, Ms Tricia Borgas was employed through an employment agency from 1/7/03 until the end of March 2003. Ms Josie Covino, employed by the Centre for Labour Research as Administrative Officer, extended her terms of employment with the Centre for Labour Research so that she could assist them to attend to the administrative support for the Foundation.

The contract of the Executive Officer concluded on 29/11/02 but Ms Jane Russell was then engaged as a Consultant to complete particular tasks the Board required

The Foundation moved into shared office space with the Centre for Labour Research, University of Adelaide on the 12 May 2003. A new Executive Director, Mr George Lewkowicz took up his position on the 20 May 2003. The Executive Director is an employee of the State Government and the Government funds his occupancy of the position of Executive Director of the Foundation.

The University of Adelaide approved funding for a new University based position of Business and Development Manager on the 9 July 2003 and Ms Rosslyn Cox commenced duties on 17 November 2003.

Note 11: Related Party Transactions

The following persons held the position of trustee during the entire financial period, unless otherwise stated:

Hon Greg J Crafter (Chair)
 Hon Dr Jane D Lomax-Smith MLA
 Mr Thomas Dunstan (alternate for Andrew Dunstan)
 Mr Phillip A Adams AO
 Ms Robyn Archer AO
 Mr H David M Combe
 Mr Andrew Dunstan
 Hon Barry O Jones AO
 Leonie Ebert (alternate for Jane Lomax-Smith)
 Professor Michael Morley (alternate for Robyn Archer)
 Ms Carmel O'Loughlin
 Professor Sue Richardson
 Mr Mark Cully (alternate for Sue Richardson)

There were no Trustees of the Foundation who received, or were due to receive, remuneration (including brokerage, commissions, bonuses, retirement payments, and salaries) directly or indirectly from the Foundation or any related body corporate.

Note 12: Cash Flow Information

a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

	30th June 2003	30th June 2002
	\$	\$
Cash at Bank and on hand	28,213	125,209
At Call Deposits with Banks	326,502	262,637
	<u>354,715</u>	<u>387,846</u>

b) Reconciliation of (Loss)/Profit from Ordinary Activities to Net Cash provided by Operating Activities

	30th June 2003	30th June 2002
	\$	\$
(Loss)/Profit from ordinary activities after income tax	3,897	(76,963)
Changes in assets and liabilities:		
(Increase) / decrease in receivables	831	(336)
Decrease in inventory	0	1,454
Increase / (decrease) in payables	(37,859)	22,143
	<hr/>	<hr/>
Net cash (used by) operating activities	(33,131)	(53,702)
	<hr/> <hr/>	<hr/> <hr/>

Note 13: Pledged Donations

In accordance with the revenue recognition policy in Note 1, the Foundation has not brought to account pledged donations as the Foundation is not considered to have gained control of the donation or the right to receive the donation. As at 30 June 2003, the Foundation had the following pledged donations, which it has not brought to account:

	Within 1 year	After 1 year	Total
	\$	\$	\$
Pledged donations	8,360	3,885	12,245
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Note 14: Segment Reporting

The Foundation operates predominantly in one geographical area, being Australia and operates as a public benevolent institution.

Note 15: Financial Instruments

Interest Rate Risk

The Foundation's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	2003	2002	2003	2002
	%	%	\$	\$
Financial Assets:				
Cash	0.40%	0.29%	28,213	125,209
Deposits at call	4.50%	4.06%	326,502	262,637
Total Financial Assets			354,715	387,846
Financial Liabilities:				
Payables	0.00%	0.00%	0	0

Credit Risk

The maximum exposure to credit risk at reporting date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Foundation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Foundation.

Net Fair Values

The financial assets and liabilities are recorded in the Statement of Financial Position at amounts that approximate their net fair values.

Note 16: Trust Details

The principal place of business of the Foundation is 10 Pulteney Street, the University of Adelaide, 5005 and its principal activities is to perpetuate the memory of Don Dunstan and to reflect his life's work through the fostering of research and education on a broad range of issues concerning social development.

Note 17: Economic Dependency

The University of Adelaide has incurred rental and staffing costs on behalf of the Foundation. As at May 2003 the Executive Officer position has been provided by the Government of South Australia. If it were not for these gifts in-kind the Foundation would find it difficult to maintain its current level of financial performance.

THE DON DUNSTAN FOUNDATION

DECLARATION BY THE TRUSTEE

The Trustees declare:

- (a) that the financial report presents fairly the financial position of the Don Dunstan Foundation as at 30 June 2003 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board; and
- (b)
 - (i) that there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable; and
 - (ii) that the financial report is in accordance with the Trust Deed.

Made in accordance with a resolution of the Trustees.

Trustee

Trustee

Date: ___/___/___

Date: ___/___/___

Auditors Report

TRUSTEES, BOARD AND STAFF

The Foundation is governed by a Board of Trustees with a Board of Management responsible for overseeing day-to-day operations of The Foundation. The Foundation employed a staff of 2.

The Board of Management as at 30th June 2003

Hon Greg Crafter (Chair) – Solicitor, Chair of University of Adelaide Alumni Association, and President of the Council of Foundation of the International Baccalaureate Organisation

Mr Mike Duigan – Conciliation and Arbitration Officer, Workers Compensation Tribunal

Mr Jim Jarvis AM – Director, JB Jarvis Marketing

Carmel O’Loughlin – Director, Office for the Status of Women, South Australia

Professor Sue Richardson – Director, National Institute of Labour Studies, Flinders University

George Lewkowicz – Executive Director, Don Dunstan Foundation

Mr John Spoehr – Executive Director, Centre for Labour Research, The University of Adelaide

Associate Professor Peter Travers – Head, School of Social Administration and Social Work, Flinders University

Dr John Williams – Senior Lecturer, Law School, The University of Adelaide

Staff

Ms Jane Russell – Executive Officer (until April 2003)

Ms Tricia Borgas – Administrative Officer (until February 2003)

Ms Josie Covino – Administrative Officer (from March 2003)

Our Supporters

The Don Dunstan Foundation thanks the following organisations and individuals for their support this financial year.

Major Supporters

The University of Adelaide
State Government of South Australia
Flinders University of South Australia

Project Partners

Centre for Labour Research, The University of Adelaide

Business supporters

JB Jarvis Marketing and Associates
Lane Print Group
Viv & Brian Tonkin, The Governor Hindmarsh Hotel
East End Astoria Serviced Apartments
State Theatre Company
Oxfam Community Aid Abroad
ASIA-LINK Melbourne
The Body Shop
Folio Foliage
New Internationalist and Norman Waterhouse Lawyers

Chapter Committee

SA Chapter Committee

Convenor	Vince Curro
Deputy Convenor	Warren Worth
Members	Richard Smith, Beryl and Ennis Westphalen, Viv Curro, Susan Byrne, John Caldecott, Marg Easson, Rebecca Clothier, Krystyna Pindral, Wendy Parsons, Alison Galbreath

NSW Chapter

Convenor	Gabrielle Simpson
Secretary	Patrick Simpson
Members	Terry Carney, Bill and Kerry Ann O'Reilly, Monika Law, Len Amadio

VIC Chapter

Convenor	Hon John Cain
Secretary	Ian Cathie
Members	Race Matthews, Brian Howe