



ABCN



Business Investing in Tomorrow

**Australian Business and Community Network
2011 Annual Report**

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Chairman Review

I am delighted to provide a review of 2011, as my first full year as Chairman of ABCN, and my sixth year of participation since joining as a founding member in 2005. Working with Matthew Quinn, the previous Chair during 2010, we had agreed that this year we should carry out a full strategic review of the ABCN, incorporating business, mentor, school, student and community consultations, working closely with Bain and Company to map our next five years of operation.

The genesis of ABCN back in 2005 was to harness the skills, resources and innovation of Australian business to create a better Australia. Having looked at the 'Business in the Community' in the UK – a broad-based not-for-profit that harnessed the power of business to deliver better community outcomes – we decided that in Australia we would take a more focused approach to where we could make a real impact in Australia.

We recognised that a number of the social costs holding back Australian productivity and growth manifested themselves in three clear negative outcomes that we could help mitigate – high crime rates, unemployment and poverty.

When we looked more deeply at the causes of these social costs, we observed a high correlation (and presumed causation) with poor education outcomes – particularly around lack of literacy. This led to a focus on improving education outcomes for children attending high needs schools, as many of these children had a relatively high risk of contributing to these social costs. We initially focused on Sydney but have since developed a national network of members and schools.

Our strategic review enabled us to test whether our vision, purpose and values held true after five years of operation. We held a series of workshops in Sydney and Melbourne with Council and Board members, Principals, teachers, mentors and students. On the basis of these consultations, we agreed to refine our purpose to become 'a coalition of business leaders partnering with public education to improve student outcomes that benefit all Australians'. We also agreed to maintain our commitment to high needs students and schools providing mentoring and support and increased awareness of opportunities and employment options.

Our members also confirmed that ABCN would operate with its unique CEO membership model with direct participation and collaboration from CEOs, which also inspires and encourages the participation

of members' employees who in turn, benefit professionally and personally from their involvement. While committing to our CEO model does place a limit on the schools and students with which we can interact, feedback from principals was overwhelmingly supportive that the sustained, deeper and senior engagement was far more effective than broader, time-limited engagement.

We also agreed that to promote and clarify our organisation's vision and purpose, we needed to develop and implement a clearer branding for the ABCN and were delighted that M&C Saatchi offered their services pro bono to work with us on this. A branding sub committee was formed and presented the Council with new designs and branding for the ABCN and all our programs, with a new tagline of 'Business Investing in Tomorrow'.

The ABCN name was retained as, especially within the education sector, there was considerable equity and trust invested in our name and brand. M&C Saatchi created a new profile, style guide and colour palette for the ABCN which was greatly appreciated and admired.

We also decided to work in 2012 to create an alumni network, utilising social networking, for students and mentors enabling them to build up their networks and also enable the ABCN member companies and mentors to engage with student alumni after they leave school. It has been an important year of consultation, reflection and planning and I am very pleased with our agreed strategy moving into 2012. I would like to thank all the members, schools, staff, volunteers and all the participating students for their support and time during the past year. We look forward to continuing to grow our membership base and participation so we can expand and deepen these relationships.

Best Wishes,

A handwritten signature in blue ink, reading "Paul O'Sullivan". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Paul O'Sullivan
Chairman



Chief Executive Report

Despite some loss of members in 2010, by 2011 membership was on track with 30 major national and global companies representing over 500,000 corporate employees working together, collaboratively, funding and participating in business and education programs in schools across Australia. Two new members, Aussie and CSR, joined and the number of programs the ABCN ran with schools increased by 6% to 319 nationally.

As ABCN is not in receipt of any financial support other than its membership fees and contributions, maintaining and growing our membership base is crucial to our capacity to continue to deliver. However, we have tried to structure our activities in a sustainable fashion through also taking on some consultancy work and providing additional services or bespoke programs for member companies on request.

Our partnered schools continue to record wonderful outcomes for the students from the programs. For the 2011 academic year we have partnerships with 216 schools (compared with 188 in the 2010 year), with 2,275 of these students participating in sustained mentoring programs. We estimate that this involved over 30,000 face to face hours with students by 2,812 corporate volunteers in the 2011 academic year. Section [4] of the report includes some of the key outputs for the 2011 academic year, together with examples of the verbatim feedback from participants.

The 2011 Program Evaluation, conducted with the assistance of Bain and Company and the Australian Council for Educational Research, showed that student and mentor outcomes and engagement were also maintained and increased in some programs.

While membership income increased by 4.8% to \$1,608,748 in 2010-11, income from member company grants to develop new programs dropped \$85,508 with the conclusion of one of our three-year company grants. Expenditure was reduced slightly from \$1,491,852 to \$1,423,197 despite an increase of over 22% in students mentored and a 6% increase in programs.

Our surplus for the financial year ended 30 June 2011 was \$357,636, which is in an increase of 30% on 2010 and brings our retained earnings to \$1,450,533. In terms of sustainability, we continue to be

delighted that 100% of volunteers “value the opportunity that my employer has given me to participate” and 99% are “proud that my company is a part of ABCN”.

A terrific year, due to the commitment and passion of all our mentors, members, students, schools and the indefatigable ABCN team!

A handwritten signature in blue ink that reads "Carey Badcoe". The signature is fluid and cursive, with the first name "Carey" and last name "Badcoe" clearly distinguishable.

Carey Badcoe

Chief Executive Officer



Governance Statement

ABCN is a company limited by guarantee established in 2005 by a group of senior business leaders whose vision was to inspire, challenge and engage businesses to have a greater positive impact in the community.

ABCN's members are organisations in the Australian business community. These organisations share a common belief that a collaborative approach by business can greatly assist in the improvement of major issues through the education of disadvantaged young people.

Mission and Objectives

ABCN's primary objective is to share resources available to businesses, including volunteers, expertise and services, with high-needs schools and students with the goal of improving opportunities for fulfilling employment, raising aspirations and setting and achieving life goals.

ABCN's key delivery mechanism is designing, developing, organising and delivering volunteer mentoring programs in partnership with schools. More details on ABCN's operations are set out in this report.

Council

The organisation's council is comprised of the Chief Executives (or equivalent) of each member organisation. The role of the council members is to both facilitate and enable the achievement of ABCN's mission and objectives by leveraging their professional networks, profile, reputation, energy, experience and influence to:

- serve as a source of independent advice to the Board with regard to ABCN strategy and external relations;
- ensure that ABCN remains focussed on high impact engagement;
- participate personally with ABCN and encourage and inspire other business leaders to commit to joining as ABCN members, thereby expanding the resources and influence of ABCN in the wider, general community;

- raise ABCN's profile and build its brand and reputation; and
- engage with schools and the broader community.

Board Members

As of 31 December 2011, there were nine directors on the Board, including the Chief Executive Officer. Other than the Chief Executive Officer, the Board members are non-executive directors and receive no remuneration for their services. The non-executive directors are drawn from the senior executive management of ABCN's member organisations. They are nominated by the ABCN Council and appointed by the Chairman.

The company's constitution specifies:

- there must be no less than three and no more than 12 directors; and
- directors who have held office for more than three years must retire at the next annual general meeting – such directors, if they are not otherwise ineligible, may stand for re-election.

The Board's charter further provides that, unless changed by a majority vote of the directors:

- the maximum term for the Chairman as a director is six years;
- the maximum term for other directors is three years;
- there will be a majority of non-executive directors; and
- the Board will review its size, composition and performance, including each director's performance, annually.

Roles and Responsibilities of the Board

The Board fulfils its primary role of meeting ABCN's objectives and complying with the relevant *Corporations Act* requirements through:

- governing, rather than managing, ABCN by ensuring that there is a proper governance framework in place to promote and protect ABCN's interests for the benefit of its members;
- setting goals and policies and, specifically, approving ABCN's strategies and strategic plan;
- monitoring the performance and contribution of Board members;
- selecting and regularly evaluating the performance of, and if necessary, replacing the CEO;
- setting standards for proper governance practices (including appropriate standards of ethical behaviour, corporate governance, and social and environmental responsibility) and monitoring the processes to ensure adherence to these standards;
- selecting, appointing and monitoring the performance of the external auditors;

- > monitoring financial performance and reporting;
- > approval of ABCN's annual budget;
- > approval of ABCN's annual financial report;
- > monitoring key risk areas by ensuring the implementation of a suitable risk management and internal controls framework;
- > reviewing the adequacy of systems to comply with all laws and regulations which apply to ABCN and its programs;
- > approval of ABCN's insurance arrangements; and
- > ensuring that all legal and commercial requirements are met in terms of proper reporting and disclosure.

In discharging its role, the Board considers the guidance and advice of the Council but will not be bound by such guidance and advice.

Board Oversight

The Board oversees and monitors management's performance by:

- > meeting at least three times per annum;
- > receiving detailed financial and other reports from management at these meetings;
- > requesting and receiving additional information and input from management when necessary; and
- > regular communication between the Chair and the CEO.



Financial Information

for Year Ending 30 June 2011

Basis of Presentation of Financial Information

ABCN prepares a financial report in accordance with the *Corporations Act* and relevant accounting standards. This financial report is approved by the Board of Directors and audited by Grant Thornton Audit Pty Ltd. The statutory financial report is lodged with the Australian Securities and Investments Commission and is also available on request.

The financial information contained in this report is drawn from the information used in preparing the audited financial report. However, as the full financial report contains other details and disclosures, including the basis of preparation of the financial report, reference should be made to audited financial statements before placing any reliance on this information.

Income

ABCN's main source of income is membership fees. These range between \$15,000 and \$65,000 per member depending on the size of the organisation. Total membership fee income for the 2011 financial year was \$1,608,748 compared with \$1,535,195 for the 2010 financial year.

The Commonwealth Bank of Australia also provided a grant of \$85,508 to pilot a primary maths tutoring program initially within their own company. This was then expanded and offered to other members in the network. Interest income for the year was \$ 86,577 compared with \$36,700 for the 2010 financial year. The interest reflects a significant increase in the level of deposit and access to higher interest bearing accounts.



ABCN's Activities

In 2011, we increased the number of core programs to 10.

Developing Leaders

Partners in Learning (PiL)	Links business and educational professionals to share experiences, solve problems and explore leadership challenges together.
GOALS	A one-on-one mentoring partnership in a group environment that aims to widen the life choices of students considered to be at risk of disengaging from school.

Raising Aspirations

Aspirations	A mentoring program for Year 11 students that equips them with knowledge and skills to transition from high school to further study and/or work.
Career Choice Day	'Opens the doors' of participating companies to students in Year 10, 11 and 12 for an interactive day of exploring career choices and pathways.
InterACT	A small group mentoring program for students from a migrant/refugee background to introduce them to skills in the modern workforce.

Building Critical Skills

Spark	A reading mentoring program for primary school students who benefit most from developing their literacy, language skills and socialisation.
TEAM	A small group business simulation designed to allow Year 10 students to practice technology and project management skills in a realistic scenario.
Transitions	A small group mentoring program for students in their final year of primary school or first year of high school to support the difficult transition to middle years of schooling.
RISE	A reading mentoring program for high school students focusing on developing literacy, confidence and social skills.
1:2:1	A maths mentoring program for primary school students who are falling behind in the early years of mathematical development.

Program Delivery

ABCN delivered 319 programs in 2011, an increase of 5% on 2010.

	ACT	NSW	Qld	SA	Tas	Vic	WA	National
High School								
Aspirations		13	3			6	2	24
GOALS		11	3			5	5	24
InterACT		3				1		4
RISE		6	5	1		3	1	16
TEAM		3	1			1	1	6
Career Choice Day	2	21	12	5		13	9	62
Primary School								
Spark	7	23	11	6	2	18	10	77
Transitions		2	1					3
Pilots / Other								
1:2:1		11	4			4		19
Partners in Learning (PiL)		36	16	2		19	11	84
Total Programs	9	129	56	14	2	70	39	319
w/out PiL	9	93	40	12	2	51	28	235

Session and participant numbers grew more strongly with students mentored up 22%.

	2005	2006	2007	2008	2009	2010	2011	Totals 05-11
Businesses	11	23	28	28	26	29	30	
States/Territories	1	1	4	5	5	7	7	
Schools	12	28	69	120	157	188	216	
Mentors*	102	197	625	1,575	2,089	2,522	2,812	9,922
Total Volunteers**	102	197	625	1,575	3,789	4,515	4,537	15,340
Students Mentored*	38	112	504	1,044	1,385	1,863	2,275	7,221
Total Students	4,000	4,637	4,210	6,289	7,762	8,802	10,586	46,285
Sessions, Visits, Experiences	75	140	481	1,233	1,366	1,975	2,073	7,343
Volunteer Hours	1,000	3,000	12,000	18,000	24,000	36,319	38,158	132,477

* In sustained mentoring programs including PiL, GOALS, Aspirations, TEAM, Transitions, Spark and Rise.

** In all ABCN activities including POP (Partnerships, Opportunities & Projects) one-day activities.

Partners in Learning (PiL)

Business Leaders and Educator Partnerships

The aim of Partners in Learning is to link business and educational professionals so that they can share experiences, solve problems and explore leadership challenges together. The program provides a unique opportunity to make a difference, not only to the individual partners, but also to the schools and businesses involved and the wider community.

In 2011, there were 95 partnerships nationally, creating many new projects and activities for the schools, students and member company employees. The partnerships are based around a registration form detailing interests, challenges and goals. A business member and educator from a primary or secondary school are then matched according to their personal and professional profiles. There are two strands of the program:

- > principals and Chief Executive Officers are partnered; and
- > senior teachers and executives are partnered.

The partners in learning agree to meet at the school/office up to six times during one year for about two hours each time. The format for the meetings is quite open and, ideally, they meet the following objectives:

- > promote the sharing of expertise;
- > develop management and leadership skills;
- > enhance listening and feedback skills;
- > explore solutions to challenges in a supportive and non-judgmental environment; and
- > expand personal skills.

Both educators and business leaders were enthusiastic about the success of this program and some partnerships have run over four years. The partnerships have provided excellent opportunities for businesses and educators to learn more about each other's environment and both parties have found this valuable.

Principals have said they felt they have learnt more about what businesses are looking for in school graduates and in tertiary training and business leaders have said they have learnt more about their future customers, employees and their environments by spending time at the schools and with the students.

Spark

Primary School Reading Mentoring Program



Spark has been one of the most personally rewarding programs that I have been involved in.

Mentor



Thank you to my mentor for giving me confidence by accepting me just as I am.

Student

Spark is aimed at primary school students that would benefit most from developing their literacy and conversational skills, along with building their vocabulary. Reading mentors provide encouragement for a student to engage further in their schooling and community through improved language skills and personal development.

The program involves teams of volunteers from member companies being matched with individual primary school students to provide one-on-one reading mentoring and support. Reading mentors are split into teams of two and every week, for one to two terms, volunteers alternate visiting the school



The *Spark* mentors have made an extraordinary impact. Parents are telling me their kids now love to read.

Principal



Since participating in *Spark* my son is more interested in reading. He keeps asking us to buy him more books!

Parent

and reading with their student for 45 minutes each session. This means that each volunteer need only commit the time to visit the school once a fortnight and also provides some back-up in case a volunteer is unable to attend on a particular occasion. All reading sessions are in a group setting, with mentors and students working in pairs.

In 2011, the number of *Spark* programs nationally decreased slightly compared to 2010 as companies took up other Primary School programs including 1:2:1. However, *Spark* remains our largest and most popular program with the number of reading sessions increased by 29% to 1044 across Australia, including Hobart and Adelaide. More than 1200 mentors participated in *Spark* in 2011, making it the most popular program for mentors.

Teacher feedback in 2011 for *Spark* included measurement for each student against the following benchmarks for which the results are in parentheses:

- > improvement in student's self-esteem (97%);
- > improvement in student's confidence (99%); and
- > student was more positive about reading (98%).

Mentors reported similarly positive responses on their participation, believing their students had:

- > improved reading levels (82%); and
- > increased confidence (83%).

Parents felt their children participating in the *Spark* program had:

- > improved reading levels (92%); and
- > were more positive about reading (78%).

1:2:1

Primary School Mathematics Tutoring Program

There is ongoing debate about the performance of Australian students in mathematics. Many educators argue that Australian students are falling behind other countries in maths achievement.

Research also shows that success in maths in the early high school years is a critical indicator of students' future prospects, in relation to university entrance, getting a first job and still being employed at the age of 20 (Marks, 1997). Students who struggle with basic numeracy often feel they can't learn and are different from their peers. This can lead to low self-esteem and result in poor behaviour and disengagement from school.



The 1:2:1 program is designed to address the maths challenges faced by students in many of our public schools. It targets Year 1 students as this has been identified as a critical point of maths development. Weekly one-on-one sessions with a mentor can have a powerful impact on student performance and enjoyment of maths.

Additionally, while the focus of the program is on developing maths understanding and ability, it also incorporates a critical element of socialisation and confidence building, with mentors acting as positive and consistent adult role models for the participating students. Year 1 students selected to participate in 1:2:1 have been identified by the school as requiring assistance with the development of basic maths skills, understanding, confidence or self-esteem.

In 2011, the 1:2:1 program ran in three states with 20 schools with 156 students and 184 mentors. 100% of parents and teachers stated that students had developed an increase in their level of confidence through participation.

Teachers also stated that 100% of students had also shown an improvement in their mathematics and in their attitude to mathematics. 92% of students had also shown an overall increase in their level of class participation.



It was such a valuable experience to me but also to see the children improve their maths ability and see their confidence increase.

Mentor



He talked about the activities and the games and how he enjoyed beating his mentor at games - always said its fun. He has been more confident in maths - actually enjoys it! Counts everything he does.

Parent

GOALS

Year 9 Mentoring Program

GOALS is a one-on-one mentoring partnership that aims to widen the life choices and aspirations of Year 9 students. Whether it is the environment, circumstances or resulting attitudes that discourage the student from achieving their full potential at school, the mentoring program seeks to engage and encourage them to achieve a productive working and personal life. It may indirectly encourage students who may be planning to leave school at the end of year 10 to complete year 12 and/or potentially go on to TAFE or University.



The program exceeded my expectations. It has helped me see young people in a new light.

Mentor



You have helped me to shape my future into what I want it to be.

Mentor



The program endeavours to be mutually beneficial by broadening the experiences and understanding of students and mentors alike, and offers opportunities to meet an extensive group of students and business people.

Students are carefully chosen through a selection process and must apply to participate to ensure that those most likely to benefit are all involved in the program. A volunteer from a member company is then matched with a high school student. Matching of mentors with students is undertaken with the compatibility of interests, goals, skills and experiences in mind.

Mentoring sessions run for 90 minutes. The first meeting is held at the school, with subsequent meetings at a range of corporate venues. Each mentoring session includes:

- > individual discussions between mentor and student;
- > joint activities with other GOALS participants;
- > group discussions eg goal setting, building rapport; and
- > presenting student's work or findings.

The student and mentor always meet in a group context, and are accompanied by two teachers from the school, to ensure complete compliance with the child protection legislation.

In 2011, the program ran in four states with 482 students and 713 mentors.

Parents who responded to the ABCN survey said:

- > GOALS has improved my child's motivation (79%);
- > GOALS has improved my child's confidence (91%); and
- > GOALS has improved my child's communication (82%).

Feedback from GOALS students is overwhelmingly positive with 99% of the participating students saying they would recommend it to their friends. Mentors are also very positive with 99% of respondents saying they would recommend participation to a colleague and 90% wanting to be involved again.

Career Choice Day

One Day Work Experience Opportunity

Career Choice Day is a one day experience targeting students in Year 10 and 11 as they are considering their subject, study and career options for the future. It is specifically designed to broaden students' awareness of the career choices available to them and to expose the diversity of career journeys of successful people. In 2011, 1113 students participated in six states with the involvement of 671 corporate participants.

On *Career Choice Day*, Year 10 and 11 students from ABCN-partnered schools visit an organisation in groups of 20 - 30 students accompanied by two or more teachers. Each organisation hosts a group of students on the day and provides lunch. The students spend three hours at the business, learning about different working environments and the types of people and roles that they employ. Students then have the opportunity to debrief and discuss the visit and what they learnt with their teachers in a facilitated session.



The GOALS program is of enormous benefit to our Year 9 students. A number of our 2011 Year 12 graduates listed their participation in GOALS as one of the most valuable experiences of their high school years.

Teacher



I saw how interesting people's jobs are and how passionate they are about their jobs.

Student



Suddenly students who were unsure about future pathways started to plan their careers more thoughtfully. There was light at the end of the tunnel. I found that some of the disengaged students re-engaged with their learning back at school as they now found purpose.

Teacher



Student feedback on the 2011 *Career Choice Day* was positive about being exposed to a range of staff (92%); staff being willing to share knowledge (97%) and recommending it to their friends (82%). 93% of students will use *Career Choice Day* as a kick-start to research further career options.

Teachers felt *Career Choice Day* was very relevant to their students and encouraged students to explore different careers/industries (100%), had great value for students considering tertiary study (99%) and that they personally gained insights from the day (94%).

They were very positive with one stating, “*Career Choice Day* was absolutely the most effective career education opportunity I have ever experienced with students.” Participating companies were also impressed by the level of interest and quality of questions from students.

Aspirations

Mentoring and Work Skills Preparation

The development of the Year 11 *Aspirations* program was in direct response to principals’ requests for an additional program which would offer the benefits and positive impact of facilitated mentoring and coaching on students in programs such as GOALS. The principals identified that for some schools there was a need for a program focusing on career paths for older students as Year 11 is a critical time for students in determining their pathways beyond high school.

This stage of senior school is important as students are planning what type of further education they will pursue, potential apprenticeships and whether they will continue with school at all.

Students living in areas of high need often lack access to a range of social networks, work opportunities and positive role models, and their choices beyond school are influenced by factors such as:

- > a lack of understanding about their own strengths and skills and how to further develop them due to low self-esteem and confidence;
- > a lack of knowledge about different pathways; or
- > no sense of entitlement to further education or career pathways outside the local community.



Aspirations involves four workshops of 3.5 hours each – all held at our member companies, which equip students with the knowledge and tools to make informed decisions about their choices and pathways after school. The facilitated sessions focus on highlighting a student's individual strengths, skills and aptitudes and how these can be applied. Session topics cover aspects of career planning including learning style, individual strengths and foundation skills for careers.

Aspirations was our fastest growing program this year, expanding from 169 mentors and 302 students in 2010 to 271 mentors and 452 students in 2011. As a result of *Aspirations*:

- > 87% of students have a better understanding of the business world;
- > 86% of teachers felt the students had increased their levels of confidence;
- > 75% of students felt they have a better understanding of career options;
- > 78% of parents reported increased knowledge of career options for students; and
- > 89% of mentors felt their students had significantly improved their communications skills.



Aspirations taught me about how to be a leader and how to be more confident so I can get a better job in the future.

Student



Aspirations helped me by reminding me what I do and why I do it – I was reminded of the things I take for granted.

Mentor



I've realised that I have a lot to offer. It was refreshing to find my strengths and work on them.

Student

❖
After participating in the TEAM program, I know what is expected of me in a business role. I can see myself in a business role in the future.

Student

❖
Participating in the TEAM program, we learnt that sometimes, there is no easy answer. You have to work it out for yourself.

Mentor

TEAM

Technology, Enterprise and Mathematics

This is ABCN's first subject specific program, developed in partnership with Ernst & Young – an ABCN member company. TEAM is a mentoring program aimed at Year 10 students who have an interest or skill in mathematics and technology (IT) related subjects. The objective of the program is to stimulate the student's interest in technology and maths through a series of project management workshops, highlighting the fact that both subject areas are practically applied in everyday life.

Six schools participated in TEAM nationally, with 86 students and 40 mentors. TEAM involves four three-hour workshops held at company offices where students work with mentors in small teams to simulate the consulting work environment. Student results from TEAM were outstanding and included:

- > my confidence has increased and I learnt more about my strengths (100%);
- > I learnt from my mentor (100%); and
- > my teamwork skills have improved (100%).

One principal remarked, "As a principal, I see lots of presentations. But watching the students present at the end of the TEAM program was one of the best times I've had watching presentations in my career."



RISE

Read, Inspire, Strive, Exceed - High School Reading Program

The purpose of the RISE program is to offer opportunities to high school students who have been identified by their teachers as those having lower literacy skills and/or less opportunities for reading outside of school and would therefore benefit from more one-on-one attention in the school environment.

The program launch and mentor induction is held at the school and the subsequent sessions, from eight to sixteen, are held at the member company's premises. The completion ceremony is held at the school with the school principal, mentors, parents and students. While there is a focus on reading skills, the most profound outcomes are from the student's engaging in sustained adult conversations and discussing broader life skills issues.

The students are not otherwise exposed to the working environment or people with varied careers and vocational experiences and this is of major significance in their learning. The students also learn about targeted reading activities such as finding a job and researching information, for example, from government websites. The students have highlighted this as a major benefit of this program which has assisted their whole families. During 2011, programs numbers doubled with 16 schools participating and 201 students working with 257 mentors.

Parents and teachers were very enthusiastic about the program, with 100% stating that the student's communications and confidence skills had improved. Mentors also felt that their students had increased confidence (86%) and reading skills (69%). Students felt that their reading skills had improved (80%).



It was great to see the changes in the students' attitude towards reading and their obvious boost in confidence. I am glad I was a part of such a great program that works towards giving students greater literacy skills and broader opportunities for life after school.

Mentor



The RISE program was really fun. My mentor helped me with reading and now I understand things when I'm reading.

Student



InterACT

Language Mentoring at the Workplace



As new arrivals, we didn't know anything. The *InterACT* program has given us a perspective outside of school.

Student



The *InterACT* program gave our students an opportunity to see the world outside of their immediate communities. It was a wonderful experience

Teacher

The development of the *InterACT* program was in response to concerns raised by principals of high schools that cater to recently arrived, high school-aged migrants and refugees whose first language is not English. The principals identified numerous challenges faced by newly arrived students, such as:

- > little or no English;
- > limited social networks;
- > poor cultural and vocational literacy;
- > little or no formal schooling in their country of origin;
- > low socio-economic status; or
- > exposure to violence, deprivation and loss throughout the resettlement process.



InterACT has been designed to assist these students to gain cultural and vocational literacy in order to participate in Australian life. While the focus is on 'soft skills' such as communication and building relationships, there is also a critical socialisation aspect through which students learn to sustain a conversation with a positive role model outside their immediate community.

InterACT involves six facilitated sessions held at a corporate venue. Sessions are 1.5 hours long and include a half-hour lunch break during which mentors can have a more informal 'catch up' with the

students. In a typical *InterACT*, session two mentors are matched with four or five students with whom they work throughout the program. Students are accompanied by a teacher from the school.

Four schools participated in Interact in 2011, with 69 students and 41 mentors. Of these students, 85% felt their confidence and communication levels had improved and their teachers felt this even more (91%). They also had gained a better understanding of the working world, training options and felt their job readiness had improved.

Transitions

Primary School Mentoring Program

Primary school is a time when schools can start painting the pictures of productive and satisfying work in the future. It is also a time when work related values and attitudes are formed.

Children of the 21st century will be seeking careers in an environment characterised by change and uncertainty. *Creating Visions of the World of Work in Primary Schools* notes that the preparation of young children to contribute to a complex, technologically advanced and quickly changing society should begin in the early years. *Creating Visions of the World of Work in Primary Schools* emphasises career knowledge and perception as being an important area of learning for primary school students.



Career knowledge and perception is described as:

- > learning about work and industries;
- > learning about the types of work people do and ways of operating;
- > thinking about themselves and how they may contribute to the world of work; and
- > creating visions of what careers they may want in the future.

Transitions was created in response to the concern raised by principals that many students from high-needs primary schools do not necessarily have networks that can provide them with a meaningful initial experience of the workplace. By participating in the *Transitions* program, businesses can play an invaluable role in providing students with the opportunity to start to build a picture of the workplace.

In evaluating the program we found:

- > 100% of mentors would recommend *Transitions* to a colleague;
- > 82% of mentors agree that they have developed personally from participating in *Transitions*;
- > 76% of teachers believed that the student's motivation and participation in class had improved; and
- > 82% of students believed that they had increased confidence.

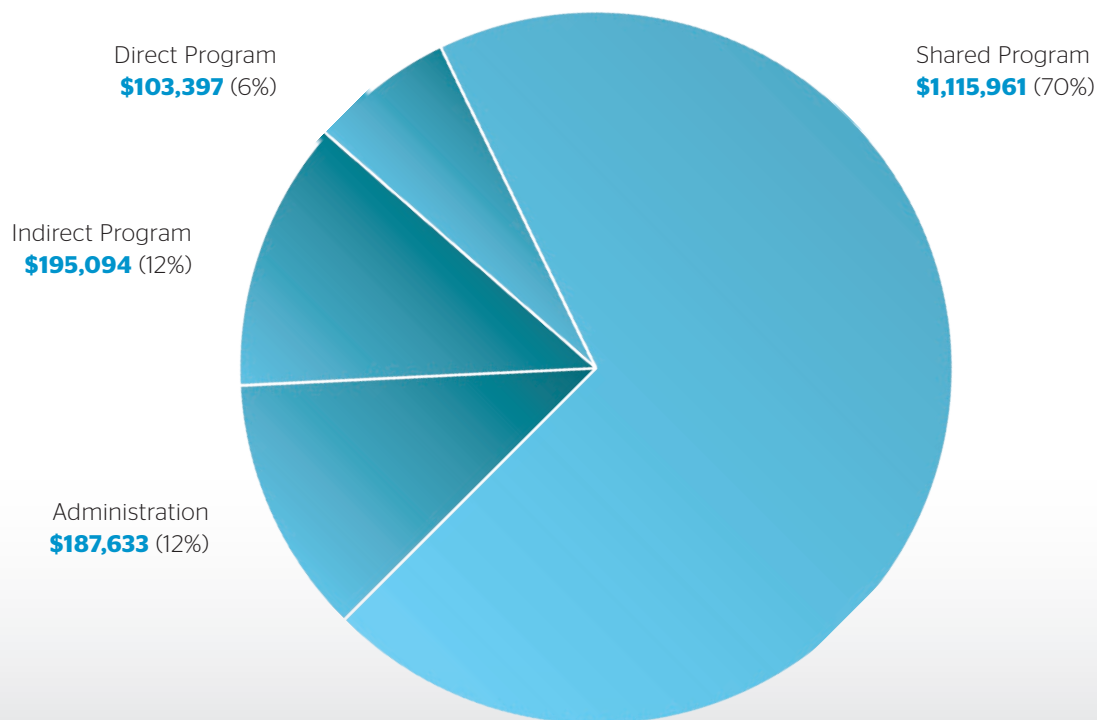


Expenditure

ABCN operates on a financial year basis, but to enable some comparison with program outcomes, the following pie charts are based on our 2011 calendar year costs. More details can be referenced in the statutory report, which is available on request.

Total expenses for the 2011 year were \$1,609,191 compared with \$1,587,859 for the 2010 year. This increase is directly attributable to an increased program portfolio.

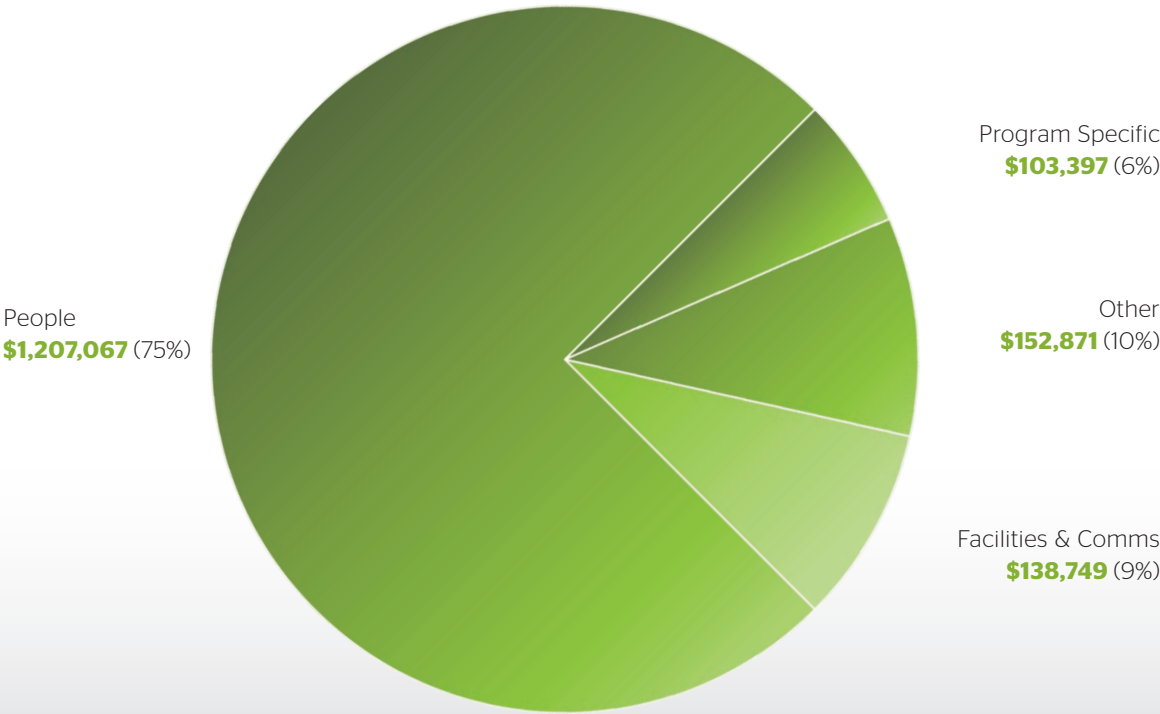
2011 Total Full Year Program Costs



The biggest component within the 70% of shared program costs is the employment costs of developing, delivering and administering the programs as well costs directly referable to program work, but not directly referable to individual programs such as travel, stationery, website and program evaluations.

Direct program costs (6%) relate to program specific costs such as books for the *Spark* program, maths games for 121 or workshop materials for *Aspirations*. The indirect program costs (12%) are mainly shares of overheads, such as facilities and communication costs, relating to the people working on the programs. The direct program costs include program materials, venue hire, catering and transport to and from venues for participating students. The 12% of expenditure not attributable to programs is primarily an allocation of employment costs and related overheads for time spent on governance, membership administration and recruitment.

2011 Expenditure by Category



Surplus for the Financial Year

The surplus for the financial year to 30 June 2011 was \$357,636 compared with \$250,305 for the year to 30 June 2010. A summary of the components is set out below. More details are available in the statutory financial report.

	Notes	2011 \$	2010 \$
Surplus before income tax		357,636	250,305
Income tax	5	-	-
Surplus for the year		357,636	250,305

Financial Position

ABCN continues to be in a strong financial position. A summary of the financial position as at 30 June 2010 and 2011 is set out below. More details are available in the statutory financial report.

Cash Flows from Operating Activities	2011 \$	2010 \$
Membership fees	1,769,623	1,786,922
Grant income	85,508	162,787
Interest income received	86,577	36,700
Payments to suppliers & employees	(1,640,344)	(1,513,963)
Other operating receipts		7,475
Net cash provided by operating activities	301,364	479,921

Cash Flows from Operating Activities		
Purchase of property, plant & equipment	(6,754)	(1,023)
Net cash used in investing activities	(6,754)	(1,023)
Net change in cash & cash equivalents held	294,610	478,898
Cash and cash equivalent at beginning of financial year	1,160,634	681,736
Cash and cash equivalent at end of financial year	1,455,244	1,160,634

The increase in cash and cash equivalent between 30 June 2010 and 30 June 2011 reflects the surplus for the financial year of \$357,636 in addition to previous retained earnings. The company's constitution prohibits the distribution of any part of the profits or income or property as dividends or otherwise.



Board of Directors

Carey Badcoe

Chief Executive, Australian Business and Community Network

BA

Carey Badcoe was appointed Chief Executive of the Australian Business and Community Network on 14 September 2005. Carey has worked widely in the arts, media and community areas, in both the private and public sectors, for the past 20 years. Her former roles include being Head of Community & Sponsorship for IAG, General Manager of Ovation, at the Sydney Opera House and an advisor to the Federal Minister for the Arts and Communications.

Matthew Quinn

Managing Director, Stockland Corporation Limited and Chairman of Australian Business and Community Network

BSc (Hons), ACA, ARCS, FAPI FRICS

Matthew Quinn has been Managing Director of Stockland since 2000. Matthew was National President of the Property Council of Australia from 2003 to 2005. He is a member of the Business Council of Australia's education, skills and innovation task force.

Paul O'Sullivan

Chief Executive Officer, Optus and Deputy Chairman of Australian Business and Community Network

BA (Mod) Economics

Paul O'Sullivan was appointed to the role of Chief Executive of Optus Pty Limited (Optus) in 2004. Paul is responsible for all aspects of the performance and operations of Optus, Australia's second largest telecommunications company.

Pierric Beckert

Managing Director, American Express Australia Limited

Master in Econometrics and Micro-Economy, ESNAE

Pierric Beckert has held the position of Managing Director of American Express Australia since 2006. Prior to this appointment, Pierric was head of American Express Asia Pacific commercial division from 2003-2005.

Tracey Fellows

Managing Director, Microsoft Australia

BE, Diploma of Banking Management

Tracey Fellows is the Managing Director of Microsoft Australia. Prior to this, she was the Director of Business and Marketing Operations for Microsoft Australia and New Zealand and was also the Director of Server Business Group. Tracey has held senior positions at Dell and IBM and has over 20 years experience in the Australian IT industry.

Stephen Fitzgerald

Managing Director, Chief Executive Officer, Goldman Sachs JB Were

BEC

Stephen Fitzgerald is CEO and Managing Director of Goldman Sachs JBWere. He joined Goldman Sachs in 1992, became Managing Director in 1998 and a partner in 2002. Prior to joining Goldman Sachs JBWere, Stephen was head of Goldman Sachs Asset Management International. In that capacity, he was responsible for GSAM's business outside North America, encompassing Latin America, Europe, the Middle East and Asia Pacific. Previously, he was head of the Investment Management Division in Asia and spent eight years as Chief Investment Officer for GSAM's global fixed income and currency business.

Matthew Grounds

Chief Executive Officer, UBS Australia

BCom, LLB

Matthew Grounds is CEO of UBS Australasia and Global Head of UBS Investment Banking. He is a member of the UBS Asia Pacific Management Committee, the UBS Global Executive Committee and a Group Managing Director. With more than 20 years investment banking experience, Matthew is one of Australia's leading corporate advisers and has been responsible for a number of landmark transactions for major Australian and international companies.

Robert Milliner

Chief Executive Partner, Mallesons Stephen Jaques

BCom, LLB (Hons), MBA

Robert Milliner has been Chief Executive Partner of Mallesons since 2004. Prior to taking up this role he was Managing Partner, International based in Hong Kong. Robert is a director of the Business Council of Australia and Chair of the Business Reform Taskforce, Board member of Australian Charities Fund and ABCN. He is also Deputy Chair of the firm's Mallesons in the Community program.

Paul O'Brien

Company Secretary, SingTel Optus Pty Limited

BA Dip Ed, FAICD

Paul O'Brien has been Secretary of SingTel Optus Pty Limited since 1995 and of Optus group subsidiaries since 1992. He has 30 years business and secretarial experience covering private companies limited by shares and guarantee, incorporated international joint ventures and entities listed on the ASX.

Geoff Wilson

Chief Executive Officer, KPMG in Australia

BCom, CA, FICA, FCPA, USCPA

Prior to being appointed as KPMG's CEO in January 2008, Geoff Wilson was the National Managing Partner of Audit and Risk Advisory Services for the Australian practice. In this capacity, he also served as Chief Operating Officer for the Asia-Pacific Audit and Advisory practice and was a member of KPMG's Global Audit Leadership Group. Geoff is also a board member of the Business for Millennium Development and a member of the advisory council of the Australian School of Business at UNSW. He is also a member of the Great Barrier Reef Foundation's Chairman's Panel.

Helen Zimmerman

Executive General Manager English at Navitas Limited

BA (Hons), FAICD, Dip Ed, Grad Dip in Adult Education, Dip Company Directorship

Prior to joining Navitas as head of the English Division, Helen Zimmerman was Managing Director of the ACL Group of companies. She is a board member of the International Education Association of Australia and on the ETS TOEFL Advisory Group. From 2002 to 2008, Helen was a member of the NSW Vocational Education and Training Board. In 2010, she was one of five national finalists for the Equal Opportunity for Women in the Workplace Agency's award of Leading CEO for the Advancement of Women. She was named as a Paul Harris Fellow by the Rotary Foundation of Rotary International in 2010 and is Secretary of a not-for-profit children's charity.

Board of Directors Meetings Attendance

Directors	16 July 2011	20 October 2011
Carey Badcoe	*	*
Matthew Quinn	A	*
Paul O'Sullivan	*	*
Stephen Fitzgerald	A	*
Robert Milliner	A	*
Geoff Wilson	A	*
Matthew Grounds (appointed 14.04.11)	A	*
Helen Zimmerman (appointed 14.04.11)	*	A
Pierric Beckert (appointed 14.04.11)	*	A

* = Attended, A = Absent, NA = Not eligible to stand.

ABCN Council Members

Optus	Paul O'Sullivan, CEO (Chair)
ABCN	Carey Badcoe, Chief Executive
American Express Australia Ltd	Pierric Beckert, Managing Director
Bain & Company Inc	Dale Cottrell, Managing Partner
Blackmores	Christine Holgate, CEO
Citi Australia	Stephen Roberts, CEO Institutional Clients Group and Citi Country Officer
Commonwealth Bank of Australia	Ralph Norris, CEO
Deloitte	Giam Swiegers, CEO
Ernst & Young	Rob McLeod, Oceania CEO and Managing Partner Michael Hawker, Founder
Fuji Xerox Australia	Nick Kugenthiran, Managing Director
Goldman Sachs	Stephen Fitzgerald, Co-CEO
Hall & Wilcox	Tony Macvean, Managing Partner
iiNet	Michael Malone, CEO
Insurance Australia Group	Mike Wilkins, CEO and Managing Director
Investec (Australia) Limited	David Clarke, CEO
JP Morgan	Robert Priestley, CEO
KPMG	Geoff Wilson, CEO
Mallesons	Robert Milliner, Chief Executive Partner
Microsoft Australia	Pip Marlow, Managing Director
Minter Ellison Lawyers	John Weber, Chief Executive
MLC	Steve Tucker, CEO
Navitas	Helen Zimmerman, GM
ninemsn Pty Ltd	Joe, Pollard, CEO
O-I (Owens Illinois)	Brian Slingsby, CEO
PricewaterhouseCoopers	Mark Johnson, CEO
Qantas Airways Limited	Alan Joyce, CEO
Stockland	Matthew Quinn, Managing Director
UBS	Matthew Grounds, CEO
Wesfarmers	Richard Goyder, Managing Director and CEO

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For all program queries please find relevant contacts for each state below:

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