



PURVES
ENVIRONMENTAL FUND

2007 ANNUAL REVIEW

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Chairman's Address

The year to June 2007 has been a monumental one for environmental issues in Australia, and indeed, globally. It was the year that many Australians came to the stark realisation that climate change is a serious threat to our way of life that needs urgent action by Government. The Purves Environmental Fund's mission is to bring knowledge to individuals on key environmental issues and to offer ways forward. The mission is more relevant than ever at this time of increasing international alarm over the global impacts of rising levels of greenhouse gases.

Our support of Tim Flannery, who has been one of the key drivers of informing fellow Australians and indeed the world of the climate change issue, has been a truly amazing experience. Tim's contribution to the climate change issue saw him awarded the title of Australian of the Year 2007 in January this year.

The Wentworth Group, of which the Fund is the sole sponsor, continued to make important contributions to progress on land and water management. The reputation of the Group and the respect afforded to the individual members of the Group by policy makers underlines the value in Australia having an independent group of eminent scientists dedicated to promoting solutions to environmental issues.

During the year we have continued to seek out projects we hope will make a contribution to achieving positive environmental outcomes and these are detailed in our report.

Suffice to say, we want to be bold and to fund a diversity of activities, including smaller projects that have the potential to be major catalysts. In 2007/08, we will again continue our drive to find new and dynamic projects and continue to fund organisations and individuals with outstanding ability to deliver positive environmental outcomes and who share our values and passion.

Finally, I would like to thank my co-board members Richard Gelski and Geoff Brunson whose wise council during the year is much appreciated, the Secretary of the Fund, Andrea Hoole, and Alison Atherton who runs the Fund secretariat.

Robert E. Purves



November 2007





About the Purves Environmental Fund

Vision

The Fund's vision is an environmentally sustainable world in which Australia's rich biodiversity is preserved.

Mission

The mission of the Fund is to advance, primarily through education of individuals and organisations, environmental sustainability and preservation of Australia's rich biodiversity.

Background

The Fund was established in August 2004 by Robert Purves, who is committed to making an impact for a better environment. Robert is a businessman, farmer and environmentalist.

Objectives

The Fund grants gifts to enable and empower others working towards environmental sustainability and preservation of Australia's biodiversity. The Fund also leads on initiatives from time to time.

We aim to:

- act as a catalyst to change;
- fill gaps in effecting change;
- break down barriers to action;
- support creation of new thinking and practice;
- provide bold leadership; and
- encourage participation of stakeholders.

Charitable purpose

The charitable purposes of the Fund are:

(a) to protect and enhance the natural environment;

(b) to enhance the protection of Australia's unique biodiversity for the benefit of future generations through the protection of native species and the ecological processes that support them, particularly in the primary production landscape;

(c) to provide information and education about the natural environment and to improve the Australian community's understanding of the urgent need for greater sustainability; and

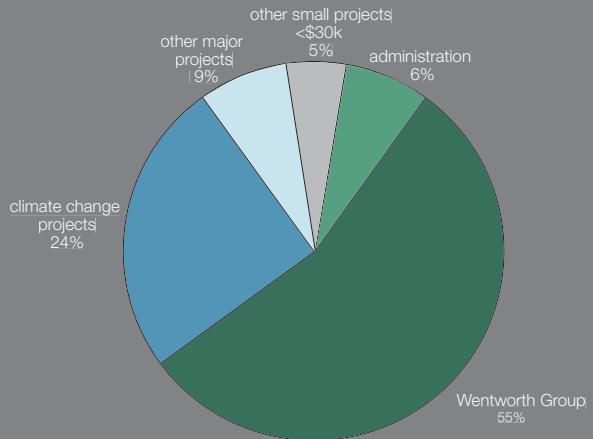
(d) to support scientific research and field projects that are aimed at supporting catalytic work to find solutions for important environmental issues that are not currently supported by environmental groups or government.

Financial Summary

As a public fund, Purves Environmental Fund seeks donations from the public. The main source of funding to date has been from the private Trust, the Purves Private Fund. The Purves Private Fund was founded in 2003 by Robert Purves, with an initial one-off contribution of capital of \$10 million. Total donations received by the Purves Environmental Fund during 2006/07 were \$947,000, the majority of which was from the Purves Private Trust. Total donations made by the Fund during 2006/07 were \$915,656.

The Purves Environmental Fund receives an in-kind donation of office space and administrative support from RPG Management Pty Ltd.

2006/07 Expenditure Analysis



Supporting the Purves Environmental Fund

The Fund welcomes donations, which are used to support the important work of advancing environmental sustainability and preservation of Australia's biodiversity. If you would like to contribute to the work of the Fund by making a tax deductible donation, please send a cheque payable to Purves Environmental Fund and your name and address details to: Environmental Officer, Purves Environmental Fund Suite 4, Bennelong Office Suites 3B Macquarie Street Sydney NSW 2000.

Applying for Funding

If you are interested in applying for funding from the Purves Environmental Fund you can download an application form from our website: www.purvesenvirofund.org.au

Activities & Organisations supported during 2006/07



L-R: Bruce Thom, Peter Cosier, Tim Flannery, Mike Young, Rob Purves, Hugh Possingham

Overview

2006/07 was the second full year of operation of the Purves Environmental Fund. 2006/07 brought an escalation in efforts to raise awareness of, and promote solutions to, critical environmental issues, particularly climate change. The Board has been hugely encouraged by the passion and commitment of organisations and individuals applying to the Fund for support, and the quality of initiatives that the Fund has been able to contribute to during the year.

In total, the Fund received close to 50 formal funding requests and enquiries during 2006/07 – 60% more than in 2005/06. During the year the Fund approved support for 13 new initiatives. Funding for 3 of these will commence in 2007/08. In addition, the Fund continued support for 3 initiatives that were approved in 2006/07, giving a total of 13 initiatives actively supported by the Fund during the year. At year-end, at least 8 potential new activities are under consideration.

The Fund supports a diverse mix of activities covering a broad spectrum of environmental issues and solutions, including climate change, water and land management, biodiversity conservation and environmental education. The following section describes some of the key activities and organisations supported by the Fund during the year.

The Wentworth Group of Concerned Scientists

The Purves Environmental Fund is the sole sponsor of the Wentworth Group of Concerned Scientists and the Wentworth Science Program. The Wentworth Group, an independent group of leading scientists, marks its 5th anniversary in October 2007. The Group is overseen by Peter Cosier, who acts as Executive Director. The Wentworth Group relies on the personal commitment and time of the individual members of the group and a small secretariat to drive the Group's activities. The Group aims to shift the management of Australia's land and water resources to a sustainable level.

The Members of the Group are Adjunct Professor Leith Bouly FAIC, Mr Peter Cosier, Professor Peter Cullen AO FTSE, Professor Tim Flannery, Dr Ronnie Harding, Professor Hugh Possingham FAA, Mr Robert Purves, Dr Denis Saunders AM, Professor Bruce Thom FIAG FTSE, Dr John Williams, and Professor Mike Young FASSA.

“There has never been a period in Australia’s history when two scientists have become household names through their work on the environment. But Peter Cullen and Tim Flannery have roused the sceptics and galvanised the indifferent...”

Andrew Clark, Australian Financial Review Magazine, 28 September 2007



L-R: Peter Cullen, John Williams, Ronnie Harding, Denis Saunders (Missing from photo – Leith Bouly)

2006/07 Wentworth Group activity highlights

The focus of the Wentworth Group activities in 2006/07 has been to defend hard won reforms in land and water management, to engage in the climate change debate as it affects Australia, and to build a new science leaders program.

- Over the past 12 months, Mike Young and Peter Cullen have worked on the need for Australia's water management regime to address the shift in climate that is occurring. The Wentworth Group commissioned the Environmental Defenders Office to undertake an audit of implementation by the States of the National Water Initiative. Drawing on this information, and its original *Blueprint for a National Water Plan*, the Wentworth Group wrote *Australia's Climate is Changing Australia*. Released by Mike Young in November 2006, this paper has once again helped to shift the debate on water.
- Peter Cosier, Peter Cullen and Mike Young appeared at and submitted recommendations to the Senate hearing on the Water Bill. Their recommendations were taken up when the bill was passed, in August 2007.
- Peter Cosier's research, peer reviewed by CSIRO, formed the basis of his paper, *Will Climate Change Cost us the Earth*. Released in November, this work, along with the presentations Peter has given across three States, has had a resounding impact.
- Tim Flannery has expanded the climate change debate globally and has been asked to chair the 'Copenhagen Climate Council'. Copenhagen is the location for the new protocol at the UN Climate Summit, the 15th Conference of Parties, in December 2009 to replace the Kyoto Protocol of 1997. The Copenhagen Climate Council was launched on the 31st May. It is a global initiative, founded by leaders from business, science and civil society, and has the public support of the Danish government. Robert Purves has been invited to join the Council. The Council's goal is to make the 2009 UN Summit the necessary, definite turning point in the fight against climate change, ensuring that the burden of greenhouse gasses is stabilised below the critical threshold of 450 ppm (CO₂-e) in 2050.
- John Williams, Denis Saunders and Ronnie Harding have been working hard during the year to defend NSW's reforms in land clearing laws and natural resource management.



Activities & Organisations supported during 2006/07

The Wentworth Group Science Program

The Wentworth Group launched its scholarship program in February 2007. The Fund fully finances this innovative program. The program aims to enable scholarship recipients to become active contributors at the interface of good decision-making and world class science.

The program was advertised in The Australian newspaper's Higher Education section and through faculty contacts and scholarship offices. The response from university contacts was extremely positive. Over 150 application forms were requested, leading to 19 scholarships in this first year. The standard of applications was impressively high.

The scholarships are awarded to post-graduate students in the form of extra funds to their existing scholarship and to honours students as support funds. The scholarship holders are from all States and Territories except Northern Territory and Tasmania. Funds allocated range from \$500 to \$10,000. These can be used for a variety of purposes – including international and national conferences, stakeholder interviews, forum organisation and mentoring expenses.

In addition to receiving financial support, recipients are given access to master classes and mentoring by some of Australia's best scientists. Above all, recipients will be encouraged, inspired and motivated. The program is a two-way process that also enables Wentworth Group members to keep in touch with on-ground issues.



Hugh Smith

Wentworth scholar Case Study: Hugh Smith

Hugh Smith's field of study is geomorphology and hydrology. He is doing his PhD at Sydney University within the School of Geosciences. The purpose of Hugh's thesis is to examine the sediment dynamics of an upland headwater catchment of the Lachlan River. He is also addressing scale issues in the transfer of sediment from sources to the catchment outlet.

As a Wentworth scholar Hugh was allocated funds to attend two conferences that are relevant to his research. These were:

- Fifth Australian Stream Management Conference in Albury, NSW, in May 2007.
- Institute of Australian Geographers Conference, Melbourne, July 2007.

In addition, mentoring has been provided by Professor Bruce Thom. Bruce Thom has facilitated contacts for Hugh with prospective employers in an area of government that would link his science to better land and water management in NSW. As a consequence Hugh has been offered a position which he is considering. A great outcome!

Hugh will attend the Science Program Master Class in Sydney in October, along with 16 other scholars. It is hoped that as all the scholars progress in their careers contact with the Wentworth Group is maintained.

Activities & Organisations supported during 2006/07

We are the Weather Makers

The book



Tim Flannery's book *We Are the Weather Makers* (published by Text Publishing) was launched in August 2006 at an event for school children at the State Library of Victoria. *We Are the Weather Makers* is the follow-up to Tim's highly successful and acclaimed book on climate change, *The Weather Makers*. It is an updated and condensed version of the original book. *We Are the Weather Makers* was written to appeal to young adults and to readers wanting to quickly get an understanding of key climate change issues. The *Weather Makers* series of books has helped a wide audience to understand the vital importance of taking urgent action on climate change.

The Purves Environmental Fund supported WWF to manage a direct mail-out of a copy of *We Are the Weather Makers* to all secondary schools in Australia. The Fund also supported production of teachers' notes based on the book, which are freely available on the *Weather Makers* website (<http://www.theweathermakers.com/>). The Fund supported publicity for the book through radio, print and digital advertising and through teachers' conferences, to ensure that the important educational and awareness-raising messages of the book reach as many people as possible.

The education guide

During 2006/07, the Fund has begun to work with Text Publishing, publishers of the *Weather Makers* books, to develop a comprehensive climate change education guide for secondary school students and teachers, based on *We Are the Weather Makers*. The education guide will be freely distributed to all secondary schools in Australia later in 2007.



Robert Purves speaking at the EBA summit

Environment Business Australia (EBA) Membership

During 2006/07, the Purves Fund has continued to support EBA through benefactor membership. Robert Purves has been a Director of EBA since February 2005 and Chairman since November 2005. EBA is the peak industry body for the environmental business sector in Australia. EBA has a broad membership base including some of Australia's largest companies. In addition to membership, the Purves Fund has provided support to EBA's educational and awareness-raising activities in 2006/07:



Business and Sustainability Summit

EBA held its 2006 Annual Business and Sustainability Summit on 23 October. The Purves Fund was a platinum sponsor of the Summit. The theme of the Summit was energy futures *"It's 2008 – Australia is leading the world with its dynamic energy strategy, investors are leaping over each other to get part of the action. How did we get here?"*. The Summit attracted a large audience of leading Australian business executives. The event was hosted by Lateline's Tony Jones and had an impressive line-up of high profile speakers including Lord Oxburgh, former Chairman of Shell International, Bishop George Browning, Professor Peter Cullen and Greg Paramor, CEO of Mirvac.

Research

During 2006/07, the Purves Fund has provided EBA with support to employ a researcher to help with preparation of research papers and key events. The researcher role has enabled EBA to improve data gathering and analysis for its work on key environmental issues.

EBA plans to release an 'Energy and climate change bridge' paper later in 2007 (an interim paper 'Targets for our future' was released in September 2007), based on research including a series of 'Climate change solutions' forums. At these events audiences are hearing from leading practitioners marketplace players. By the end of June 2007, EBA had held in-depth workshops on agricultural offsets in a carbon constrained world, offsets and credits, technology; and finance. Forthcoming events will include policy, international policy, science and built environment, technology deployment and infrastructure development.

The research work funded by the Purves Fund has been invaluable in helping EBA to prepare an in-depth submission to the Prime Minister's Task Group on Emissions Trading; the States' National Emissions Trading Task Force; and underway is a submission to the House of Representatives on the role of renewable energy in the electricity supply mix.



Activities & Organisations supported during 2006/07



Caren Trafford

Weather or not it's a Climate for Change

The Purves Fund supported the children's book author, Caren Trafford, to send a copy of her book *Weather or not it's a Climate for Change* to every primary school in NSW – 3,072 in total. In addition, schools who ordered extra copies of the book after receiving the free copy, were able to do so for a specially discounted price. For each book sold, the author made a donation of \$0.50 to the Fund.

The book is an engaging, colourful explanation of climate change science, impacts and solutions for primary school students. Mike Bailey, former ABC TV News' Weather Presenter and Producer said "This book simplifies the complex science of weather in a way that makes readers of all ages appreciate what's happening to our climate, and what we can all do to help save our planet". The mail-out of books took place in May 2007.

Feedback from schools who received the book has been very positive. A number of schools phoned Caren to ask how much the "free" book was and were astounded and grateful to discover that it really was free! Since the mail-out, many schools have asked Caren to visit them as a guest speaker on climate change. To date she has addressed over 4,000 children. Caren's presentations also cover other environmental issues such as waste.

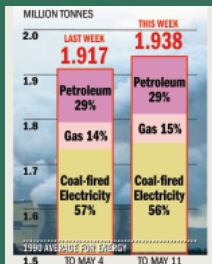


Total Environment Centre

During 2006/07, the Purves Fund donated funds to the Total Environment Centre (TEC) to continue their work on carbon emissions trading. The Fund's support has helped to raise awareness and build capacity to enable a broad group of stakeholders to engage more effectively on this critical issue. Emissions trading was the focus for two key TEC Green Capital events held in Sydney and Melbourne in November 2006. NSW Premier Maurice Lemma made the keynote address in Sydney and Peter Cosier delivered the findings of his research paper *Will Climate Change Cost us the Earth* at the same forum. Following the addresses, the ABC presenter Quentin Dempster chaired a lively debate on emissions trading. TEC also published two briefing notes on emissions trading during the year.



L-R: Rupert Posner, Australia Director The Climate Group, The Hon John Thwaites, former Victorian Deputy Premier and Minister for the Environment and Climate Change and Rob Gell, Channel 7 Weather Presenter and member of the Greenhouse Indicator Advisory Group



The Weekly Greenhouse Gas Indicator reprinted with kind permission of The Age

The Climate Group Greenhouse Indicator

The Fund supported the Climate Group to develop a greenhouse indicator for Victoria, which is believed to be the world's first indicator of its type. The indicator was launched in Melbourne in January 2007 by the then Acting Premier and Climate Change Minister John Thwaites in front of an audience of close to 100 senior government and business people. The indicator is helping to raise awareness on the causes of climate change by reporting weekly on the State's greenhouse emissions from energy use.

In a methodology developed in conjunction with CSIRO scientists, it uses actual data to determine an accurate figure for the greenhouse gas emissions produced from the three main sources of emissions from energy: coal, natural gas and petroleum. The weekly indicator is published in The Age, is available on the Climate Group's website and is emailed to a subscriber list (http://www.theclimategroup.org/special_projects/the_greenhouse_indicator/). There are plans to extend the indicator to NSW later in 2007.

WWF Macquarie Island Conservation



Grey-headed albatross on Macquarie Island, photograph by Rowan Trebilco

Towards the end of 2006/07, the Fund supported WWF to raise awareness of the terrible plight facing Tasmania's World Heritage listed Macquarie Island. The island's unique and fragile ecosystems are under extreme threat from rodents and urgent action is needed to resolve the issues. The Fund's support gave WWF additional communications and organisational capacity to increase the effectiveness of their Macquarie Island public awareness and community education outreach activities.

Specifically, the Fund's support facilitated extensive media coverage of the plight of Macquarie Island and provided WWF with organisational and logistical support to prepare strategic communication products. Partly as a result of WWF's efforts, a tremendous outcome was achieved. In early June 2007 the Australian and Tasmanian Governments announced that they had reached an agreement to jointly fund the eradication of rodent pests on Macquarie Island to protect its World Heritage values. This is a great first step in the ongoing battle to preserve Macquarie Island as an area of outstanding natural heritage.

The Year Ahead

Looking forward to 2007/08, there are a number of initiatives already in the pipeline for support by the Purves Environmental Fund in the coming year, many new initiatives on the horizon and a few continuing projects.

Although the issue of climate change is much more prominent now than when the Fund was established in 2004, we are still very far from having a comprehensive action plan to address the problem. The Fund will therefore continue its important work of extending knowledge and raising awareness on the need for action. Australia's biodiversity is under extreme pressure from human activities and the Fund will continue to support initiatives aimed at addressing biodiversity loss. And through its support of the Wentworth Group, the Fund will also continue to promote improved natural resource management.

All of the projects the Fund supports aim to improve overall societal sustainability by promoting solutions to pressing environmental problems. The Purves Environmental Fund is committed to contributing to the changes needed to bring about a more sustainable society.

At the end of 2006/07, the Fund's Board has already approved a number of new projects, for funding commencing in 2007/08, including:

Cents and Sustainability

In 2007/08 the Fund will support The Natural Edge Project as they produce *Cents & Sustainability* - a book that deals with the vital issue of how we can decouple economic growth from negative environmental and social pressures. *Cents & Sustainability* is an initiative to mark the 20 year anniversary of the UN Brundtland Commission's landmark report, *Our Common Future*. The book will explore, in a modern global context, the conditions under which society can achieve a form of economic growth that is both socially and environmentally sustainable.



Australian Environmental Grantmakers Network

During 2006/07, the Purves Fund has participated in the set up of the Australian Environmental Grantmakers Network (AEGN). The initiative is led by a core group of foundations based in Melbourne - The Myer, Poola, Spinifex and Reichstein Foundations, the Mullum Trust and the Christensen Fund. Robert Purves and the Fund's Environmental Officer, Alison Atherton, attended the inaugural conference of the AEGN in July 2006. Since then, Alison has contributed to the Steering Group overseeing the set-up of the network. Membership funding for the network will commence in 2007/08 and the Purves Fund has committed to becoming a Sustaining Supporter of the new organisation. The AEGN aims to improve the conservation, protection and functioning of Australia's natural environment and ecological processes through education and networking of grantmakers.

Ongoing Activities

In addition to supporting these new activities, the Purves Fund will continue its commitment to a number of organisations and initiatives through 2007/08.

- The Fund will provide ongoing support to the Wentworth Group and its Science Program.
- The Fund has agreed to a new period of funding of three years for the TEC's Green Capital program, which aims to improve corporate sustainability in Australia.
- The Fund will continue to support EBA's activities.
- The Fund looks forward to the launch of the Weather Makers education guide in the first half of 2007/08.

Potential New Activities

The Purves Fund is always looking out for initiatives with the potential to create change. At the end of 2006/07, there are numerous projects and organisations that the Fund is actively considering for support in 2007/08, including:

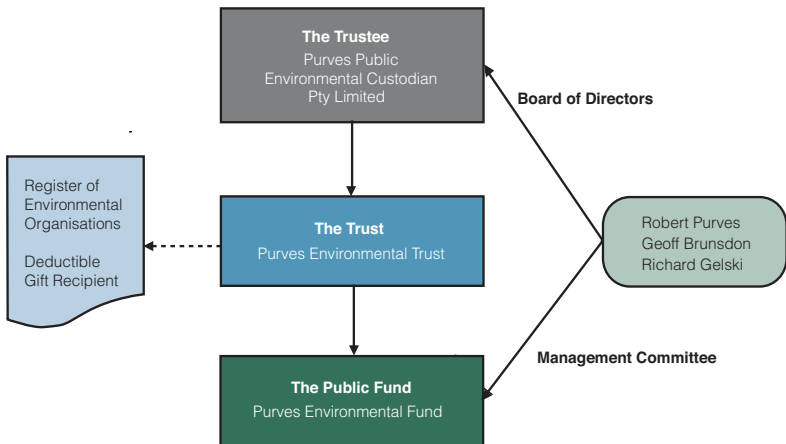
- Education and book projects dealing with issues such as biodiversity loss and conservation solutions.
- An award scheme to recognise individuals and organisations who are actively reducing their carbon emissions.
- A fellowship to research and understand the environment and conservation collection of a major library.
- A youth climate change education program.
- Seed funding for local grassroots environmental organisations working on critical issues.

Governance

Fund structure

The Purves Environmental Fund (the Fund) is the Public Fund of the Purves Environmental Trust. The Trustee of the Trust is Purves Public Environmental Custodian Pty Limited, which is a company limited by shares. Purves Environmental Trust was founded in 2004 by Robert Purves.

The Fund operates on a not-for-profit basis. The Trust is registered on the Register of Environmental Organisations and is a Deductible Gift Recipient (ABN 78 930 366 807). The Fund employs one member of staff on a part-time basis.





Board of Directors

The Board of Directors of the Trustee company (Purves Public Environmental Custodian Pty Limited) govern Purves Environmental Trust. The Board members also form the Management Committee of Purves Environmental Fund. The Board sets the strategic direction and policy of the Fund, approves the annual budget and regularly reviews the operations and financial status of the organisation. In their capacity as members of the Fund's Management Committee, the Board also approves Fund support for individual projects. The Board ensures compliance with the Corporations Law and the requirements of the Australian Securities and Investment Commission.

The Board of Directors are:

Geoff Brunson: Geoff is Managing Director and Head of Investment Banking at Merrill Lynch (International) Australia Limited. He is a Non-Executive Director of Sims Group Limited and Chairman of ING Private Equity Access Limited. He is a Chartered Accountant, a Fellow of FINSIA and a Fellow of the Australian Institute of Company Directors. Geoff is also a Director of RedKite.

Richard Gelski: Richard heads the Tax Team at corporate law firm Johnson, Winter & Slattery. He has over 30 years experience as a University academic, barrister and solicitor. He sits on a number of private and public company boards as well as a number of Private Foundations. He has provided pro bono work to charitable funds and created a variety of private charitable foundations for more than a decade.

Robert Purves: Robert is a businessman, farmer and environmentalist. He is strongly active in the environmental sector and is currently a Board member of WWF International, Chairman of Environment Business Australia, Patron of the Lizard Island Trust and a member of The Wentworth Group of Concerned Scientists. Robert is the immediate past President of WWF Australia and former Chairman of DCA Group Limited.

Governance

Environmental Officer

The Environmental Officer oversees the day-to-day management of the Purves Environmental Fund on behalf of the Management Committee. The Environmental Officer is responsible to the Board of the Trustee company for strategic planning, and all performance and operational matters. The Environmental Officer provides financial information and analysis and monitors budgets and expenditure.

Auditors

Purves Environmental Fund is audited by:

WHK Horwath
Level 15, 309 Kent St
Sydney NSW 2000
Australia

Environmental Policy

The Purves Environmental Fund has an environmental policy that aims to reduce the environmental footprint of the Fund's activities. During 2006/07 an energy audit of the Fund's office was undertaken, resulting in energy efficiency improvements.

The Fund purchases 100% accredited Green Power electricity for its office through Climate Friendly (www.climatefriendly.com.au). The Fund also neutralises greenhouse gas emissions from staff air travel by purchasing offsets through Climate Friendly. The Fund recycles its office waste.



Contact

Purves Environmental Fund

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Sydney NSW 2000

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Website: www.purvesenvirofund.org.au

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