



Nature
FOUNDATION SA

SAVE PROTECT RESTORE

WE'RE A NON-POLITICAL,
NON-GOVERNMENT ORGANISATION
GOVERNED BY A COUNCIL OF EXPERIENCED
CONSERVATIONISTS, SCIENTISTS, BUSINESS
AND PROFESSIONAL PEOPLE, ALL
SERVING IN A VOLUNTARY CAPACITY.



A fresh breath of life on Witchelina. (National Reserve System visit Witchelina in August 2010. Photo: Tim Bond)

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WE ARE WORKING TO PROTECT,
SAVE AND RESTORE SOUTH
AUSTRALIA'S WILDLIFE AND
ECOLOGICAL COMMUNITIES
FOR FUTURE GENERATIONS TO
EXPERIENCE AND ENJOY.

GROWING REPUTATION.

PRESIDENT'S REPORT



THIS YEAR HAS BEEN THE 'YEAR OF RESTRUCTURE'. DURING THE PREVIOUS YEARS OF RAPID GROWTH THE COMMITTEE STRUCTURE MET THE NEEDS OF THE FOUNDATION BUT DID SO IN A SOMEWHAT INEFFICIENT MANNER SO IT MEANT THAT IT WAS TIME TO DO A COMPLETE RESTRUCTURE.

This was agreed during David Moyle's Presidency but put on hold during the unsettled times following the death of CEO Jim McHugh. From the outset of the appointment of our new CEO we instituted the new structure and it has been a great success. All committees are operating more effectively having invited new persons with specialised expertise to serve on them. Council and all committees now have effective reporting systems in place and are working very well.

Governance issues have been further addressed, developed, agreed and put into operation thanks in particular to Councillors Susie Herzberg and Megan Dyson.

Throughout the year there has been a number of personnel changes, these have been outlined in the CE's Perspective but I wish to mention that our Patron Ian McLachlan AO retired due to the overwhelming constraints placed on his time by his leadership of the Adelaide Oval re-development. I thank Ian for his great contribution to the Foundation. The Foundation is honoured to have two of Australia's most committed environment warriors Dick Smith AO and Barbara Hardy AO assume the roles of its Patrons.

The work load of our Administration staff has exploded since our new CEO has come on board, to cope with the Foundation's incredible work-load there is a need to engage two more staff. We need added expertise in the Scientific section, and more administrative support in the Fundraising areas.

During our 30 years we have purchased, or assisted in the purchase of, properties then either donated them to the National Parks system or to proven environmental property managers like Australian Bush Heritage. In a major policy shift the Foundation, where it is believed prudent and appropriate, will manage its properties. This decision has seen the reputation of the Foundation develop most amazingly, we are recognised to an even greater extent now as a major leader in the Conservation industry in this state and Government departments marvel at the rise of status of the Foundation.

After a meeting with Minister Caica earlier this year, he remarked "you are a very sophisticated group aren't you". During the Commonwealth Government's annual Caring for our Country review of Witchelina, the comment was made that "you are the benchmark in this country for the reporting of property management".

It is very nice to receive these accolades; they encourage people to strive to achieve more for the Foundation which in turn results in the Foundation's reputation growing in stature which in turn enables the Foundation to achieve even more.

The Foundation has spent quite an amount of time lobbying both major parties and the Greens for changes to the Native Vegetation Act. If passed, as we have suggested, the work of the Foundation will be made profoundly more successful. Under very strict conditions, we may be able to purchase land in under-represented bioregions using offset funds from mining companies approved to clear native vegetation in an adequately represented bioregion to achieve Significant Environmental Benefits.

The Foundation now participates in two national alliances, one of like NGOs in each state working to deliver water to wetlands, the other of state-based NGOs covenanting private land.

We purchased \$45,000 worth of water this year, bringing our holdings to 37 Megalitres. We now have a small capacity to deliver environmental watering to smaller privately-owned wetlands. We need to embark on some serious fundraising activity as we would like to own at least 20 times more to reach 1 Gigalitre, and to be a really important player we really need 5 Gigalitres. The relationships we hope to further develop with irrigators and Federal Government water management and control agencies may make this daunting task feasible one day.

There were many events held during the last twelve months, most of which have been described throughout the Annual Report. One particular highlight was the dedication of two parcels of land which we purchased 'out east' of the Burra. First, the handover of Hallelujah Hills to local group Worlds End Conservation and the second some 83 ha of native grassland we have named Tiliqua where the largest known concentration of the Pygmy Bluetongue Lizard exists. Over many years we have raised tens of thousands of dollars to support research into this little critter.

The operation of Witchelina is a major project for the Administration. The Councillors' visit to our 'jewel in the crown' was a wonderful experience. The Welcome to Country and cookout in a creek bed by around 40 of the Adnyamathanha mob was inspiring and the barbeque with the local property owners did much to continue the excellent work done by all who work directly on this project. There will be an opportunity for members to participate in a Grand Working Bee at Witchelina in the new year.

The very sad loss of the much respected Jim McHugh threw the Administration into shock which took months to settle after this numbing occurrence. It was not until we installed Andrew Reilly as our new CEO did we really start operating at full steam. It was during this hiatus that the staff maintained the work of the Foundation very professionally and I pay particular tribute to their commitment and stoicism during this emotional time.

This first year as your President has been most exciting for me. The Council, its committees, the staff and the members are a joy to work with and the unbelievable successes this numerically small group of people achieves never ceases to amaze me.

Thank you everyone for your efforts and I look forward to working with you all in the coming year.

Bob Lott President

A NEW DIRECTION.

CHIEF EXECUTIVE'S PERSPECTIVE



MUCH LIKE THE WAY SOUTH AUSTRALIA'S ABOVE-AVERAGE RAINFALL IN 2010-11 HAD A RESTORATIVE IMPACT ON OUR WILDLIFE, THIS LAST YEAR HAS BEEN A PERIOD OF RENEWAL FOR THE FOUNDATION.

In August 2010, the Foundation adopted a new strategic direction built on its longstanding principles and venturing to extend its success with new opportunities.

VISION: To play a significant role in nature conservation as South Australia's pre-eminent wildlife charity.

MISSION: To be an apolitical, not-for-profit, wildlife charity which works with and inspires others to conserve, restore and sustainably manage South Australia's natural heritage.

A shift in direction was already underway with the acquisition of Witchelina Reserve and Tiliqua Reserve moving us strongly into larger scale conservation management at our own properties. The acquisition of Witchelina and Tiliqua adding to existing properties Para Woodland and Cygnet Park. Coupled with this was the important strategic initiative to develop financial contributions by mining companies choosing the Foundation to provide native vegetation offsets.

I joined the Foundation in January 2011 as it moved through the difficult time in the wake of previous CEO Jim McHugh's sudden passing.

Our approach at Witchelina Reserve is to demonstrate the positive landscape scale benefits connected with working inside a wildlife corridor stretching from Port Augusta to the Northern Territory.

The strong efforts by our Conservation Programs Manager, Alex Nankivell, and a very involved group of councillors, have seen us engage closely with indigenous communities and pastoral neighbours. We introduced Conservation Action Planning (CAP) for the first time, for a conservation project at Witchelina, and this led to our success with a substantial, four-year native vegetation offset and biodiversity research project with WPG Resources.

John Pike retired after five and a half years' service as our accountant. During the year we welcomed new staff who are lifting our effectiveness. Jen St Jack now leads our ambitious Water for Nature program delivering environmental watering to private wetlands in the River Murray system. Madeline Wearne has had good early success developing relationships for bequest and major gift opportunities. Patrick Mentzel has taken up a new role to generate fundraising with new marketing initiatives. There is very much a feeling that a new team with broad skills is redeveloping the Foundation.

An outstanding example of conservation partnerships is the results achieved at Cygnet Park Sanctuary on Kangaroo Island. As I stood at the edge of a bare field stretching into the distance, with a couple of hundred volunteers, the good-natured chatter was a sign of the camaraderie amongst a group who would be amazed to find that over three days more than 600 people planted 122,000 native plants to complete the revegetation of 300 hectares in this 6 year project. Nature Foundation SA joined the project in only 2009 as a co-owner, and pays tribute to the foresight of the original owner, Californian Jack May (now co-owner), and our other co-owners, David and Penny Paton, who have been behind the outstanding efforts of project manager Dave Taylor to devise the revegetation program and make it a reality. I'm also very pleased that we continue to play a major role supporting South Australia's environmental research community with \$169,000 awarded across research, community and education project grants. This lifts our grants total since 2003 to \$926,000 – quite an astonishing achievement.

I've found all our stakeholders, including staff, councillors, committee members, corporate supporters, members, donors and volunteers, to be passionate about and committed to expanding the Foundation's positive influence on South Australia's wildlife. Equally pleasing is the excellent support we receive from within the State Government environment sector and the great collaborative relationships we enjoy with many like-minded non-government organisations (NGOs) working hard on conservation objectives. These relationships are binding together in the newly-formed NGO-Natural Resource Management (NRM) Working Group where the Foundation will be a voice for private conservation within government environmental policy.

Bob Lott was elected the Foundation's new President in October 2010 and his vision to see us play a stronger and expanding role in South Australian conservation inspires the team. As we work on new environmental opportunities being presented by a carbon-focussed economy, I'm confident we can be creative and adopt new initiatives that continue to make a difference to the preservation of South Australia's biodiversity.

Andrew Reilly Chief Executive

OUR PEOPLE.

NATURE FOUNDATION SA PEOPLE 2010-11

Patron & Donor Liaison	Barbara Hardy AO
Patron	Dick Smith AO
President	Bob Lott
Vice President	David Moyle AM
Treasurer	Stephen Warren
Secretary	Susie Herzberg
Executive Councillors	Chris Reed (from Dec 2010) Dr Bob Sharrad
Councillors	David Hansman Grant Piggott (until Jan 2011) Greg Toop (until Aug 2010) Megan Dyson Paul-John Mudie (from Dec 2010) Dr Rob Morrison OAM

Chief Executive Officer	Jim McHugh (until Oct 2010)
Chief Executive	Andrew Reilly (from Jan 2011)
Office Manager	Jenny Paterson
Conservation Programs Manager	Alex Nankivell
Conservation Projects Officer	Jen St Jack (from Aug 2010)
Fundraising & Marketing Manager	Patrick Mentzel (from Feb 2011)
Administrative Support Officer	Karen Collins
Community Liaison & Membership Officer	Madeline Wearne (from Aug 2010)
Accountant	John Pike (until Jan 2011) Hannah Dean (from Jan 2011)



Patrons Dick Smith AO and Dr Barbara Hardy AO together at the NFSA Barbara Hardy Testimonial Dinner in October 2009.

until 2007, she was the Member from Australia in the Asia-Pacific Forum for Environment and Development (APFED), a major international project initiated and funded by the Japanese Ministry for Environment.

Barbara Hardy's principal interests are in ecologically sustainable development, biodiversity conservation, environmental valuation, renewable energy production and use, and in business and industrial matters, especially as they affect the environment within which we all live. The work of NFSA has benefited from Barbara's untiring commitment for thirty years and we are very pleased that she chose to become our Patron in June 2011.

PATRON

Dick Smith AO, founder of Australian Geographic magazine, met Barbara Hardy in 1986 and learned of the existence of the (then) National Parks Foundation of SA and our work at Coongie Lakes Wetlands. The Foundation was honoured to have Dick attend the Barbara Hardy AO Testimonial Dinner in October 2009, when he challenged the corporate community to match his donation to the Barbara Hardy Fund for Nature. We were very pleased when, in June 2011, Dick agreed to become our Patron, as we appreciate what an incredibly busy man he is - an Australian entrepreneur, businessman, aviator, and political activist.

PATRON & DONOR LIAISON

Dr Barbara Hardy AO has been working in the environmental field in a voluntary capacity since the early 1970s. During this time she spent five years at Flinders University studying Earth Sciences (1974-79), following a Science Degree at the University of Adelaide in 1947 (majoring in Chemistry). She has been a Commissioner of the Australian Heritage Commission, President of the National Parks Foundation of South Australia (now Nature Foundation SA), Founding President of the Investigator Science and Technology Centre, Chairman of the South Australian Landcare Committee and a member of the Bookmark Biosphere Trust, amongst a number of other roles.

Barbara Hardy was appointed an Officer of the General Division of the Order of Australia (AO) in 1987, an Honorary Doctorate from Flinders University in 1993, as well as an Advance Australia Award 1991, SA Great Award 1992, Institution of Engineers Medal 1992, ABC Eureka Award for the Advancement of Science 1994, and was named South Australian Citizen of the Year in 1996. She is now a Companion of Engineers Australia and a Fellow of Australian Institute of Energy. From 2001

EXECUTIVE COUNCILLORS

PRESIDENT



Bob Lott is an owner and Director of Venue*Tix, Weslo Staff, Thebarton Theatre and Quorn Quandongs. He is also a biochemist, producer

and manager of major events and a theatrical entrepreneur. Bob has served on numerous boards and councils, including the Festival Arts and the Royal Show, and was Deputy Chairman of the Jubilee 150 Board. He is an enthusiastic environmentalist and supporter of indigenous artists. He has been a Nature Foundation SA Councillor since December 2003 and President from October 2010.

VICE PRESIDENT



David Moyle AM has occupied senior academic and leadership roles at Flinders University and has been a leading environmental advocate in SA.

He has served extensively on statutory committees including Chair of the National Parks and Wildlife Council and Deputy Chair of the Native Vegetation Council. He is currently a Commissioner of the Environment, Resources and Development Court and a lecturer in the School of Natural and Built Environments at UniSA.

David is also a past President of Nature Foundation SA and the Nature Conservation Society of SA. He has been a Nature Foundation SA Councillor since August 1989.

TREASURER



Stephen Warren is a Fellow of CPA Australia and a Fellow of the Australian Institute of Company Directors. Stephen is currently employed by Fyfe Pty

Ltd, a land and resource development consultancy. He has served on several boards in the past and is currently the Chairman of the Motor Neurone Disease Association of SA. Stephen's interest in the environment stems from his passion to hike and cycle in our wonderful natural environment. Stephen joined Nature Foundation SA Council as the Treasurer in April 2010.

SECRETARY



Susie Herzberg is the Manager of Manyara Vineyard. She currently serves on the Boards of the Playford Memorial Trust and is a member

of the SA Wine Industry Association Environment Committee. Susie has worked as an urban and environmental planner with the Commonwealth, State and Local Governments and spent several years as a lecturer in the Architecture and Planning Faculty at the University of Adelaide. She was a member of the Board of the Botanic Gardens and State Herbarium for 14 years, three of those as Chair. She also has served on the Board of the South Australian Housing Trust, the Patawalonga Catchment Management Board, the City-State Forum and the State Cycling Council. Susie is a Past President of the Australian Institute of Urban Studies (SA). She has been a Nature Foundation SA Councillor since October 2006 and took up the position of Secretary in October 2010.

EXECUTIVE COUNCILLOR



Chris Reed has had a long-term passion for the land and environment. He is a fourth generation farmer from Burra and still runs a farm that has

been in his family since 1866. On leaving school, in addition to working the farm, he became a professional wool classer, and worked in many pastoral sheds across the rangelands of Australia. After spending ten years in local government, he became involved in landcare through the Eastern Districts Soil Board. After completing two terms as the Presiding Member of the SA Arid Lands Natural Resources SA Management Board, he joined Nature Foundation as an Executive Councillor and Chairman of the Property Management Committee in February 2011.

EXECUTIVE COUNCILLOR



Dr Robert Sharrad is a field biologist who has spent much of his life in the bush teaching trainee teachers and rangers or conducting wildlife surveys. His

particular interest is in small vertebrates, including reptiles. Bob lectures in ecology and animal behaviour at Flinders University. He has been an active participant in a number of scientific and conservation groups including: Native Vegetation Authority, Reserves Planning and Management Committee, Royal Society of SA, Chair of the Fire Research Coordination Group, State Councillor of the Ecological Society of Australia and Friends of Cleland (first Chair). He has been a Nature Foundation SA Councillor since November 1989 and a past president of the Foundation.

COUNCILLORS



Dr David Hansman is a semi-retired pathologist who was Director of Microbiology at the Women's and Children's Hospital for more than 25

years. He has had a lifetime interest in, and concern for, the natural environment. He has belonged to and supported numerous national and state conservation groups and has been an enthusiastic supporter of the acquisition and maintenance of nature reserves in Australia and overseas. He has been a Nature Foundation SA Councillor since September 2003.



Grant Piggott has significant expertise in corporate governance, financial management and community involvement. He is a chartered

accountant and works as the General Manager at the Royal Agricultural & Horticultural Society, responsible for events and commercial elements of the Royal Adelaide Show.

Grant was a Councillor from June 2010 until January 2011.



Greg Toop joined NFSA at the very first meeting of BushbankSA in 2003 and represented NFSA during this time with land-dealing

expertise and conservation interest. He became a Councillor in September 2009 and retired from this position in August 2010.



Megan Dyson is a self-employed environmental lawyer and policy consultant with over 15 years experience, working predominantly in

the public sector. She has special expertise in the development and administration of environment protection and water resource management laws, and a long-standing personal interest in native vegetation and habitat protection. Megan is also a member of the Board of the South Australian Environment Protection Authority (since 2003) and of the Board of Zero Waste SA (since 2007). She has been a Nature Foundation SA Councillor since May 2008.



Paul-John Mudie - known as 'P-J' - is an accountant with local firm Cleland McFarlane Selth. P-J has 15 years experience as an accountant, and has an

in-depth knowledge of income tax and accounting affairs pertaining to small and medium businesses from all sectors, especially primary producers. P-J is a Registered Tax Agent and holds memberships with the Institute of Chartered Accountants in Australia and the Tax Institute. Outside of the office P-J spends time tending to his own patch of native vegetation on an acreage south of Adelaide. P-J joined the NFSA Council in December 2010.



Dr Rob Morrison OAM is a retired Associate Professor of Environmental Studies at Flinders University, and has recently retired as the President

of the Royal Zoological Society of SA, which is responsible for Adelaide Zoo and Monarto Zoological Park. Rob has written dozens of articles and 28 books on science and natural history, and is co-author of 13 more. A science and environment broadcaster for 40 years on television and radio, he has won many national and international awards, including a Churchill Fellowship, the Michael Daley Award for Science Journalism and two Eureka Prizes. In 2005, he was the inaugural winner of the South Australian Award for Excellence in Science Communication. Together with Dr Deane Hutton, he co-hosted the long-running national television program Curiosity Show, which screened in 14 countries. Rob is a member of the Board of the newly established Australian Science Media Centre, Patron of National Science Week SA and in 2004 was awarded The Order of Australia for his Services to Conservation and Science Communication. He has been a Nature Foundation SA Councillor since December 1995.



Photo: Anne Jensen

COUNCIL & COMMITTEES

COMMITTEES	COMMITTEE MEMBERS		EXECUTIVE OFFICER
Research, Projects & Education	Susie Herzberg* Colin Harris Greg Johnston	Dr David Hansman Dr Rob Morrison OAM Dr Bob Sharrad	Jenny Paterson
Land & Water Acquisition: BushbankSA & Nature Gains	David Moyle AM* Bob Lott Megan Dyson	Bob Inns Kym Nicolson Bob Laws	Alex Nankivell
Land & Water Acquisition: Water for Nature	David Moyle AM* Bob Lott	Anne Jensen Peter Hoey	Jen St Jack
Property Management	Chris Reed* Bob Lott David Moyle	Kaz Herbst Greg Johnston	Alex Nankivell
Fundraising, Marketing & Events	Bob Lott* Barbara Hardy AO Dr Rob Morrison OAM Nicholas Newland AM	Annabelle Homer Adam Moyle Megan Rusk	Jenny Paterson / Patrick Mentzel
Finance, Governance & Legal	Stephen Warren* Paul-John Mudie	Susie Herzberg Megan Dyson	John Pike / Hannah Dean

* Denotes 'Chairs'

FELLOWS OF NATURE FOUNDATION SA

Clive Armour	Eric Jackson
Avis Bonnin	Elizabeth Law-Smith
Mark Bonnin	Betty Lewis
Warren Bonython AO	Bob Lewis
David Cleland	William (Bill) Nankivell
John Daenke	Julian Reid
Dr Barbara Hardy AO	Dick Smith AO

HONORARY LIFE MEMBERS

Robert Gerard AO	Reg Nelson
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FOR THE LOVE OF IT.

VOLUNTEERS: GIVING FREELY FOR THE LOVE OF CONSERVATION

ONCE AGAIN, IN THE PAST YEAR VOLUNTEERS HAVE MADE A SIGNIFICANT CONTRIBUTION TO OUR PROGRAMS AND THE GENERAL OPERATION OF OUR FUNDRAISING.

Our 'Friends' group kindly assisted with the AGM and Christmas drinks, and regularly collect, count and bank the money raised from the money-spinners in the Adelaide region. They also offer their time for tree-planting festivals, are always open to ideas and look forward to participating in any events that we might be conducting throughout the year.

We have also been privileged to have large organisations such as ETSA Utilities assist us at Para Woodlands by providing staff during planting days in June. Another organisation, Unilife at UniSA, promoted the Kangaroo Island Planting Festival and NFSA helped subsidise over 100 students to assist with planting at Cygnet Park Sanctuary during the Festival.

There have also been many willing hands at Witchelina where a mountain of volunteer work has been undertaken to restore and repair buildings, mostly by the highly dedicated and capable Hunting and Conservation Branch of the Sporting Shooters Association of Australia.

Each of the Foundation's council members and committee members is also a committed volunteer, some over a period of many years, and they contribute long hours in their areas of expertise to see the Foundation meet its aspirations.

Nature Foundation SA is very grateful for all the substantial contributions of time and energy we have received in the past year; and would like to sincerely thank everyone who contributed for the tireless hours they gave for the benefit of the environment.

Patrick Mentzel
Fundraising and Marketing Manager



Para Woodlands 2011 Volunteers



Cygnet Park 2010 Volunteers



Volunteers relocating a water tank at Witchelina in December 2010. Photo: Hunting and Conservation Branch of the Sporting Shooters Association Australia.

WORKING TOGETHER.

PROPERTY MANAGEMENT COMMITTEE



Sowing class. Dave Taylor laying out seedlings at the 2010 Kangaroo Island Planting Festival at Cygnet Park Sanctuary.



Herpetologists Chelsea Lane and Mark Hutchinson collect dead scales from a Gidgee Skink (*Egernia stokesii*) for DNA analysis during Bush Blitz at Witchelina.

WITCHELINA

More rain, fewer ferals and an abundance of research

It happened that 2010-2011 came in the midst of a La Niña period which saw much wetter than average conditions across inland arid Australia. Approximately 400mm of rain fell at our Witchelina Reserve – around double the annual average. The consistent rains have been a blessing to pastoralists and conservationists alike, signalling an end to ten years of punishing drought. The excellent season has had a dramatic effect upon the plants and animals at Witchelina, giving the property a huge boost on its journey of regeneration.

Despite researchers being hampered by rain-soaked and boggy roads, the past twelve months have yielded many highlights:

- To reduce grazing pressure impacts on plants, we implemented a goat control program, including a highly successful goat muster involving a local indigenous group. A total of 2,400 goats have been removed since February 2010 through a combination of activities, resulting in significantly less feral grazing at Witchelina. We look forward to seeing the benefits of faster natural regeneration in our vegetation monitoring work.

- We have promoted academic research on the property to help us better understand its conservation values and the ecology of arid environments. Nature Foundation SA research grants are available for specific research at Witchelina, and one Flinders University PhD recipient has already added more knowledge to our understanding of the various sub-species of Brown Snakes.
- We have begun working on upgrading the homestead precinct - for example, retrieving the poly tanks from bores to increase rain water capacity, servicing and maintaining old generators, and rewiring old electrical circuits to make them compliant with today's standards. We have also set about making some of the buildings more habitable to support research and other visitors, and the seemingly never-ending task of removing rubbish that has accumulated over many years.
- Our neighbours are working with us to maintain and improve boundary fencing, and have assisted with both the trucking of mustered goats and the grading of roads damaged in the rains.
- After hosting the Commonwealth Government's 'Bush Blitz' biodiversity discovery program at Witchelina in October 2010, we are eagerly awaiting the full research report that we believe will include the presence of many previously undiscovered insect species.

Nature Foundation SA's Council visited Witchelina for a three-day trip in April to view progress and finalise plans for a diverse work schedule in 2011-12. This work will include:

- A major biological survey across the property in October. Results of fauna and flora presence from this survey will be a key contribution to our conservation management plan, as we continue to learn about and monitor the many habitats within its 4,200 square kilometre expanse.
- An ongoing monitoring program that records changes in variables such as plant recruitment, regeneration, and species diversity of both plants and animals over time is crucial to our capacity to demonstrate the environmental improvements at Witchelina. This will allow us to quantify our achievements, demonstrate precisely how Significant Environmental Benefits are being gained, and provide us with the data to continually adapt and improve our conservation techniques.
- Improvements to the homestead precinct will include major upgrades to the power supply, accommodation and water supply. This is a high priority in order to improve the functionality of the property for our conservation management staff, and also to encourage regular, world-class research to be undertaken at Witchelina.

TILIQUA

Positive steps towards learning about a precious lizard

In December 2010, Tiliqua Reserve was launched, celebrating the creation of the first protected area in South Australia specifically managed for the conservation of Pygmy Bluetongues (*Tiliqua adelaidensis*).

This critically endangered reptile, once considered extinct, now has a dedicated 83-hectare reserve that is protected from further agricultural development. The acquisition of this reserve is the culmination of work by a number of partners including Nature Foundation SA, the Commonwealth of Australia (through Caring for our Country), the state government, Flinders University and Chris Reed, the previous owner and an NFSA Councillor.

Prior to the species' rediscovery in 1992, Pygmy Bluetongues hadn't been seen since the late 1950's. As a result of this hiatus, hidden from the world, we are only beginning to understand the biology, genetics and ecology of this cryptic little creature.



A landscape changed by rain – looking out over an inundated Tea Tree Swamp, Witchelina.



Pug Hill Hut outstation, under Witchelina's endless skies.



A world of enthusiasm - International Student Volunteers planting Buloke Woodland understorey species at Frances Parklands in June 2011.



A little help ... is still help! Volunteers of all ages getting involved at the 2010 Kangaroo Island Planting Festival at Cygnet Park Sanctuary.

Since Tiliqua Reserve's purchase in mid 2010, the Foundation has been working towards developing a comprehensive management plan for the property that aims to provide maximum benefit for its population of Pygmy Bluetongues. This will be achieved by continuing to support the high quality research that has been taking place on the property since rediscovery.

Flinders University's Professor Mike Bull has been leading a team of PhD students at this location for six years. Mike's research has been focused on the ecology, behaviour and genetics of the lizard. Interestingly, through this research it has been found that a degree of grassland grazing is almost certainly essential. Light grazing reduces shading and allows effective lizard thermoregulation as they bask at their burrow entrance. It also reduces vegetative barriers, helping the lizards more easily capture their invertebrate prey. On the other hand, too much grazing reduces grass density, makes basking lizards more visible and exposes them to higher predation risk. It may also reduce the amount of invertebrate prey available in the lizard's habitat.

The Foundation looks forward to continuing working with Mike Bull and his team, to help further understand this relationship with grazing. We will also work towards preparing simplified methodologies for monitoring lizard populations and refining specific management recommendations for the lizards.

CYGNET PARK

A festival of planting for native plant regeneration

In March 2010, Nature Foundation SA became a proud joint owner of Cygnet Park Sanctuary on the Cygnet River, Kangaroo Island. The 300 hectare property was purchased jointly with widely respected scientists David and Penny Paton and American philanthropist Jack May. The purchase was also assisted and supported by the SA Department of Environment and Natural Resources (DENR).

Over the past year, a significant amount of activity has been undertaken by the DENR management team as part of the Kangaroo Island Threatened Plants Recovery Project, supported by NFSA and the other co-owners.

Seed collection from 160 different species was undertaken both on and off Cygnet Park Sanctuary, with propagation of 120 of these for use in the July 2011 Kangaroo Island Planting Festival. Propagation was aided by eight volunteers from Conservation Volunteers Australia (CVA), two graduate Rangers and one graduate student. In order to achieve the substantial planting targets of the festival, the onsite nursery was expanded to increase its capacity by 30,000 plants to 130,000.

The 2010 KI Planting Festival involved a total of 444 volunteers, who planted 91,000 plants over 44 hectares. This was followed up by the additional planting of 1,200 over-storey plants by a group of 40 school children, and direct seeding of 44 kilograms of native seed.

Weed control was undertaken in existing revegetated areas, and to prepare the site for the

2011 planting areas. This included a controlled grass burn of the 2011 planting site to reduce weed seed, as well as 'scalping' to remove the weed seed bank and nutrient rich topsoil.

Research was undertaken in the restoration areas, including study of survival rates, direct seeding success rates and experimental surveys to test effectiveness of site preparation techniques. An Eastern Plains Fire Trial Research burn was undertaken in spring. David Paton led 12 graduate and undergraduate student volunteers in undertaking bird surveys that included mist netting and banding. Nest monitoring and banding of Glossy Black Cockatoos was also conducted throughout the year, aided by two volunteers.

FRANCES PARKLANDS

Reintroducing an endangered plant to save an endangered bird

The Frances Parklands project, funded through a Significant Environmental Benefit (SEB) payment from ElectraNet and supported by DENR, aims to revegetate 6 hectares of Buloke (*Allocasuarina luehmannii*) Woodland, an endangered plant community, in order to restore feeding habitat for the nationally endangered South-eastern Red-tailed Black-Cockatoo (*Calyptorhynchus banksii graptogyne*).

The 2008 and 2009 plantings of Buloke are showing excellent survival rates, following good rains that have continued into 2010/11. Two rounds of weed control were undertaken this year, in addition to further plantings by an International Student Volunteers group, which planted 2,500 Buloke Woodland under-storey species to increase the habitat values of the site.

PARA WOODLANDS

The progress at Para Woodlands continues to demonstrate every facet of what is involved to regenerate a Peppermint Box Grassy Woodland. The year culminated in June with another successful annual planting festival of 16,000 mostly native grasses, herbs and sedges.

During the year, weed control, fauna research and community engagement were major features of the Restoration Implementation Plan.

The plan's actions, developed by the Project Team at the Department for Environment and Natural Resources (DENR), reflect expert input from a Technical Advisory Group. The Restoration Ecologist, Leanne Pound of DENR, implemented this highly effective conservation plan that involved both bush care and replanting methods. In areas of good remnant vegetation native flowers and herbs are self-regenerating. Selective replanting and weed management was the approach for more heavily degraded locations.

Plants for the major planting exercise are sourced from local growers and often propagated from seed collected at Para Woodlands. The on-site plant orchard also continues to expand.

Efforts to identify species diversity made good progress. The first fish survey located and identified 6 species including the natives Flathead Gudgeon and Common Galaxias. The extensive work by David Paton and his team from University of Adelaide to study birds has now identified 68 native species of which 2 are rare in South Australia and 17 are declining in the Mount Lofty Ranges.

Further very generous contributions from Elizabeth Law-Smith totalled \$3.5 million to create a capital fund managed by the Foundation. This fund generates annual income to provide the project with a budget for annual operating costs. Elizabeth's energy for the project is an inspiration to the Steering Committee where she is an active member.

As Para Woodlands is situated on the Gawler residential area fringe, there are pressures on the woodlands ecosystem. The Foundation and DENR developed a brief submission to the State Government's request for input to the 'Protecting the Barossa Valley and McLaren Vale' discussion paper. In connection with the neighbouring

Gawler East residential development shortly to be commenced by Delfin Lend Lease, the Foundation responded to the Commonwealth Government's request for views about the protection of Irongrass communities that are listed as endangered on a national scale and the Foundation may have a role to play in the future.

Volunteers again played a strong role at the reserve, especially the ongoing commitment of ETSA Utilities staff who attended the 2010-2011 planting festival and also contributed throughout the year with working teams to battle against invasive weeds, particularly olives, in the often inaccessible creek line walls.

Chris Reed
Chair, Property Management Committee

WE WORK TO RAISE COMMUNITY
AWARENESS OF THE IMPORTANCE
OF NATURE CONSERVATION AND
RESPONSIBILITY FOR PROTECTING
THE ENVIRONMENT.



NEW BEGINNINGS.

THE LAND AND WATER ACQUISITION COMMITTEE



A NEW, STREAMLINED STRUCTURE.

In February 2011, the Foundation underwent a reshuffle of its committee structure with Water for Nature, Bushbank and Nature Gains being combined to form the Land and Water Acquisition Committee. Water for Nature remains a stand-alone sub-committee, while Bushbank and Nature Gains committees have been merged to form the Bushbank and Nature Gains sub-committee. The only change to the committee membership was the addition of Bob Inns. Bob has had a long career with the Department of Environment and Natural Resources, and is currently manager of public land stewardship. He brings a significant body of knowledge regarding native vegetation and its management.

SAD GOODBYES, FRESH FACES AND SMART STRATEGIES.

Tragedy struck the Foundation in October 2010 with the sudden passing of Chief Executive Officer, Jim McHugh. Jim's passing led to the Nature Gains committee undergoing a hiatus for the balance of the 2010 year.

Nature Gains reconvened in February 2011 under the new committee structure, with the addition of new Chief Executive, Andrew Reilly. Andrew has quickly schooled himself in the business of Nature Gains, particularly in the area of Significant Environmental Benefit (SEB) legislation, and has hit the ground running, re-engaging with potential SEB clients and government officers.

The committee worked on a new land acquisition framework designed to target the Foundation's focus at land with flora and fauna of high conservation that fits into South Australia's broader plans to protect a diversity of representative habitat.

BEQUESTS TO NATURE FOUNDATION SA LEAVE A LASTING BENEFIT.

OVER THE YEARS, NATURE FOUNDATION SA HAS GRATEFULLY RECEIVED SEVERAL BEQUESTS AND GIFTS FROM INDIVIDUALS WHO HAVE WISHED TO MAKE A LASTING DIFFERENCE TO THE SOUTH AUSTRALIAN ENVIRONMENT.

We heartily encourage anyone with a love of our environment to consider leaving something for our natural heritage, and we sincerely thank all those people who have already made this important decision.

Like any well-run environmental organisation, Nature Foundation SA needs funds for its everyday operation, and also for its various research and conservation projects. Bequests or gifts to the organisation can be made in many different forms and can, by request, be used to undertake the work of the Foundation or for specific projects.

Since formally setting up our bequest, visitation and information programme a few months ago, we have had the pleasure of visiting over two dozen of our supporters in both city and country areas. Some of these people have expressed an intention of bequeathing their precious land to our organisation so that it can be protected. These properties include Buloke scrub in the south-east of the state, Mallee in the mid-north and revegetated farmland in the Adelaide Hills. Several people have also expressed an intention to leave something to Nature Foundation SA in the form of an annuity.

It is with gratitude and sincere thanks that we accept these gifts. If you are considering making a bequest or gift of your own, we encourage you to contact Nature Foundation SA to discuss the many options available. Your generosity could make a significant difference to the future of conservation in South Australia, and the natural heritage to be inherited by generations to come.

Madeline Wearne
Community Liaison & Membership Officer



PROTECTING LAND.

BUSHBANK SA



Wurmbea dioica in flower at Yandiah Bushland



Rosy Bluebush (Maireana erioclada) in fruit at Blanchetown Bushland Estate.



Wildflowers in bloom amongst the Peppermint Box (Eucalyptus odorata) at Yandiah Bushland



Ironbank Bushland



Beetaloo Valley Bushland

BUSHBANKSA CURRENTLY HOLDS SIGNIFICANT PROPERTY ASSETS. FOLLOWING THE GLOBAL FINANCIAL CRISIS, THE RECOVERY OF THE NATIONALLY SUPPRESSED PROPERTY MARKET HAS BEEN SLOW; HOWEVER PROGRESS HAS BEEN MADE IN PREPARING HELD PROPERTIES FOR RESALE.

The BushbankSA Sub-committee has focussed its energies this year on improving processes to speed up our ability to on-sell properties to private conservationists, in addition to conducting on-ground works on the properties we hold. A sales campaign in September 2010 helped raise awareness and interest in the program.

Many BushbankSA properties were not able to be sold as the Heritage Agreement processing times were extended to well over a year due to external issues. As such, some properties have remained under contract for the majority of the financial year. It is expected that these contracts will be able to be settled early in 2011/12.

IDENTIFYING PROPERTIES FOR ACQUISITION

BushbankSA continues to source properties on the open market, measuring a property's conservation significance against a set of criteria that reflect national conservation objectives. Each property must:

- meet the criteria of the Native Vegetation Council to apply a Heritage Agreement
- contain significant wildlife and habitat conservation values

- contain ecological communities that are under-represented in the National Reserve System
- have the potential to maintain ecological viability and integrity of those values for which the purchase is being considered.

PROPERTIES HELD UNDER THE BUSHBANKSA PROGRAM

Blanchetown Bushland Estate

Comprising 10,300 hectares west of Blanchetown, divided into eleven allotments, one of which is sold. A new real estate agent and a body corporate manager were appointed in 2010/11. A fox baiting program and fencing repair work were undertaken.

Ironbank

Comprising 18 hectares over two allotments located in the Adelaide Hills adjacent to the Mark Oliphant Conservation Park. Both allotments were under contract for the majority of the financial year, awaiting Land Management Agreement and Heritage Agreement amendments to be completed and registered on the title.

Beetaloo Valley

Located in Beetaloo Valley near Laura, this 80 hectare property is divided into two allotments. The boundary between the two Bushbank SA allotments and the neighbouring arable land was fenced. The Heritage Agreement application submitted in October 2009 was pending approval during 2010/11, which would allow settlement of a contract on one of the allotments.

Yandiah

A 14 hectare property near Wirrabara in the Mid North, Yandiah's Heritage Agreement application is still pending approval.

PROSPECTIVE PROPERTY ACQUISITIONS

Ridley

Comprising 141 hectares of Crown Land north of Black Hill on the Marne River; BushbankSA currently holds an Interim Crown Lands Occupation Licence and is awaiting transfer of the land parcel to freehold to complete the purchase.

Fourteen properties were investigated for potential purchase during 2010-11. Reasons for rejecting their purchase included:

- poor vegetation condition
- too expensive
- already under Heritage Agreement
- inappropriate zoning
- insufficient sales of held properties to allow for purchase.

Following the sale of some held assets, properties in the final category will be reconsidered for purchase.

Over the life of the BushbankSA program to date, 13 properties have been purchased, ten sold to private conservationists, and three are under contract to be sold. Nature Foundation SA has covenanted 11,647.14 hectares under Heritage Agreements, and an additional 104.8 hectares will be covenanted once existing Heritage Agreement applications have been approved.

I wish to thank my fellow voluntary committee members Bob Lott, Kym Nicolson and Bob Inns, as well as our conservation team, Alex Nankivell and Jen St Jack, for all of their hard work.

David Moyle
Chair, Bushbank SA and
Nature Gains Sub-committee

LET IT RAIN.

WATER FOR NATURE



Aerial image taken in March 2011 captures Water for Nature environmental watering site Hogwash Bend inundated during the flood.



Project Officers from Local Action Planning Associations admiring the impacts of the flood at Overland Corner after a CARE Team meeting.



Water for Nature Committee member Anne Jensen inspecting a prospective watering site during the flood in February 2011

WHAT A YEAR! ABOVE AVERAGE RAINFALL STARTED IN AUGUST AND REALLY JUMPED UP IN DECEMBER, WITH 476% OF AVERAGE RAINFALL ACROSS THE MURRAY-DARLING BASIN.

With rains only starting to ease in March, the Murray saw its highest flows since 1993, with a flow peak of 90,000 megalitres per day over the South Australian border that started late – in summer rather than spring – then peaked twice again. After 18 years of drought, our wetlands and floodplains were finally filling with life-giving water. As of the end of the financial year, many are still very wet.

Water for Nature capitalised on this flood event by purchasing 30 megalitres of permanent water entitlements at a significantly reduced price in December 2010, thanks to a commitment from the NFSA Council to use \$45,000 from the Barbara Hardy Fund for Nature. This acquisition has brought Water for Nature's permanent water holdings to 37 megalitres, which has put us in good stead to leverage further water donations and deliver significant environmental watering projects.

As nature was effectively doing our watering work for us, this year provided an opportunity to reassess our water acquisition and project delivery strategies. Significant work was undertaken to revise the

Water for Nature Strategic Plan, to effectively guide the program through 2011-13 in light of changing conditions within the Basin.

Efforts were also made to develop stronger partnerships with the program's primary stakeholders, namely Local Action Planning Associations, the SA Department for Water, SA Murray-Darling Basin NRM Board, irrigators, the Commonwealth Environmental Water Holder, water broker Waterfind, and other water trusts under the banner of the Water Trusts Alliance.

Project scoping and planning work was undertaken to utilise our increased water holdings to the greatest environmental advantage in the future. An extension of our Save the Living Murray Fund grant agreement with the Department for Water has enabled the 2010-11 instalment of \$115,000 to be utilised to deliver the program in 2011-12.

In more good news for the year, monitoring results received in February indicated significant improvements to Regent Parrot breeding at our Hogwash Bend watering site. In 2003-04, there were 22 nesting trees with 29 nests recorded at the site, which increased to 38 nesting trees with 47 nests in 2010 after our two watering projects. The Riverland West LAP, who coordinated the on-ground works for these projects, attributed this improvement directly to the watering.

We would like to extend a huge thank you to all of our donors who have made these projects possible and contributed to the survival of this threatened species.

I wish to also thank my fellow voluntary committee members Bob Lott, Anne Jensen and Peter Hoey, as well as staff member Jen St Jack, for all of their hard work.

David Moyle
Chair, Water for Nature Sub-committee

RESEARCH & EDUCATION.

RESEARCH, PROJECTS AND EDUCATION COMMITTEE

NATURE FOUNDATION SA GRANTS TWO ROUNDS OF FUNDING EACH YEAR, DURING WHICH WE SEEK APPLICATIONS FOR FUNDING FROM RESEARCHERS, STUDENTS, AGENCIES AND COMMUNITY ORGANISATIONS.

All applications are considered and appraised against the objectives of the Foundation, and funding is allocated on the basis of:

- the quality of the project
- the relative importance of the outcomes (taking into account the aims of the Nature

Foundation and information from appropriate technical experts)

- value for money (which includes the potential of the project to attract funds from other sources) and
- the availability of funds at that time.

A total of \$169,036 grant funds was awarded in 2010-2011.

The Nature Foundation SA 'Grand Start' program provides small postgraduate scholarships - mostly in the range of \$1,000 to \$2,000 - to assist Honours students' research into our local

biodiversity, and to support the development of scientific skills in field research. These have been generously supplemented by private donors who have funded five of these scholarships, thus helping to train the next generation of field biologists. Grants are also available for PhD students. In 2010-2011, \$53,500 was awarded to PhD and Honours students.

In addition to this program, Research Project Grants to the value of \$50,836, ARC Linkage Grants valued at \$47,000 and Community Grants totalling \$17,700 were awarded in 2010-2011.

ARC LINKAGE RESEARCH GRANTS 2010-2011

UNIVERSITY/GROUP	RESEARCHERS	TITLE
University of Adelaide	A/Professor Bronwyn M Gillanders	Importance of higher order predators in marine conservation planning
University of Adelaide	A/Professor Bronwyn M Gillanders and Prof Steve Donnellan	Resolution of the systematic status of the giant Australian cuttlefish in response to development in the Upper Spencer Gulf
Flinders University	Prof Michael Bull	Research and management of the Pygmy Bluetongue at Wandillah (Tiliqua Reserve)
Barbara Hardy Institute - University of SA	Dr Delen Weber; Dr Douglas Bardsley, Professor Guy Robinson, Professor Graeme Hug & Dr Emily Moskwa	Bushfires & biodiversity: Balancing perceptions of fire risk and conservation to guide native vegetation management in SA
University of Adelaide	Prof Andy Austin, Assoc Prof Jose Facelli	Investigation of the impact of fire on the reproductive ecology of terrestrial orchids
TOTAL ARC LINKAGE RESEARCH GRANTS AWARDED \$47,000		

RESEARCH GRANTS 2010-2011

UNIVERSITY/GROUP	RESEARCHERS	TITLE
Australian National University	Laurence Edward Berry	The influence of fine scale spatial components within a fire mosaic on avian community composition, Pinkawillinie SA
DENR - Kangaroo Island	Michael Barth	Annual Census 2010 for the endangered SA Glossy Black-Cockatoo - Kangaroo Island
University of Adelaide	Dr Russell Sinclair	The TGB Osborn Vegetation Reserve, Koonamore
Flinders University	Dr Mike Gardner	Investigating movement and parasites of the Gidgee Skink, a lizard with an unusual social structure at the Witchelina Homestead
Flinders University	Julie Schofield	Dispersal and population genetics of the Pygmy Bluetongue lizard (<i>Tiliqua adelaidensis</i>) and the implications for conservation management and translocation
Flinders University	Brendon Meulders	Assess physiological stress of birds in habitat with different time-since-fire, and also assess predation risk across burn ages
SE Red-tailed BC Recovery Team	Bronwyn Perryman	Red-tailed Black-Cockatoo Recovery Program Census
SA Museum	Peter Shaughnessy	Abundance of seal pups on North Casuarina Island (Kangaroo Island) in the 2010-2011 summer
DENR Wyndgate Office	Clare Manning	Determining the current status of the Fairy Tern (<i>Sternula nereis nereis</i>) in South Australia
TOTAL RESEARCH PROJECT GRANTS AWARDED \$50,836		

RESEARCH SCHOLARSHIP GRANTS 2010-2011

UNIVERSITY/GROUP	RESEARCHERS	DEGREE	TITLE
Flinders University	Leili Shamiminoori	PhD	Photographic identification of the endangered Pygmy Bluetongue lizard (<i>Tiliqua adelaidensis</i>): towards a non-invasive recognition method
Flinders University	Helen Waudby	PhD	The role of cracking clay soils in maintaining biodiversity in South Australia's arid rangelands
Flinders University	Jenna Christmas	PhD	The effectiveness of weed management activities in Scott Creek Conservation Park and Belair National Park in the conservation of native plant species
Flinders University	Krystal M Jay	PhD	Behavioural patterns, photo-identification and interaction factors of the Southern Right Whale - an insight into the ecology and welfare of an endangered species
University of Adelaide	Owen Burnell	PhD	Sea urchin overgrazing in contemporary and future seagrass meadows: how do global and local stressors affect top-down grazing pressure
University of Adelaide	Nicholas Fuller	PhD	Landscape genetics of Long-eared Bats in fragmented populations of south-eastern Australia
Flinders University	Jason Earl	PhD	Localised movement, habitat utilisation and reproductive behaviour of Greenback Flounders in the Murray Mouth estuary and Coorong lagoons, South Australia
University of Adelaide	Thomas C Barnes	PhD	How are Mulloway populations structured in southern Australian waters
University of Adelaide	Elizabeth Maciunas	PhD	Life cycle and life-history strategy of <i>Cassytha pubescens</i> (Lauraceae)
Flinders University	Sarah Pearson	Honours	Do parasites affect animal social systems - an investigation of links between parasite diversity/intensity and Gidgee Skink social structure
University Adelaide	Georgia Heath	Honours	Effects of goanna (<i>Varanus goldii</i>) foraging sites on annual species distribution in Chenopod shrublands
University of Adelaide	Brodie Philip	Honours	Habitat preferences of an endangered marsupial, the Sandhill Dunnart
University of Adelaide	Amanda Mclean	PhD	Conservation and management of an endangered marsupial
University of Adelaide	Rebecca West	PhD	Returning Warru to the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in SA
University of Adelaide	Deborah Jane Furst	PhD	The Chowilla Floodplain: the influence of water regime on the development and transport of zooplankton and the implications for native fish
Flinders University	Jessica Strauss		Testing a mark re-sighting method for estimating abundance of Southern Hairy-nosed Wombat (<i>Lasiorchinus latifrons</i>) at Brookfield Conservation Park
Flinders University	Ryan Baring		An investigation of the role that floating macrophytes play as a transitional habitat continuum for fish fauna from source to sink
Monash University	Kystina Mossop	PhD	The effects of aquatic pollution on a native desert-dwelling fish: insights for management and conservation
Flinders University	Kate Frahn	PhD	A study of the role of seed banks in the successful restoration of freshwater wetlands
University of Adelaide	Sarah Roseann Catalano	PhD	Dicyemid parasite diversity in South Australian cephalopod species as a tool to explore species status in Giant Australian Cuttlefish (<i>Sepia pama</i>)
University of Adelaide	Alexandra Stoner Bowman	PhD	Fallen logs: creating patchiness in chenopod scrublands in South Australia
Flinders University	Shea Cameron	PhD	Substrate specific colonisation and succession of invertebrate communities on artificial reefs
Flinders/SARDI	Matthew Heard	PhD	Assessment of Thresher Shark vulnerability to Australian commercial and recreational fisheries
TOTAL RESEARCH SCHOLARSHIP GRANTS AWARDED \$53,500			

COMMUNITY GRANTS 2010-2011

COMMUNITY GRANTS	APPLICANT	TITLE
Scientific Expedition Group	Graeme Oats	Bimbowrie Biological Field Survey
Maggy Ragless - Historian		Witchelina's Land, Nature & People - The history of Witchelina
Marine Discovery Centre	Tim Hoile	Marine Scientists Sessions in the MDC program
Kingston Community School	Phil Obst	Millicent & Kingston Schools Native Fish Breeding Projects Program
Koala Rescue Group		Travel expenses to train individuals in koala rescue
TOTAL COMMUNITY GRANTS AWARDED \$17,700		

ARC LINKAGE RESEARCH GRANTS	\$ 47,000
RESEARCH GRANTS	\$ 50,836
RESEARCH SCHOLARSHIP GRANTS	\$ 53,500
COMMUNITY GRANTS	\$ 17,700
TOTAL GRANTS	\$169,036

ROY & MARJORIE EDWARDS SCHOLARSHIP FUND

Following assessment of a number of high quality applications, the Research, Projects and Education Committee selected two students to be awarded scholarships funded by the Roy and Marjorie Edwards Fund. Scholarships were awarded to You Li for her PhD study on conservation genetics of the Southern Brown Bandicoot, and to Rebecca West for her PhD study research regarding returning the Warru to APY lands in SA.

FRIENDS OF PARKS GRANTS

In October 2010, the Foundation held an appeal to raise funds for projects undertaken by the many volunteers in Friends of Parks groups across the state. A large number of applications were assessed and a total of \$14,915.00 was allocated to ten projects.

NATURE FOUNDATION SA- FRIENDS OF PARKS GRANTS 2010

FRIENDS OF PARKS GROUP	NAME OF APPLICANT	TITLE
Friends of Deep Creek	Chris Royans	Tapanappa Road, Roadside Revegetation Project
National Parks Heritage Committee	Dene Cordes	Main Pavilion, Belair National Park – painting & preservation of exterior timbers
Walking Trails Support Group	Peter Beer	Hardware associated with distribution of natural history interpretation and collection of public donations in Flinders Ranges National Park
Friends of Blackwood Forest Recreation Park	Debbie Reynolds & Jackie Taylor	In line with the Management Plan for the Park, the acquisition of a brush cutter will greatly assist in the control & eradication of invasive weeds such as blackberry, phalaris, rick millet & feather grass which are a significant problem.
Friends of Shepherds Hill Recreation Park	Melinda Broadhurst	Contractor to poison woody weeds on slopes, brush cut lavender and also spot spray <i>Phalaris</i>
Friends of Southern Eyre Parks	Brian Gould	Produce a quality brochure as a guide to the birds in Lincoln National Park
Minton Farm Animal Rescue Centre	Bev Langley	Purchase of garden mulcher to be used for reduction of materials produced that could be a fire danger at Minton Farm
Friends of Scott Creek Conservation Park	Tom Hands & John Butler	The area where the funding will be used has a serious infestation of Sugar Gums, Broom and several other woody weed species. The sugar gums will be ringbarked and/or drilled and filled with herbicide. Broom and other exotics will be cut and swabbed.
Walking Trails Support Group	Peter Beer & Rob Marshall	Replacement of checkpoint maps on the Haywards Huts and Bunyeroo Wilcolo walks in Flinders Ranges National Park. The aim is to replace checkpoint maps which due to a combination of predictable weathering and visitor use are becoming illegible.
Friends of Mount Gambier Area Parks	Bryan Haywood	Penambol conservation Park Butterfly Walk
TOTAL FRIENDS OF PARKS GRANTS AWARDED \$14,915		

WE PURCHASE AND MANAGE
LAND OF CRITICAL
CONSERVATION SIGNIFICANCE.

THE ECONOMICS OF CONSERVATION – CURRENT SUCCESSES AND FUTURE STRATEGIES.

FUNDRAISING AND MARKETING REPORT

This financial year was another excellent year of expansion for the Foundation; perhaps the highlight of which was the launch of Tiliqua Reserve in December. Of course, adding Tiliqua to February 2010's purchase of Witchelina increases the need for funds to maintain these properties in future years. We have a fine list of sponsors that are assisting these properties, and we are always looking towards the horizon for additional organisations to support our current and future programs.

The Fundraising and Marketing Committee has been meeting monthly since February 2011 to plan fundraising events, appeals for programs and general revenue-raising activities scheduled throughout the calendar.

The main events included the KI Winery Tour in September, near Kuitpo Forest Reserve, which was enjoyed by a happy group on a perfect spring day. The Annual Dinner, hosted at the Adelaide Zoo in December, was booked out, and raised much-needed funds for the organisation. Experiences

included meeting the pandas Funi and Wang Wang, as well as a fascinating talk by Dr David Schultz, Head Veterinarian, featuring his past work and adventures. In May, the Currency Creek Arboretum Tour was held and, although attended by a relatively small group, was a particularly rewarding day.

There were three major appeals over the course of the year, raising well over \$100,000. The first was the Friends of Parks September Appeal, which raised \$15,000. The Barbara Hardy Fund for Nature February Appeal raised over \$29,000 and the Vital Work Appeal raised approximately \$63,000. These appeals continue to assist the nominated programs in numerous ways and are paramount to their futures.

General revenue-raising included NatureDollars, our monthly giving program, which contributed around \$7,000. Our membership income totalled over \$13,000 and represented 403 fully-paid members. We also received nearly \$9,000 from our money-spinners located at Cleland, Mount Lofty and Kangaroo Island.

The Fundraising and Marketing Committee set in motion a new program of initiatives for 2011 with planning underway for many in the second half of the calendar year. Amongst these new initiatives are the Walk for Nature in October to raise awareness and build funds, retail fundraising at shopping centres, work with farmers on the Yorke Peninsula, plus a new program to invite varying levels of corporate sponsorship for our ongoing conservation of South Australia's environment.

As we continue to expand the properties we own, as well as the research we undertake, the Foundation's funding needs continue to grow. Through building our profile, ongoing fundraising and a progressive marketing plan, we are confident that we are well-placed to meet our present obligations, with an eye to growing our conservation efforts in coming years.

PATRICK MENTZEL
FUNDRAISING AND MARKETING
MANAGER

FRIENDS OF NATURE FOUNDATION SA.

GREETINGS!

Did you notice we have a new name? I'll leave it to you to recall what we were previously called. After some discussions about our 'sense of direction' during this last year, we decided that a name change would more accurately reflect what we see as our role and our relationship with the Foundation. The role of the Friends group is to help with the many activities of the Foundation, but we do not see ourselves as a money-raising body – we leave that to the highly active Fundraising and Marketing Committee and to the many benefactors that the Foundation has.

Our members helped by staffing a most attractive stall at the Autumn Plant Sale held at the Royal Adelaide Showgrounds from 14th-15th May in 2011. A good number of native plant enthusiasts called in at our stall. We spoke with them and shared some of our newsletters and leaflets. We hope we have encouraged further interest in Nature Foundation SA and its work.

A number of the Friends have spent time in the Foundation's office to assist with cataloguing projects and updating membership records.

We are fortunate to have among our members several people who are also active members of the Hunting and Conservation Branch of SSAA, who have done - and continue to do - marvellous work restoring buildings and equipment at Witchelina. Their reports are absolutely inspiring and this group really has done wonders.

We look forward to another great year helping the Foundation in any way that we can.

JOHN SIBLY
PRESIDENT, FRIENDS OF NATURE
FOUNDATION SA

ANNUAL DINNER 2010 SUPPORTERS.

It is with sincere gratitude that we thank the following businesses and people for their support of our 2010 Annual Dinner and Silent Auction held at the Adelaide Zoo:

ABC Adelaide

Adventure Kayaking

Andrew Telfer

Arkaba Station

Australasian Science Magazine

Australian Wildlife Gallery

Bennett's Pottery

Big River Stayz

Centre for Creative Photography

Coromandel Native Nursery

Cosmos Magazine

Cruising Kangaroo Island

Gardening Australia

Good Food KI

Graham Henley

Hettie's Patch

Island Intrigue

Jolly Goodfellows Birding

KI Winery

Kangaroo Island Source

Kangaview

Madeline Wearne

Matilda's Bookshop

Native Plant Wholesalers

Perry's Fruit & Nut Nursery

Pimlotts Framing

Snowy's - Keswick

Steve Morvell

Suzanne Kambuts

WEA Adult Learning

Wendy Jennings

Wilpena Pound Resort

WME Publishing

WE ACTIVELY PROMOTE GOOD ENVIRONMENTAL PRACTICES AND FOSTER COMMUNITY UNDERSTANDING OF THE VALUE OF OUR NATURAL HERITAGE AND THE IMPORTANCE OF CONSERVATION.



Photo: Tim Bond, National Reserve System (NRS) Witchelina visit August 2010

FINANCIALS

ABN: 24 131 531 874 | FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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COUNCIL'S REPORT

30 JUNE 2011

The Nature Foundation SA Council members submit the financial report of the Foundation for the financial year ended 30 June 2011.

I. GENERAL INFORMATION

Council members

The names of Council members throughout the year and at the date of this report are:

Bob Lott
David Moyle AM
Suzie Herzberg
Stephen Warren
Bob Sharrad
David Hansman
Megan Dyson
Rob Morrison OAM
Greg Toop (resigned 18 August 2010)
Chris Reed (appointed 13 December 2010)
Paul-John Mudie (appointed 13 December 2010)

Principal activities

The principal activity of Foundation during the financial year was the promotion of good environmental practices and the fostering of community understanding of the value of natural heritage.

Significant changes


No significant change in the nature of these activities occurred during the year.

2. Operating results and review of operations for the year

Operating result

The profit of the Foundation for the financial year after providing for income tax amounted to \$ 2,580,544 (2010: \$4,867,642).

Signed in accordance with a resolution of the Members of the Council:

President  Bob Lott

Treasurer  Stephen Warren

Dated 10th October 2011

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

INCOME

	2011	2010
	\$	\$
Bequests and donations	2,231,122	1,911,751
Commonwealth Government Assistance	2 23,334	1,925,571
State Government Assistance	2 198,502	437,812
Fundraising revenue	101,278	441,787
Green Card commission	14,263	19,096
Interest received	260,951	94,181
Member subscriptions	13,804	15,599
Operating grants	525,000	–
Other income	2,634	3,332
SEB Contributions	–	1,528,194
Witchelina income	278,578	–
	3,649,466	6,377,323

EXPENDITURE

Advertising	4,519	2,151
Auditors remuneration	5,684	3,000
Finance costs	12,957	21,269
Frances expenses - Buloke project	2,818	–
Communications/Stationery/Printing	40,056	31,495
Depreciation and amortisation expense	21,491	17,043
Employee benefits expense	443,468	214,587
Fundraising Consultancy / Events	54,444	66,173
Insurance	2,797	3,078
Legal / Statutory fees	–	11,913
Loss on sale of FA	5,844	2,881
Office expenses	16,262	14,100
Para Woodlands expenses	204,066	97,645
Postage / Freight	2,866	3,305
Research projects / Community grants	174,428	174,985
Sundry expenses	2,384	6,145
Tiliqua expenses	24,138	–
Transfer to Project funds committed	(49,785)	765,129
Wandillah expenses	–	1,825
Water for Nature expenses	2,186	–

EXPENDITURE <i>(continued)</i>	2011	2010
	\$	\$
Witchelina expenses	98,299	72,957
	1,068,922	1,509,681
Profit for the year	2,580,544	4,867,642
Retained profit at the beginning of the financial year	5,572,670	705,028
Retained profits at the end of the financial year	8,153,214	5,572,670

ASSETS AND LIABILITIES STATEMENT

30 JUNE 2011

ASSETS	2011	2010
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	5,774,596	3,150,788
Trade and other receivables	3 116,547	99,267
Other financial assets	4 741,717	680,595
TOTAL CURRENT ASSETS	6,632,860	3,930,650
NON-CURRENT ASSETS		
Property, plant and equipment	5 3,931,510	3,649,504
Land held for sale	1,652,252	1,855,906
TOTAL NON-CURRENT ASSETS	5,583,762	5,505,410
TOTAL ASSETS	12,216,622	9,436,060
LIABILITIES		
CURRENT LIABILITIES		
Mortgage	6 508,113	501,891
Trade and other payables	146,667	70,617
Employee benefits	44,575	18,473
Other liabilities	8 350,090	397,562
TOTAL CURRENT LIABILITIES	1,049,445	988,543
NON-CURRENT LIABILITIES		
TOTAL LIABILITIES	1,049,445	988,543
NET ASSETS	11,167,177	8,447,517
MEMBERS' FUNDS		
Reserves	3,013,963	2,874,847
Retained profits	8,153,214	5,572,670
TOTAL MEMBERS' EQUITY	11,167,177	8,447,517

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

2011	RETAINED EARNINGS \$	ASSET REVALUATION SURPLUS \$	GENERAL RESERVES \$	TOTAL \$
Balance at July 01, 2010	5,572,670	474,847	2,400,000	8,447,517
Increase in reserves during the year	–	139,116	–	139,116
Profit for the year	2,580,544	–	–	2,580,544
Sub-total	2,580,544	139,116	–	2,719,660
Balance at June 30, 2011	8,153,214	613,963	2,400,000	11,167,177
2010	RETAINED EARNINGS \$	ASSET REVALUATION SURPLUS \$	GENERAL RESERVES \$	TOTAL \$
Balance at July 01, 2009	705,028	474,847	2,400,000	3,579,875
Increase in reserves during the year	4,867,642	–	–	4,867,642
Sub-total	4,867,642	–	–	4,867,642
Balance at June 30, 2010	5,572,670	474,847	2,400,000	8,447,517

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

I Summary of Significant Accounting Policies

(a) Basis of preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act South Australia. The Council has determined that the Foundation is not a reporting entity.

The financial report has been prepared on an accruals and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(b) Property, plant and equipment

The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the Foundation commencing from the time the asset is held ready for use.

(c) Financial assets

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through profit.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

At 30 June 2011, the Foundation holds in cash investments \$3.5 million of capital funds provided by Elizabeth Law-Smith for the Para Woodlands project. These funds are specifically dedicated to the generating of income for the operational expense of the Para Woodlands project and will be the subject of a management deed currently under preparation.

(e) Employee benefits

Provision is made for the Foundation's liability for employee benefits arising from services rendered by employees to the end of the reporting year. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

2 Government Assistance Income

	2011	2010
	\$	\$
Commonwealth Government Assistance		
- Caring for our country	18,834	1,921,071
- GVEHO program	4,500	4,500
Total Commonwealth Government Assistance	23,334	1,925,571
State Government Assistance		
- Management subsidy	70,000	70,000
- Native vegetation council	-	44,975
- Contribution for Cygnet Park purchase	-	262,837
- Native Vegetation Council funding for Buloke project	13,502	-
- Save the River Murray funding for Water for Nature project	115,000	60,000
Total State Government Assistance	198,502	437,812
	221,836	2,363,383

3 Trade and Other Receivables

	2011	2010
	\$	\$
CURRENT		
Trade receivables	116,547	83,578
Interest receivable	-	15,689
Total current trade and other receivables	116,547	99,267

(f) Income tax

No provision for income tax has been raised as the Foundation is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(g) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Foundation are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Foundation will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the assets and liabilities statement.

(h) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the Foundation obtains control over the funds which is generally at the time of receipt.

All revenue is stated net of the amount of goods and services tax (GST).

(i) 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 assets and liabilities statement are shown inclusive of GST.

4 Other Financial Assets

NON-CURRENT	2011	2010
	\$	\$
Investments in listed corporations at market value	604,962	614,419
NAB income securities	70,155	66,176
Water licence	66,600	–
Total non-current assets	741,717	680,595

5 Property, Plant and Equipment

LAND	2011	2010
	\$	\$
Freehold land		
At Council members' valuation		
Para Woodlands	590,000	460,000
At cost		
Witchelina	2,621,358	2,621,358
Para Woodlands (Langdon land)	253,643	253,643
Cygnat Park	267,937	267,937
Tiliqua	106,321	–
Total land	3,839,259	3,602,938

PLANT AND EQUIPMENT

At cost	165,725	99,452
Accumulated depreciation	(86,957)	(70,447)
Total plant and equipment	78,768	29,005
Motor vehicles		
At cost	27,863	26,959
Accumulated depreciation	(16,380)	(11,398)
Total motor vehicles	11,483	15,561
Other property, plant and equipment		
At cost	2,000	2,000
Total other property, plant and equipment	2,000	2,000
Total plant and equipment	92,251	46,566
Total property, plant and equipment	3,931,510	3,649,504

6 Borrowings

CURRENT	2011	2010
	\$	\$
Secured liabilities:		
Bank overdraft	508,113	501,891
	508,113	501,891
Total current borrowings	508,113	501,891

(a) Bank and mortgage loans

The bank and mortgage loans are secured by first registered mortgages over certain freehold property of the Foundation.

7 Leasing Commitments

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2011	2010
	\$	\$
Payable - minimum lease payments:		
- no later than 1 year	22,000	3,600
- between 1 year and 5 years	88,000	–
	110,000	3,600

The property lease commitment is a non-cancellable operating lease with a term of five years to 11 June 2016. Increase in lease commitment may occur in line with CPI.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

8 Other Liabilities

Project funds committed

	2011 \$	2010 \$
Barbara Hardy Fund for Nature	170,453	187,136
Glossy Black-Cockatoo KI (Mooney)	13,894	12,374
Paton Memorial	32,325	32,878
Betty Westwood	3,612	5,612
Australian Sea-lion Research Fund	24,722	20,529
Red-tailed Black-Cockatoo	42,544	57,579
Clive Armour Memorial	–	4,055
Frogs	–	2,943
Hairy-nosed Wombat	31,956	19,456
Tawny Frogmouth	15,050	15,050
Arid Birds 2009	–	10,565
Sea Eagle	–	16,034
Friends of Parks	2,642	–
Water for Nature	2,898	2,720
Damien Pearce Memorial Fund	5,479	8,038
Contingency Fund	4,515	2,593
	350,090	397,562

9 Disclosure of economic dependence

(a) For some time the Foundation has received a vital, annual subsidy of \$70,000 from the Department of Environment and Natural Resources to support management costs. This ongoing commitment is subject to annual review.

(b) The Deed establishing the Para Woodlands Reserve stipulates that the Donor has agreed to pay \$1,200,000 over a period of ten years from 2003 for management and rehabilitation of the land.

10 Para Woodland - "Nature Foundation Land"

By way of Deed dated 30 June 2003, land was transferred to the Foundation so that it may be retained, restored and conserved in its natural state. A Steering Committee was appointed to oversee the management and restoration of that land. A condition of the Deed was that the land could not be transferred to any other person than the Minister; and if transferred to the Minister, then there would be no

consideration. Notwithstanding, the Foundation retains title to the land and an asset value of \$590,000 has been recognised in the financial statements based upon the Valuer General's valuation.

11 Recognition of non-monetary goods and services provided

The Foundation acknowledges the significant involvement and contribution of volunteers to its operation. Because of the wide diversity and nature of these activities, it is not possible to quantify this value in monetary terms

12 Future Commitments

Postgraduate Research, Linkage and Community Grant applications are appraised by the Research, Projects and Education Committee. Because there is no obligation on the grant recipient to complete each project within the financial year, actual funding is often spread over a period greater than one year.

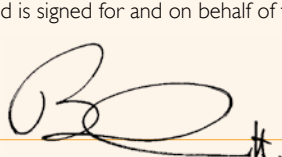
STATEMENT BY MEMBERS OF COUNCIL

The Council has determined that the Foundation is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

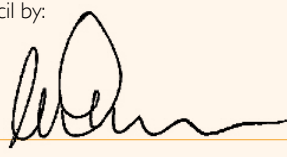
In the opinion of the Council the financial report as set out on pages 22 to 26:

1. Presents a true and fair view of the financial position of Nature Foundation SA as at 30 June 2011 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Nature Foundation SA will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Council and is signed for and on behalf of the Council by:



Bob Lott (President)



Stephen Warren (Treasurer)

Dated 10th October 2011

CERTIFICATE BY MEMBERS OF COUNCIL

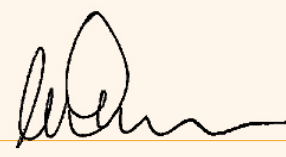
In accordance with Section 35(5) of the Associations Incorporation Act (SA), during the financial year, no officer of the Foundation, or any firm of which and officer is a member, or any corporate in which an officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between an officer, firm or corporate and the Foundation, other than benefits arising from the provision of certain minor goods or services in the normal course of the Foundation's activities.

During the financial year, no officer of the Foundation has received directly or indirectly from the Foundation any payment or other benefit of a pecuniary value.

Signed in accordance with a resolution of the Council.



Bob Lott (President)



Stephen Warren (Treasurer)

Dated 10th October 2011



PITCHER PARTNERS
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NATURE FOUNDATION SA INC.**

I have audited the accompanying financial report of Nature Foundation SA Inc., which comprises the assets and liabilities statement as at 30 June 2011, income statement, statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information, statement by members of council and the certificate by members of council.

Council Members' Responsibility for the Financial Report

The members of the entity are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the financial reporting requirements of the entity.

The members' responsibility also includes such internal control as the members determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the council members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NATURE FOUNDATION SA INC. (continued)**

Independence

In conducting my audit, I have complied with the independence requirements of the Australian professional accounting bodies and the Australian Auditing Standards.

Qualification

As is common for organisations of this type, it is not practicable for Nature Foundation SA Inc. to maintain an effective system of internal control over cash donations and other fundraising activities until their initial entry in the accounting records. Accordingly, as the evidence available to me regarding revenue from these sources was limited, my audit procedures had to be restricted to the amounts recorded in the financial records. I am therefore unable to express an opinion whether revenue recorded by Nature Foundation SA Inc. is complete.

Opinion

In my opinion, except for the qualification above, the financial report presents fairly, in all material respects, the financial position of Nature Foundation SA Inc. as of 30 June 2011, and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial report.

Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 in the financial report, which describes the basis of accounting. The financial report has been prepared to assist Nature Foundation SA Inc. to meet the financial reporting requirements of the *Associations Incorporation Act SA 1985*. As a result, the financial report may not be suitable for another purpose.

A P FAULKNER

Principal

Date: 12 October 2011

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Adelaide

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