

PRIMARY ETHICS ANNUAL REPORT 2014



Welcome to the inaugural Primary Ethics Annual
Report highlighting our achievements in FY2014!



FY14 was another year of exceptional growth for Primary Ethics – the biggest since we began. With the July 2013 rollout of curriculum for Years 1 and 2 children, our representation in many schools increased by 30%. We also started classes in 75 new schools (36% growth) and grew our volunteer workforce by 427 people or 53% over the course of the year. By the end of June 2014 – and after just 3.5 years in operation - Primary Ethics volunteers were teaching ethics classes to more than 16,000 children each week.

Volunteers are the lifeblood of our organisation. Without them, we wouldn't exist. This year we have been focusing on ways to support them in their roles, investing in more staff and improved systems. Our training and classroom support functions have responded admirably to the challenge of continuously improving quality curriculum delivery in the classroom, as well as the content and quality of face-to-face and online training.

What lies at the heart of Primary Ethics is our unique curriculum, which is a valuable addition to the treasury of educational resources in Australia. We owe Dr Sue Knight a great debt

of gratitude for the skill and insight she has brought to writing the curriculum – especially now at the more challenging end of lessons for 5 and 6 year olds. The whole curriculum will be completed next year. Of course as a living document it will be continuously improved, assisted by input from our volunteers and our Curriculum Subcommittee.

This year's growth in volunteers could not have occurred without the support of all our donors. I'd especially like to acknowledge our major donor, The Kinghorn Foundation, whose generous annual grant of \$0.5m pa for three years has allowed us to employ six staff to grow and support our volunteer workforce. It has also given us invaluable time to focus on building a capital fund to ensure our long-term survival. A number of philanthropists who provided funding in our very early days completed their three-year financial pledges in FY14. Thanks to all our donors – large and small.

I'd also like to acknowledge the strong contribution made by our major corporate partners this year: Janison, which provides its online learning platform pro bono; UN LTD,

LETTER FROM THE CHAIRMAN

which helped with rebranding, marketing and linking us with its generous advertisers; Snowy Hydro for its pro bono accommodation; Gilbert & Tobin for its legal advice; and the Nine Network Australia for making and then broadcasting a 30-second TV Community Service Announcement that spearheaded our push into greater western Sydney and regional towns.

Looking ahead to FY15, Primary Ethics seeks to increase the number of ethics classes in schools - especially in greater western Sydney and regional towns - by finding suitable volunteers from both the parent and wider community. We must also do all we can to continue to make the volunteering experience satisfying and enjoyable and ensure ongoing quality delivery of curriculum in the classroom.

Bruce Hogan, AM

Why do you enjoy Primary Ethics classes?

PRIMARY ETHICS WOULD LIKE TO THANK THE FOLLOWING GENEROUS DONORS

The Kinghorn Foundation

Chris Cuffe Foundation

Paradice Family Foundation

Rob Keldoulis

The Hunt Family Foundation

Rita Hogan Foundation

Peter Joseph

Michael Cole

Colin Bell

The Sky Foundation

David Gyngell

Tim Ryan

Gonski Foundation

Nick Greiner

Robert Barry

Helen Lynch

Michael Pain

*"In ethics we have learnt not
to talk while others are talking
because it's disrespectful."*

Year 3 student,
Pennant Hills Public School



The Primary Ethics Board: (L to R) Scott Mannix (company secretary), Simon Longstaff, Robin Low, Nigel Stokes and Bruce Hogan (chairman)

*"It's a fun way to learn things
and your opinion matters in
ethics."*

Year 3 student,
Pennant Hills Public School

LETTER FROM THE PRIMARY ETHICS FUTURE TRUST CHAIRMAN

On July 12, 2013, after more than two years of lobbying and following a change in the Australian Taxation Act that passed into law two weeks prior, Primary Ethics finally received DGR status. This now means that donations are tax deductible and those philanthropic individuals who have their money in private ancillary funds (trusts and foundations) can donate to Primary Ethics.

In order to ensure the long-term viability of Primary Ethics – which is far too important an initiative for our society to let fail – we established the Primary Ethics Future Trust in September 2013. Our ambitious goal is to raise a \$20m corpus and to invest this in perpetuity, with the income generated used to support all 4,000+ volunteers who organise and teach ethics to children in their communities across NSW. This will help secure the long-term financial future of Primary Ethics.

The role of the board of Primary Ethics Future Trust is to lead the fundraising effort and to approve investment strategies considered optimal to achieve the objectives for the Trust.

My thanks must go to Bruce Hogan, Steve Roberts and Scott Mannix who were all co-directors of Primary Ethics

Future Trust at start up. Scott is now our company secretary, while Steve has moved on to focus on his many other philanthropic roles.

As at June 30, 2014 Primary Ethics Future Trust had received donations or pledges in excess of \$1.6m and with a number of promising leads in the pipeline. This is an excellent start for this long-term initiative. I'd like to take this opportunity to thank all our major donors as well as those organisations that have provided pro bono investment assistance.

Chris Cuffe

*"I love the stories that we talk
about and the pictures that
we see, and of course I love
that my mum is the teacher!"*

Noah K, Kindergarten,
South Coogee Public School



The Primary Ethics Future Trust Board Nov 2014: (L to R) Scott Mannix (company secretary), Bruce Hogan, Chris Cuffe (chairman), Steve Knight, Piers Bolger and Nick Greiner (absent)

THE HIGHLIGHTS OF 2014

VOLUNTEERS

In the period from July 1 2013 to June 30, 2014 Primary Ethics went from:

- 265 to 331 volunteer Ethics Coordinators (one at each school)
- 593 to 945 volunteer Ethics Teachers
- 209 to 284 schools where ethics classes were taught
- 10,000 to 16,000 children attending ethics classes each week

Primary Ethics board members and management would like to thank all who donated their time and skill to bring ethics classes to children in their communities this year. Many of our volunteers are parents of children in ethics classes. However, increasingly, and as we move into schools where both parents work full time, we are recruiting and training volunteer **Ethics Teachers** who are grandparents or other active retirees who live near a public school where parents want their children to attend ethics classes.

Our **Ethics Coordinators** are usually members of the school's parent community. They become our representative in their school community. These volunteers liaise with the principal, recruit and vet volunteers and organise ethics classes within their school. Parents who work full time are often able to take on this role. Our Ethics Coordinators create networks with other Primary Ethics volunteers in nearby schools. Many new friendships have developed between our volunteers, who find like-minded people at training or at Primary Ethics social events.

Our **Regional Managers** manage all the volunteers in a geographical area. They recruit Ethics Coordinators and guide them through the administration and liaison that is needed to get successful ethics classes started in their schools. In FY14, we had 16- 20 Regional Managers around the state.

"As a grandmother, I've always told my grandchildren what to do, but one is never too old to learn new skills. Ethics offers a better way of mutually respectful discussion with them, while they're still young enough for me to be a positive influence in their lives."

Maggie Sydenham,
Ethics Teacher applicant,
Dapto Public School



Primary Ethics Teachers and Coordinators meeting at Crown Street Public School



"Ethics makes my brain work hard"
Year 3 student,
Pennant Hills Public School

"This is why I love teaching ethics!"
Liz Fitzgerald, Ethics Teacher,
Year 3 and 4,
Putney Public School

A friend is someone who you can trust, who cares for you,
who is kind to you and at least
have a few similarities with you.
You always need a friend



TRAINING AND CLASSROOM SUPPORT

FY14 was a watershed year for training at Primary Ethics in which we:

- employed a full-time Training Manager in October 2013 who has brought structure, professionalism, a quality framework, a wealth of experience and energy to our training function.
- ran 36 training sessions (31 for new Ethics Teachers; four Stage 1 sessions and one Ethics Coordinator training session)
- used the services of 14 skilled trainers for our Ethics Teacher training
- ran face-to-face training for:
 - 568 new Ethics Teachers in Sydney
 - 125 new Ethics Teachers in regional areas
 - 90 Stage 1 (Years 1 and 2) Ethics Teachers
 - 20 Ethics Coordinators

Primary Ethics would like to thank the University of Technology Sydney, Macquarie University, the University of Western Sydney, the Australian Catholic University, Southern Cross University, Hunter School of Performing Arts, University of Newcastle's Ourimbah Campus, Crown Street Public School, Canberra University and Campbell Page (Moruya) for pro bono use of their seminar rooms in which we ran face-to-face training. This support has been invaluable, not just this year, but since Primary Ethics began.

Our Classroom Support Team members, led by Roger Reidy, are all volunteers. They visit classrooms, observe a class being taught, and then give coaching tips to help the Ethics Teacher improve curriculum delivery and classroom management. They also recommend training classrooms for new Ethics Teachers to observe. These volunteers usually have Learning and Development or coaching skills and formal adult training in this area before joining Primary Ethics. When we have sufficient numbers of Classroom Support Team members, they will visit each class each year to give coaching tips to all of our Ethics Teachers.

"I love the stories!"

Thomas, Year 1,
Gordon East Public School

FINANCIAL SUPPORT

After receiving DGR status in July 2013, we began our journey towards becoming financially sustainable in the long term, by establishing the Primary Ethics Future Trust (PEFT) on September 18, 2013. We aim to raise a \$20m capital fund to ensure the organisation remains viable for generations. (See PEFT chairman's report on p3.)

Primary Ethics received donations and pledges of \$1.6m for the PEFT.

The Kinghorn Foundation continued its generous support through its second of three \$500K annual grants towards our operating expenses.

As a part of our website overhaul, we created an online donation facility – including recurrent donations - and information about bequests. Thanks to those donors who have given us one-off or recurrent donations this year.

Thanks to all of our donors in FY14

THE KINGHORN FOUNDATION, PARADISE FAMILY FOUNDATION, ROBERT KELDOULIS, THE HUNT FAMILY FOUNDATION, RITA HOGAN FOUNDATION, PETER JOSEPH, MICHAEL COLE, COLIN BELL, THE SKY FOUNDATION, DAVID GYNGELL, TIM RYAN, CHRIS CUFFE FOUNDATION, GONSKI FOUNDATION, NICK GREINER, ROBERT BARRY, HELEN LYNCH, MICHAEL PAIN, JAMES FAIRFAX, AUSTRALIAN ETHICAL INVESTMENTS LTD, WALTER LEWIN FOUNDATION, SUSAN GABRIEL, KALI BELLEAR, BRUCE HOGAN, HOWARD PACKER, LENORE GRUNSELL, KAYE BELLEAR, RON LILING, COLIN JONES, ALAN CASTLEMAN, DAVID CORBY, JOY NASON, HARDY MARTIN, LLOYD SWANTON, PETER HINTON, SHAUN BRADBURN, DR GABRIELLE WOOD, THOMAS TORDA, LISA SMITH, DANIEL & SUZY KENNY, ALOKE PHATAK, IAIN WHYTE, KAREN CARKNER, DEAN REEVES, ALEX TAN, RICHARD POTTS, MICHAEL KARAS, PAUL HARRIDGE, MICHAEL BECKETT, AUTHENTIC EDUCATION AUSTRALIA PTY LTD, ANITA MALIK, JOHN STEVENS, SANDRA KWA, KEVIN BADIN, ERIC SOWEY, EDDIE HOPE, SIMON STONE, TERESA RUSSELL, ALISA MANGULABNAN, RAYMOND & QUEENIE HUI, STELLA RUFUS, S K TANG, ETHAN HUI AND GWYNETH HUI.

"In ethics I have learnt to build on other people's ideas."
Year 3 student,
Pennant Hills Public School

IN-KIND SUPPORT

The following organisations have provided invaluable in-kind support to Primary Ethics this year. We thank them for their generosity in FY14.

Janison, which has provided Primary Ethics its e-learning platform pro bono since 2011, began an ambitious project this year to move our online learning system to its cloud-based platform. This will automate a lot of our compliance requirements and improve our online training capability. The project should be completed by January 2015.

UN LTD supported Primary Ethics with expertise in advertising, design and marketing strategy this year, helping us to spread our brand across greater western Sydney via a poster campaign through JCDecaux and across the state through TV and online media.

Snowy Hydro continued its provision of top-notch CBD accommodation for our seven staff members.

The Nine Network Australia created a 30-sec TV Community Service Announcement that it broadcast across its television network and on ninemsn in the first part of the school year, resulting in increased awareness and more volunteers.

Gilbert+Tobin has provided pro bono legal advice since before Primary Ethics began. This year, we used their services when setting up the trust and applying for DGR status, once the Taxation Act had changed.

Loqium worked with a designer provided by UN LTD to rebrand our website on a 'low bono' basis.

303Lowe created a thought-provoking poster design that was used in a 2-week campaign in June 2013 across greater western Sydney. We have also used it on a brochure introducing new parents to ethics classes.

"You get a chance to say what you believe"
Year 3 student,
Pennant Hills Public School



CURRICULUM IN THE CLASSROOM

16,000 children from Years 1-6 were attending weekly ethics classes in their schools by the end of FY14.

Primary Ethics launched ethics classes for Years 1-2, expanding into the lower primary school for the first time and finding new volunteers who were parents of younger children.

Dr Sue Knight, our curriculum author, completed the first two topics for Kindergarten children, which will be delivered in FY15.

"I like that we share our ideas with other students and get to talk to each other. We get to know each other better"

Charlotte, Year 2,
Gordon East Public School



Dr Sue Knight - Curriculum Author

CURRICULUM IN THE CLASSROOM

During FY14, we increased our headcount by two FTE employees and reallocated priorities for the CEO. While providing overall management of the organisation, **Teresa Russell**, CEO, now has an external focus, leading fundraising, marketing and communications, and statewide volunteer attraction. **Alisa Kelley** was recruited to take over as general manager in November 2013, overseeing daily operations and ICT. **Karen Lee** joined us in September 2013 as our training manager, in charge of both training and classroom support. The role of volunteering manager was held by Tinny Hon for most of the year, but is now held by **Debbie Kearns**. **Maria McCarthy** took over as our development manager in December 2013, in charge of starting ethics classes in new schools. She replaced Meg Watts who moved interstate. The administration role has been job-shared since it began in early 2013. Thanks to Emma Wentworth, Claire Abbott, Heleen Tol and Mel Colvin for their contributions in FY13. At the time of writing, **Heidi McElnea** is our administration coordinator and **Mel Colvin** is our training coordinator.



TERESA RUSSELL
Chief Executive Officer



ALISA KELLEY
General Manager



KAREN LEE
Training Manager



MEL COLVIN
Training Coordinator



MARIA MCCARTHY
Development Manager



HEIDI McELNAE
Administration Coordinator



DEBBIE KEARNS
Volunteering Manager



PROUDLY DESIGNED AND CREATED BY 303LOWE

In order to connect with our future potential volunteers and parents, Primary Ethics uses all effective communications avenues available to us at low or no cost, especially social media and mass media.

The highlight of FY14 was the pro bono creation of a 30 sec TV Community Service Announcement, thanks to 9mm and The Nine Network Australia. This was broadcast on Channel 9, Go! and GEM, as well as WIN and NBN. Another generous initiative was the creation of a poster (thanks to 303Lowe) for an outdoor campaign in greater western Sydney in June 2014, donated by JCDecaux and brokered by UN LTD.

Primary Ethics also uses media releases in local papers across NSW to help find community volunteers to teach ethics in their local schools. (Parents are reached through school communications.) These

MARKETING AND COMMUNICATIONS

stories are popular with local papers and are usually successful in finding at least a few volunteers.

In February 2014, we launched primaryethics@home – an online newsletter that made direct contact with the parents of children enrolled in ethics classes. Primaryethics@home informs parents about the topics their children are discussing at school and gives them questions to ask at home to keep the conversation going around the dinner table. This initiative was well received but couldn't be completed due to resource issues. The project is being relaunched in January 2015, with assistance from some keen volunteers.

"I like that I get to relax and listen to great stories. Then we get to talk about them. It's different to our other classes."

Lara, Year 2,
Gordon East Public School

FINANCIAL REPORT

The Income Statement and Balance Sheet from Primary Ethics' Consolidated Annual Financial Report for the year ended 30 June 2014 is set out below.

INCOME STATEMENT

	FY2014 (\$)	FY2013 (\$)
Revenue and Other Income		
Donations	1,232,123	1,166,812
Donations – In Kind	4,087,542	3,403,400
Grants & Sponsorships	502,500	16000
Raffle Tickets	-	17,903
Interest Earned	41,945	5,463
Investments	-8,413	-
Total Income	5,855,697	4,609,578
Expenses		
In Kind	4,087,542	3,403,400
Provision of services	280,269	47,662
Administration	122,025	27,158
Fundraising	101,004	1,520
Community education	231	1,818
Total Expense	4,591,071	3,481,558
Profit/ (Loss) for the year	1,264,626	1,128,020
Other comprehensive income	-	-
Total comprehensive income for the year	1,264,626	1,128,020

"It's good to talk with the group
and sometimes we agree."
Samuel, Year 1,
Gordon East Public School

BALANCE SHEET

	FY2014 (\$)	FY2013 (\$)
CURRENT ASSETS		
Cash and cash equivalents	1,245,779	1,264,298
Trade and other receivables	6,987	2,500
GST Paid	970	-
TOTAL CURRENT ASSETS	1,253,736	1,266,798
OTHER ASSETS		
Investments	1,585,295	-
TOTAL OTHER ASSETS	1,585,295	-
TOTAL ASSETS	2,839,031	1,266,798
CURRENT LIABILITIES		
Payables	400	-
Employee Liabilities	83,207	-
TOTAL CURRENT LIABILITIES	83,607	-
NON CURRENT LIABILITIES		
Directors Loans	-	6,000
Other Loans	230,000	-
TOTAL NON CURRENT LIABILITIES	230,000	6,000
TOTAL LIABILITIES	313,607	6,000
NET ASSETS	2,525,424	1,260,798
FUNDS		
Retained earnings at the start of the year	1,260,798	132,778
Current Year Surplus/Deficit	1,264,626	1,128,020
TOTAL FUNDS	2,525,424	1,260,798

The comprehensive Primary Ethics Ltd Consolidated Financial Report for the year ending 30 June 2014 may be downloaded from <http://www.primaryethics.com.au/annualreports.html>

"In ethics we learnt that people
are different and that's ok."
Year 3 student,
Pennant Hills Public School



www.primaryethics.com.au
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