OUR FIRST YEAR IN REVIEW

Origin Foundation

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CONTENTS

Origin Foundation Chairman's message	3
Head of Foundation's message	5
Our Grants Program – Education	6
Case study – Brighter futures for young people in foster care	9
Our Grants Program – Capacity building in the not-for-profit sector	10
Volunteering	11
Employee giving	12
Governance	13

OUR CHAIRMAN'S MESSAGE



Welcome to our first Origin Foundation annual review of activities.

The Origin Foundation is a new philanthropic Foundation, created for the benefit of the community. It was established by Origin early in 2010 to mark the 10th anniversary of the company's listing on the Australian Securities Exchange.

Our Foundation is funded by the interest income from a $50 million corpus provided by Origin. Origin also funds all of the Foundation's running costs, ensuring that all of the Foundation's investment income goes to community programs.

In creating a foundation, Origin is bringing into alignment its social and economic objectives. Companies maximise shareholder value when they acknowledge and deliver on their responsibilities to all their stakeholders, and recognise that they operate with the permission of society.

While the Foundation does not serve the commercial interests of Origin, it will continue to have strong ties to the organisation. The Foundation will complement the community investment work carried out by the Origin business in the communities where it operates both in Australia and internationally.

Our Foundation will serve the community, but "belongs" to the people of Origin. Early on, our people determined that education should be our focus. Education changes lives. It provides equal access to employment and economic advantage. It underpins individual happiness and social cohesion. Education is also a dominant driver of sustainable economic growth.

In recognising that education is a broad canvas, we have tried to focus on innovative approaches and the areas where government does not yet participate. We are prepared to provide seed funding and also multiyear support, to provide organisations with a clear development path.

In sifting through the multitude of worthy causes, we employ a disciplined process. Our Head of Foundation brings concepts to the board which he thinks are worthy of discussion. Following this process, successful applicants are asked to submit a two-page paper on who they are, why they need funding, what it is to be used for, how this will be measured, and how it aligns with Origin, the Foundation and our strategy. These applicants are given 15-20 minutes each to argue their case before the Foundation Board. This is a small but experienced Board of people with both a distinguished record in the education sector, and in international business. To date, and in our first year of operation we have made 12 grants to organisations distributing $4million.

In addition to our grant giving we provide the opportunity for Origin people to volunteer with these organisations, matching needs with skills. The Foundation also matches any donations that Origin employees make to charitable organisations.

It is early days yet, and the Foundation is in its infancy. But we have an exciting mandate, a committed board, and wonderful Foundation team, and worthy cause.

Together we can make a difference.

Gordon Cairns
Origin Foundation Chairman



ABOVE
Gordon Cairns with a CREATE Youth Delegate at the launch of CREATE Your Future, September 2010.

OUR HEAD OF FOUNDATION'S MESSAGE



We began 2010 by running an in-depth consultation with the people of Origin, to find out where they thought the Origin Foundation should focus its efforts. A quarter of the 4,500 employees at Origin participated.

Origin employees identified education and its link to employment and life outcomes as an opportunity for our Foundation. Their sentiments reflect the "social inclusion agenda" which sees education as the pathway to brighter futures for individuals, particularly the vulnerable.

We will focus our efforts on supporting programs that use education to change people's lives for the better. By adopting a wide definition of education to include training and development we will be able to assist a wide demographic in the Australian community.

Our Foundation will deliver support in three ways. We'll provide funding to organisations that share our belief in the power of education; match donations by Origin people to the charities they believe in; and facilitate Origin employees volunteering their time and skills in the community.

Already we've committed substantial funding to five organisations and have taken steps to improve our employee giving program, Give2. Over the next 12 months we will continue to form new partnerships.

Origin employees will continue to be our eyes and ears in the community. With their feedback, and the knowledge we receive from the not-for-profit sector, the Origin Foundation will be able to continue to evolve and respond to society's needs.

I would like to thank the many members of the Australian philanthropic community who have provided support and counsel in the setting up of the Origin Foundation. I would also like to congratulate our program partners on the important work they are doing on behalf of the community and thank them for the privilege of working with them.

Finally I would like to applaud the people of Origin for their generosity of spirit.

Sean Barrett
Head of Foundation

OUR GRANTS PROGRAM
EDUCATION



ABOVE
Tyrone Hobday, Country Education Foundation scholarship recipient.

The Origin Foundation believes in the power of education, training and development to transform lives and improve communities.

Education is a vital building block for a successful life, providing a pathway into employment and financial stability. Education enhances an individual's capacity to participate in life.

Our focus, chosen by the people of Origin, is to support programs that use education, in its widest possible definition, as a pathway to a brighter future for individuals and their communities.

We are particularly interested in maximising the education opportunities of current and future generations of young people, particularly the vulnerable and disadvantaged.

Through our Grant Program we fund partnerships that are evidence based, committed to ongoing evaluation and sustainable over the long term. We are seeking to partner with like-minded organisations whose programs have a focus on community and individual capacity building through education.
Our partners must have Deductable Gift Recipient status.

Our approach is to research and consult as we build our knowledge of the educational, development and training sectors. We then develop funding packages with selected organisations. We offer both short-term and long-term grants.

We recognise that a number of organisations are exploring new methods of addressing entrenched problems and we wish to assist this new thinking. To this end we will allocate 10% of our funds in support of innovation.

In addition to funding programs, we also have an interest in building the capacity of our partners. We are willing to invest in developing organisational capability to ensure the ongoing success of our partners' work.

OUR GRANTS PROGRAM
EDUCATION



ABOVE
Photo courtesy of the CREATE Foundation.

Our funding is helping to support the work of the following organisations:

Big Picture Education Australia
A long-term grant of $870,000 over three years
Big Picture Education Australia wants to make schools better for our young people. Their philosophy is grounded in educating 'one student at a time'. With funding from the Origin Foundation Big Picture Australia will be able to undertake research and teacher training programs to help prove their model.

Country Education Foundation Australia (CEFA)
$324,000 over two years
CEFA assists rural and remote communities around the country to establish local Education Foundations. These local foundations raise funds to assist young people to transition from high school into further education, training or vocations. Support from our Foundation will help CEFA expand their work across Australia.

The CREATE Foundation
A long-term grant of $860,000 over three years
The CREATE Foundation represents the voices of all young Australians in foster care. Our support will help them roll out CREATE Your Future, a new 'life skills' education program that will support these young people as they transition out of the care system.

Australian Scholarships Foundation (ASF)
$200,000 for two years
ASF helps to improve the capacity of the not-for-profit sector by providing access to vital further education. Support from the Foundation will help ASF offer a series of Origin Foundation Scholarships for leaders within the sector, providing opportunities for these people to improve their skills by undertaking further study or training.



ABOVE
Photo courtesy of Good Return.

Centre for Social Impact
A long term grant
The Centre for Social Impact (CSI) works to bring together the business, government, philanthropic and not-for-profit sectors, in a collaborative effort to build community capacity and facilitate social innovation. With the Origin Foundation's funding CSI will develop, test and implement a methodology to measure the 'Social Return from Education and Training' programs for not-for-profit managers.

Good Return
A long term grant of $1,000,050 over three years
Good Return specialises in microfinance, financial literacy and livelihood development programs. Their loans enable the poor to start or expand their small businesses, increase their income, which provides further benefits to the individual borrower, their families and communities. The Origin Foundation will provide funds to enable GR to develop their infrastructure to enable growth and financial sustainability. Additionally, we will fund education and training in environmentally sustainable microfinance, income generation and promotion of renewable energy technologies.

The Smith Family
An initial grant of $400,000
The Smith Family (TSF) is a national, independent children's charity helping disadvantaged Australians to get the most out of their education, so they can create better futures for themselves. The Origin Foundation will provide financial support for TSF to pilot their 'Let's Count' numeracy based program for pre-school children.

Beacon Foundation
A one-off grant of $88,000
The Beacon Foundation helps all young people feel inspired to stay at school. Their school-based program inspires and motivates students to either stay in school and increase their educational engagement and attainment or choose a positive pathway that enables successful transition to employment, further education or training.

BRIGHTER FUTURES FOR YOUNG PEOPLE IN CARE

If you haven't had the best start as a child, how do you know where to begin as an adult?

Can you imagine beginning life on your own at the age of 16 without the support of a family? Without a job? Without a bank account? Without a birth certificate?

For many young people in out of home care (foster, kinship or residentail care), this is the scenario they face when leaving the care system. There are more than 34,000 kids in care. At the age of 18 in some states, these young people are forced to leave the care system, often underprepared for the real world.

Research shows that:

- 30% report being homeless in the first year of leaving care
- 46% of boys enter the juvenile justice system
- 35% complete Year 12
- 29% identify as unemployed (compared to the national average of 9.7%)
- 64% have no leaving care plan – which effectively means no plan for their future

Case study: CREATE Foundation

Luckily, groups like the CREATE Foundation are here to help young people as they leave the care system and become independent.

CREATE is the leading organisation representing the voices of children and young people in foster care. Their mission is to create a better life for young people in, and leaving, the care system.

The Origin Foundation is partnering with CREATE to help roll out a new program, called Create Your Future, a transition education program that teaches young people in care about health and wellbeing, life skills, job readiness, education and training options, and finance.

Jacqui Reed, CREATE Foundation CEO said that the program would help young people put their best foot forward as they entered the world as young independent adults.

"Every young person deserves to feel supported, confident and prepared when they leave home. CREATE Your Future will give young people in care the practical skills they need to survive as an adult in our society."

Our Foundation is providing funding and access to skilled volunteers to help CREATE roll-out this program across New South Wales, Queensland, South Australia and Victoria.

It has the potential to change life outcomes for young people, setting them on the path to a brighter tomorrow that they can create for themselves.



ABOVE
Photo courtesy of the CREATE Foundation.

OUR GRANTS PROGRAM
CAPACITY BUILDING IN THE NOT-FOR-PROFIT SECTOR



ABOVE
Sean Barrett and Gordon Cairns from the Origin Foundation, with Amy Lyden, ACF CEO at the launch of the Origin Foundation Scholarships.

Education is not only a fundamental building block in life, but training and development are also key to improving the capacity of organisations delivering important services within our community.

Yet research shows that few not-for-profit organisations invest in the education of their own people.

A recent report by the Australian Scholarships Foundation (ASF) said that Australia's not-for-profit sector must invest in training and development of its leaders if it is to improve its performance.

Leadership development, finance and people management were identified as key skills areas that the not-for-profit sector must develop if it is to rise up to the challenges outlined for the sector in the 2010 Productivity Commission study, "The Contribution of the Not-for-Profit Sector".

The recommendations were developed following a forum organised by ASF, Philanthropy Australia and the Origin Foundation, with nearly 100 senior representatives from the not-for-profit and education sectors attending.

The Origin Foundation is partnering with ASF to offer a series of Origin Foundation Scholarships. The Foundation will provide support worth $100,000 per year for two years in order to fund new scholarships that will meet the sector's needs.

The funding will in turn buy training and development greatly in excess of these amounts because of ASF's innovative model.
Scholarships will be available through ASF from January 2011.

View the ASF Report at:
http://www.scholarships.org.au /images/stories/files/asf_origin_findings_oct_2010.pdf

CASE STUDY
SAVING THE RED-TAILED BLACK COCKATOO

VOLUNTEERING

The Origin Foundation is privileged to have access to the time and skills of Origin employees who volunteer their time to support our partners through a range of activities.

In 2010 employees gave 4879 hours to the community. Traditionally, our volunteers have given their time to unskilled volunteering projects, like species protection activities, building homes for struggling families and providing event and office support. Our volunteering partners include The Big Issue, Conservation Volunteers Australia, Engineers Without Borders, Habitat for Humanity, Oxfam Australia and The Salvation Army.

However when the Foundation consulted with employees in 2010, we heard that they wanted an opportunity to make a deeper contribution by volunteering their skills. So from 2011, we will offer our partners access to the professional services of our people. Volunteers will provide support in a wide variety of professional capacities, from developing marketing plans to assisting with financial reporting.

While skilled volunteers are one of the greatest gifts we can offer our partners, the experience also gives employees the chance to develop personally and professionally.

Case study: Saving the Red-tailed Black Cockatoo

The Red-tailed Black Cockatoo is an important native species under threat from loss of habitat across Victoria and South Australia. In danger of extinction, it's estimated that there are only 1,400 of the south-eastern species left in the wild.

During 2010, the people of Origin supported conservation efforts to protect this important species through our volunteering partnership with Conservation Volunteers Australia.

Volunteers travelled to Casterton, in north west Victoria where they spent time learning about the endangered bird and helped to remove Coast Wattle and Pine trees, competitor species to the Red-tailed's food source and repaired or replaced guards to protect nesting trees.

Paul Charles, Origin Foundation volunteer, describes his experience:

"We learned a lot about the Red-tailed Black Cockatoo, the factors which are putting it and it's habitat under pressure and the important work being done by Conservation Volunteers to help ensure its survival. Working together with CVA and staff from the Department of Sustainability and the Environment we were able to make an immediate positive difference towards the preservation of this species for future generations."

Conservation Volunteers Australia is one of the Foundation's key volunteering partners. Through their Wild Futures program, they are helping to protect more than twelve endangered native species.

Through the Foundation's Volunteering Program, Origin employees receive paid volunteer leave to support partners like CVA with important skilled and unskilled work.





ABOVE
Top right: Caitlin Ingle was one of eight volunteers who travelled to Casterton in regional Victoria to help save the Red-tailed Black Cockatoo.

Bottom right: Volunteers put up a tree-guard to protect Red-tailed nesting trees.

EMPLOYEE GIVING

The Origin Foundation matches donations by Origin employees to the charities of their choice. In 2010, Origin people gave $119,900, which we matched dollar for dollar so that $239,000 went to a range of charities.

Our giving program, Give2, allows employees to give through the Origin payroll system, pre-tax. We offer flexible giving options, including opportunities to give just once, give regularly to the same charities or give regularly choosing different charities each time.

Towards the end of 2010, we saw a 80 per cent increase in employee donors, thanks to some changes to the program which increased choice for employees.

By the close of the 10/11 financial year we expect to exceed our target and cap of matching $200,000 worth of donations to Australian charities.

Case study: Giving to Oxfam Australia

The people of Origin have a proud history of supporting Oxfam Australia. Since 2004 employees have been supporting Oxfam in a variety of ways, including raising vital funds through their annual Trailwalker event.

This challenging 100 kilometre team event has tested the endurance and collaboration of 33 Origin teams over seven years.

Collectively, our people have raised over $220,000 in donations, and dozens of employees have given up their spare time to coordinate a checkpoint for Trailwalker Melbourne each year. In 2010, 23 Origin employees volunteered at checkpoints on the first day of the event.

Funding supports Oxfam's work fighting poverty and injustice around the world. Oxfam supports people to realise their basic human rights, providing communities with the skills and resources to create their own solutions to poverty.

Oxfam is a key volunteering and workplace giving partner for our Foundation and employees continue to support their work, with more than seven Origin Foundation teams already registered for the Trailwalker Melbourne 2011 event.

CASE STUDY
GIVING TO OXFAM AUSTRALIA



ABOVE
Photo courtesy of Jane Ussher/Oxfam. Features Oxfam aid worker Janna Hamilton attending to the wounds of Sio Lauvao, 4, in the aftermath of the 2009 Samoan Tsunami.

GOVERNANCE

The Foundation is a separate entity and has its own Board. The Board members receive no remuneration. Members of the Board as at December 2010 are:



Gordon Cairns, Chair

Gordon has a keen interest in philanthropy and in particular, microfinance. In addition to his work on the Foundation Board, Gordon is a member of the Origin Board. Gordon joined the Board of Origin in June 2007. He has extensive experience as a senior executive, most recently as Chief Executive Officer of Lion Nathan Ltd, and has held senior positions in marketing and finance with Pepsico, Cadbury Schweppes and Nestlé. Gordon is a director of Westpac Banking Corporation, Rebel Group Pty Ltd, The Centre for Independent Studies and World Education Australia and is a senior advisor to McKinsey & Company and Caliburn Partnership.



Carl McCamish

Carl joined Origin in March 2008 and is responsible for corporate brand, sustainability, public policy, corporate communications, and government and media relations. Before joining Origin, Carl was head of strategic development at the private equity firm, Terra Firma. From 2004 to 2006, he was Senior Energy Advisor in the UK Prime Minister's Strategy Unit and was deputy head of the 2006 UK Energy Review. Before that he worked at McKinsey & Co management consultants. Carl has a Bachelor of Arts and Law from the University of Melbourne and a Masters in Industrial Relations and Labour Economics from Oxford University where he was a Rhodes Scholar.



Kevin McCann

Kevin is the Chair of the Origin Board and was instrumental in the decision to create the Origin Foundation. Kevin has been part of the Origin Board since 2000. He is Lead Independent Director and Chairman of Macquarie Group Ltd; a director of Macquarie Bank Ltd, BlueScope Steel Ltd and of the Australian Institute of Company Directors (AICD). Kevin is also Chairman of the Sydney Harbour Federation Trust, a Council Member of the National Library of Australia, Chairman of the AICD's Corporate Governance Committee and a Fellow of the Senate of the University of Sydney.



Grant King

Grant has been Managing Director of Origin since the time of the company's demerger from Boral Ltd (February 2000). Grant is Chairman of Contact Energy Ltd, a councillor of the Australian Petroleum Production and Exploration Association, a former director of Envestra Ltd and former Chairman of the Energy Supply Association of Australia Ltd.



Helen Williams

Helen joined the Origin Foundation Board as an External Director in January 2011. Helen has recently retired after a long and distinguished public sector career. She was the first woman to head an Australian Government department and, since 1985, has headed the Departments of Education, Tourism, Immigration and Multicultural Affairs, Communications IT and the Arts, and Human Services. She has been Public Service Commissioner and Parliamentary Service Commissioner, and was the inaugural Head of the Commonwealth-State Relations Secretariat. She is currently Deputy Chair of the Australian National Archives Advisory Council, and a member of the Board of the Bell Shakespeare Theatre Company. In 1993, she was made an officer in the Order of Australia for 'services to public administration. She is a Fellow of the Australian Institute of Management, and a Fellow of the Australian Institute of Public Administration.



Sean Barrett

Sean is the Head of the Foundation and reports to the Board, but is not a member. He was recruited from the not-for-profit sector where he has held senior roles in managing organisations in Australia and overseas. He successfully completed the inaugral Harvard Business School Humanitarian Leadership Program for senior managers in the NGO sector. He is on the Advisory Board of the Centre for the Mind at the University of Sydney.

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