

# Annual Report 2022-23







Front cover: Trust for Nature team members on the Gippsland Lakes, Gunaikurnai Country. Image: Ben Williams.

This page: This property on Phillip Island is being transferred to the Bunurong Land Council Aboriginal Corporation. Image: Annette Ruzicka.



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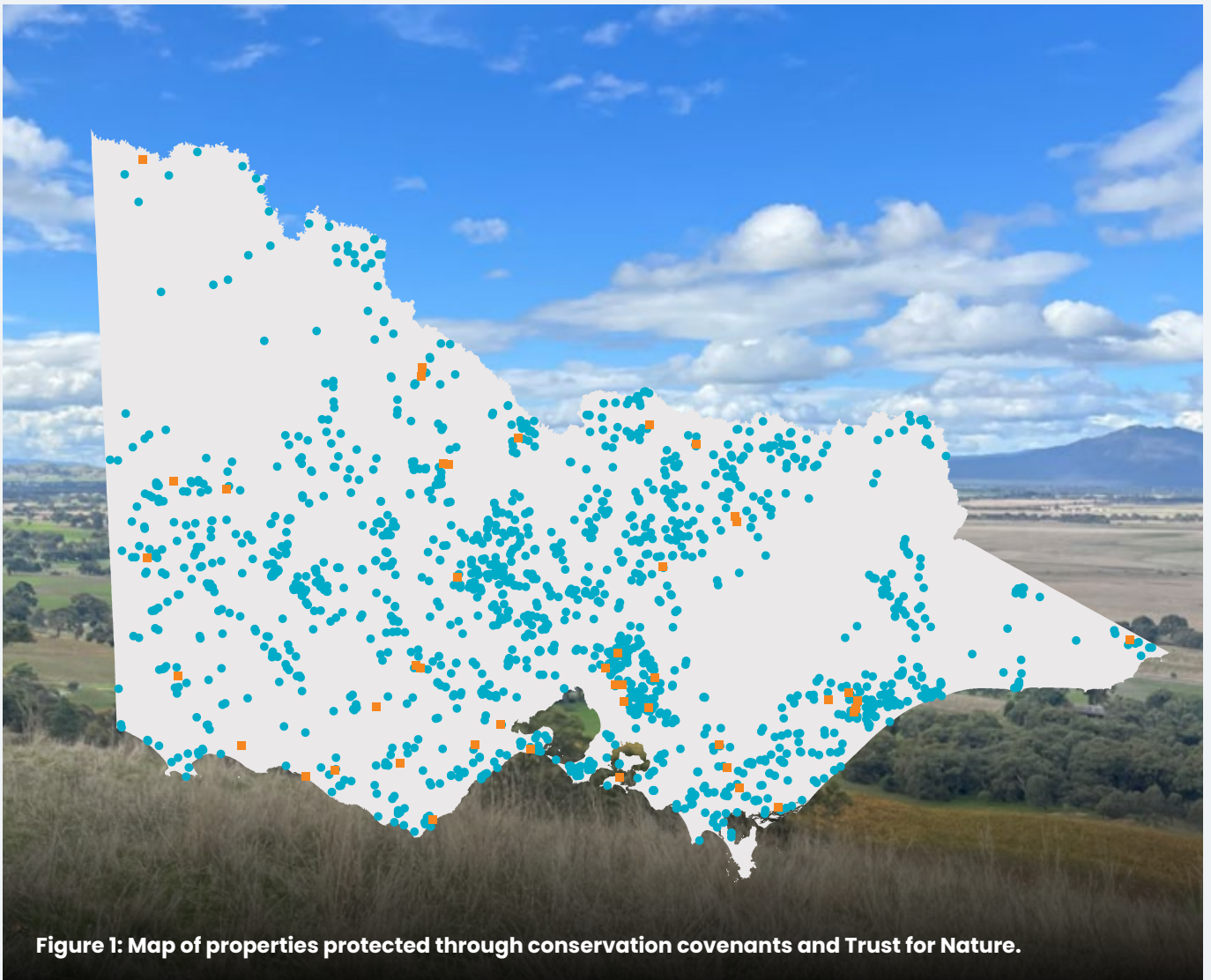
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Trust for Nature team members engaged with Traditional Owners at a visit to the Budj Bim Cultural Landscape, Gunditjmarra Country.





**Figure 1: Map of properties protected through conservation covenants and Trust for Nature.**

- Conservation covenants
- Trust for Nature properties/reserves

## Recognition of Traditional Owners

Trust for Nature recognises the continuing spiritual and cultural connection of Traditional Owners to Victoria’s land, wildlife, freshwater and saltwater environments. The Trust shares with Victoria’s Traditional Owners a deep appreciation of native wildlife and habitats on both public and private land and in aquatic environments.

The Trust recognises that all Victorians share in the benefits of the custodianship and caring for Country that Traditional Owners have practised for millennia. The Trust is committed to working with Traditional Owners to conserve, restore where possible and protect natural environments, wildlife and cultural heritage value.

## About Trust for Nature

We are one of Australia’s oldest conservation organisations, established in 1972 under an Act of Parliament in Victoria. Our mission is to work collaboratively to protect nature on private land so that Victoria’s most threatened plants and wildlife are conserved for future generations. We hold a unique power in Victoria, enshrined in legislation, to protect private land by applying conservation covenants to property titles in agreement with sympathetic landholders. So far, we have protected more than 110,000 ha of native habitat through a mix of conservation covenants and nature reserves. We also work collaboratively on conservation projects with governments, communities, other organisations and partners who share our commitment to Victoria’s environment.

## Responsible Body Declaration

In accordance with the Financial Management Act 1994, I am pleased to present Trust for Nature’s annual report for the year ending 30 June 2023.

Lisa Darmanin  
Acting Chair  
Trust for Nature (Victoria)  
28 February 2024

# Chair update

As Trust for Nature celebrated the final months of our 50th anniversary, we also marked an important transition, farewelling our long-serving CEO Victoria Marles, and welcoming incoming CEO Corinne Proske. As she shared birthday cake-cutting duties with our longest-serving staff member, Shelagh Curmi, at a wonderful Trust for Nature family event beside the Yarra, Corinne demonstrated straight away that she shared the enthusiasm and spirit that our team has exhibited for all of our 50 years.

Corinne comes to us as an experienced CEO and executive, with a Masters in Environmental Science and a passion for nature that has dominated her personal life and aspects of her career. With a professional background in the corporate and not-for-profit sector, Corinne has designed innovative finance models and worked in partnership with government, as well as leading people through significant change. She brings a burst of fresh energy and ideas to Trust for Nature, alongside an unwavering commitment to preserve and enhance our environment. We are excited to have Corinne on board to usher in the next phase of Trust for Nature's evolution.

At the end of 2022, we also farewelled Vic Marles, who stepped down after 13 years of leading Trust for Nature as CEO. Among her many achievements, Vic successfully advocated for recognition of the critical role private land conservation plays in addressing the multiple environmental challenges we face. Negotiating at state, national and international levels, Vic promoted the importance of conservation covenants and stewardship support for landholders. She was instrumental in founding the Australian Land Conservation Alliance (which she now chairs) and is a founding member of the International Land Conservation Network.

Vic was appointed a Member of the Order of Australia in 2022 in recognition of her significant services to conservation, the environment, and community. On behalf of the Board and staff, we thank Vic for her dedication and leadership, and for putting in place many of the key foundation stones of Trust for Nature's successful conservation and protection mechanisms. We wish her all the best in her many endeavours, knowing that she will always be a firm friend of our organisation.

Gayle Austen  
Outgoing Chair



Corinne Proske,  
CEO of Trust for Nature  
(2022-current)



Victoria Marles AM,  
former CEO of Trust for  
Nature (2010-2022)



Gayle Austen concluded her role as Chair of Trust for Nature in December 2023. Lisa Darmanin has been appointed Acting Chair of Trust for Nature.



# Chair and CEO Report

The past year has been one of the most significant in Trust for Nature's history. As the new financial year began, we were already celebrating 50 successful years fulfilling our unique role as a proactive custodian of Victoria's fragile and beautiful native species and habitats. We had begun to look ahead to the opportunities and threats we will undoubtedly face in the next 50 years, and to consider the vital role we play in the stewardship of private land conservation, in good times and bad.

Our partnerships with covenantors continued to expand and deepen, as the impact of climate change and species extinctions became increasingly apparent. And we had started walking a pathway of reconciliation with Traditional Custodians of the land, as we prepared to return our 30,000 hectare property, Neds Corner, to the First People of the Millewa Mallee Aboriginal Corporation.

At the same time, we were also preparing to farewell our longest-serving CEO, Victoria Marles, who built so many of the important systems and protocols that govern our work, while the Board undertook the critical task of finding the right person to lead Trust for Nature into a new era. By the end of the calendar year, staff were meeting our new CEO and embracing a fresh new vision for our future, taking into account everything that lies ahead.

The Board's March strategy retreat at Neds Corner, involving members of the executive team as well as the new Neds Corner transition team, gave us an inspirational setting for recommitting to critical enablers like support for stewardship, profile and fund-raising, conservation science, OHS and employee wellbeing, organisational structure and Traditional Owner partnerships. We came out of the session determined to invest in our future and accelerate our efforts to be ready and equipped to build a nature-positive future.

We continue to be driven by our vision to create a future in which Victoria's nature is valued, protected and thriving. We made progress on this through the year by working alongside our partners, landholders and Traditional Owners to prepare for the impacts of climate change and preserve precious ecosystems. We also recommitted to and acted on our purpose: protecting, maintaining and improving habitat across Victoria, to ensure native wildlife and vegetation can thrive for generations to come.

Trust for Nature continued to expand the area of remnant vegetation protected in Victoria this year, with an additional 2,434 ha safeguarded under 49 conservation covenants across all regions of the state. This work is driven by our Statewide Conservation Plan, which prioritises protection of remnant habitat based on positive impact on threatened species and ecosystems, climate adaptation and water health.

We redoubled our efforts to support climate change mitigation and adaptation, and worked to enable landholders to protect and manage vegetation to maximise carbon storage capabilities.

As part of our collaboration with the original Custodians of the land and our ongoing support for self-determination, we were proud to transfer land management of an eight-hectare property on Millowl (Phillip Island) to Bunurong Land Council Aboriginal Corporation, who are working with Trust for Nature to conserve, restore and maintain the land.

Our work towards the transfer of Neds Corner Station has developed into a productive partnership with First People of the Millewa Mallee Aboriginal Corporation, anchored in trust, and seeking to align traditional and western conservation and cultural practices for the benefit of future generations.

Trust for Nature welcomes the Australian Government's response to the Independent Review of the Commonwealth Environment Protection and Biodiversity Conservation Act 1999 outlined in its Nature Positive Plan, with a strengthened focus on biodiversity and climate. We also applaud the Victorian Government's decision to exempt land protected under a conservation covenant from land tax from January 1, 2024. This removes a significant barrier for private investment into conservation, as well as recognising the importance and value of permanent protection.

Finally, we want to acknowledge the many people who contribute to making Trust for Nature the highly effective, pragmatic and ambitious organisation we are today.

Our heartfelt thanks go to the landholders who have committed to voluntarily and permanently protecting habitat on their properties. By placing a conservation covenant on their property, they are taking concrete steps to protect Victoria's biodiversity forever.

Thank you to our supporters, donors, and philanthropic partners – their support ensures that our conservation work in Victoria continues and grows in scope.

Thanks too to our hard-working Board of Trustees for their counsel and guidance. The time and passion they invest to ensure the organisation has strong governance, a healthy and productive culture, and is resourced and supported to meet the many challenges and risks we must seek to overcome or mitigate, as well as the opportunities that lie ahead of us, is very much appreciated.

An extra special thank you to Gayle Austen, who had an incredible impact during her eight years as a Trust for Nature Trustee – particularly in the almost 4 years she served as Chair.

Finally, thank you to the staff of Trust for Nature, who are on the ground working with landholders, protecting habitat and driving projects to restore biodiversity. Along with our covenantors, you are the beating heart of our organisation, and we treasure your passion, vision and commitment.

We are proud to share this report of the Trust's achievements during a year of celebration, transition and recalibration. We look forward to delivering for the plants, animals and people of Victoria in every one of the next 50 years.



Lisa Darmanin  
Acting Chair  
29 February 2024

Corinne Proske  
Chief Executive Officer  
29 February 2024







# How we operate

## Manner of Establishment and Responsible Minister

Trust for Nature operates under the *Victorian Conservation Trust Act 1972*.

The responsible Minister for the period from 1 July 2022 to 4 December 2022 was the Hon. Lily D'Ambrosio MP, Minister for Environment and Climate Action. The responsible Minister for the period 5 December 2022 to 30 June 2023 was Hon. Ingrid Stitt MP, Minister for Environment.

## The Victorian Conservation Trust Act 1972 and the Trust's key services

The charitable objects of the Trust as set out in the Act are:

- For public scientific and public educational purposes encourage and assist in:
  - The preservation of areas which are: ecologically significant, of natural interest or beauty; or of historical interest'
  - The conservation of wildlife and native plants; and
  - The conservation and creation of areas for scientific study relating to the above.

- Encourage and assist in the conservation and creation of areas of natural beauty or interest for use by the public for the purposes of enjoyment, recreation and education

To meet these objects, Trust for Nature has the power to:

- Enter into covenants with owners of land
- Accept gifts, donations and bequests
- Purchase, sell, transfer and hold land
- Surrender land to the Crown.

Trust for Nature meets its statutory objects by providing private land conservation services to the Victorian community, government and private landholders.

The key services are:

- Land protection services
- Stewardship services
- Nature markets services
- Conservation reserves
- The Revolving Fund.

Further details about these services can be found on pages 8–19 of this report.

### The preservation and care for areas which are ecologically significant

#### Trust for Nature activities and services

- Land protection services:
- covenants and land management agreements
- Environmental markets services
- Revolving Fund
- Protecting ecologically significant areas
- Working collaboratively

### The conservation of wildlife and native plants

#### Trust for Nature activities and services

- Stewardship services
- Focal landscapes and connectivity
- Managing protected areas
- Improving threatened species conservation

### The conservation and creation of areas for scientific study, public enjoyment, recreation, and education

#### Trust for Nature activities and services

- Education
- Supporting research
- Events
- Development and communications activities
- Contributing to public policy.





# Operational highlights and outcomes

Trust for Nature's business priorities for 2022-23 were guided by our Strategic Plan 2021-2025, which lays out the roadmap to meet our core objectives of protecting and restoring nature on private land, strengthening engagement, growing our revenue base, and maintaining a safe and inclusive workplace.

Trust for Nature team member Rachel measuring a River Red Gum, Wurundjeri Country.



The Plan is deliberately ambitious and recognises Trust for Nature's unique capacity to accelerate private land conservation in Victoria. Against our five-year strategy, we can report a snapshot of our operational highlights and outcomes.

### Goal 1 Between 2021 and 2025 add 35,000 ha of high priority conservation and on privately owned land in Victoria

	2022-23	2021-22	2020-21
Area covenanted (ha)	2,416.6	2,357	2,730
Area under negotiation (ha)	3,195	4,512.9	3,502
Number of covenants	51	40	41

Since 1972, we have protected 78,349 ha of habitat through conservation covenants — including offset covenants — on private land, and in 2022-23 we were proud to continue expanding upon this. We continue to experience high levels of interest in covenanting from Victorian landholders, so this year we have taken steps to streamline the covenanting process to increase efficiency and reduce wait times.

#### Table 2: Offset agreements under negotiation

	2022-23	2021-22	2020-21
Offset agreements under negotiation	17	22	15
Area of habitat (ha)	616.5	564.86	394.34

#### Table 3: Offset covenants registered on title

	2022-23	2021-22	2020-21
Offset covenants registered	7	6	18
Area of habitat (ha)	117.39	207.75	1,106.70

#### Table 4: Revolving Fund statistics

	2022-23	2021-22	2020-21
<b>Properties sold</b>	Four properties, total 296.06 ha, value \$1,025,224	One property, total 129.31 ha, value \$365,374	Six properties, total 213.85 ha, value \$1,127,969
<b>Properties bought</b>	Two properties, total 111.49 ha, value \$1,094,104	Two properties, total 125.5 ha, value \$758,477	Two properties, total 226.65 ha, value \$568,774
<b>Investment income</b>	\$114,178	\$147,300	\$172,539
<b>Donations/transfers in</b>	\$100	\$100	\$369,132
<b>Properties retained</b>	Three properties, total 223.7 ha, value \$1,571,207	Five properties, total 387.15 ha, value \$1,502,327	Four properties, total 391.07 ha, value \$1,064,145
<b>Cash</b>	\$2,651,300	\$2,554,159	\$3,369,147
<b>Total value of Revolving Fund</b>	\$4,222,507	\$4,056,486	\$4,433,292







### **Case study: Our plan to protect nature**

Our Statewide Conservation Plan guides our habitat protection program, providing goals and targets for strategic conservation on private land across Victoria over the next decade. The plan identifies an indicative 100,000 ha of priority habitat on private land to be protected by 2030.

Within that 100,000 ha are 50,000 ha identified on 18 focal landscapes, which cover 13.5 per cent of all private land in Victoria, and include 90 per cent of all habitat on private land that is under-represented in other reserves. Other priority habitats are identified for climate refuges (5,000 ha), threatened species (5,000 ha) and coastal and aquatic ecosystems (10,000 ha).

The Statewide Conservation Plan also identifies the animal and plant species that will most benefit from protecting private land, therefore driving Trust for Nature's main areas of focus. Some of these animals and plants include the Plains-wanderer, Warragul Burrowing Crayfish, Southern Bent-winged Bat, Golden Sun Moth, Gorae Leek-orchid, Yarran, and Swamp Sheoak.

“We can't rely on national or state parks to prevent species extinction. We need the support of landholders to protect nature and manage it for conservation. One way they can do this is to protect the land permanently by placing a conservation covenant on it.”

**Doug Robinson, Chief Conservation Scientist, Trust for Nature**



### **Case study: What makes a good conservation covenant?**

Trust for Nature staff draw on their ecological expertise, knowledge of the local landscape and connections with local communities when they assess a potential covenant. When Trust for Nature is contacted by a landholder interested in covenanting their property, the first step is to have a chat about the site location, size and natural values, the landholder's motivation to covenant, and then to arrange a site visit.

After the site visit, Trust for Nature staff assess potential covenants against Trust for Nature's Statewide Conservation Plan, which identifies priorities for habitat protection such as vegetation under-represented in other reserves, wetlands and coastal ecosystems, habitat for threatened species and climate change refuges. Trust for Nature staff also proactively identify patches of habitat to engage landholders for potential covenants based on regional priorities.

Landholders are key to the effectiveness of a covenant, and Trust for Nature staff's deep connections with communities are integral.

“Good covenants come in all shapes and sizes. We're looking for indicators of ecological significance, such as what vegetation communities and species are present, if any of those are threatened, and the type and quality of the habitat. Landscape connectivity is also an important consideration. Together, all these elements are the cornerstone to ecosystem resilience, which is even more important when we consider climate change.”

**Jo Day, Corangamite Regional Manager, Trust for Nature**







### **Case study: The big wet**

Victoria's above average rainfall from 2022-23 resulted in devastation for many communities due to widespread flooding. However, the extended La Niña period also brought some significant benefits for the natural world. The inundation of wetlands, creeks, floodplains and terrestrial habitats provided a vital injection of energy and food back into these ecosystems, which led to successful flowering, seedset and breeding events for many species.

Trust for Nature's Tomlinson's Swamp Reserve in the Goulburn Broken catchment has seen an abundance of life and diversity over the past two years thanks to the increased rainfall. The reserve is a breeding site for threatened Brolgas and provides habitat for other threatened species, including Intermediate Egret, Sloane's Froglet and wetland plants like Slender Water-ribbons.

“There are tadpoles everywhere, as well as frogs, snakes and waterbirds like Pacific Herons and spoonbills in good numbers. We even recently saw an Australian Hobby fishing for frogs. This isn't a water bird, but this kind of abundance in the wetland allows animals to be opportunistic like this. There's so much food for everyone — it's fantastic.”

**Shelagh Curmi, Goulburn Broken Regional Manager, Trust for Nature**

Trust for Nature's Long Swamp Reserve near Maryborough in north central Victoria on Dja Dja Wurrung Country has also benefitted from the high rainfall – filling for an extended period for the time since the 1960s, when it was drained to stop salinity.

The 178 ha reserve is at the heart of a cluster of wetlands on the Mooloort Plains, protecting a large area of cane-grass wetland vegetation that is habitat to many threatened and vulnerable species.

Recognising its conservation significance, Trust for Nature purchased the property in two parts: 40 ha in 1992 and another 138 ha in 2016, both with thanks to generous donations and support of the local community, particularly the Murray family, along with support from the Victorian Government and North Central Catchment Management Authority (NCCMA). The drain was filled in at the end of 2020 with support from NCCMA, allowing the wetland to thrive once more.



## Goal 2 Between 2021 and 2025 work with partners to restore 5,000 hectares of land in priority areas

In 2022-23, Trust for Nature protected 204 ha of habitat identified as a statewide priority for increasing restoration and connectivity.

Trust for Nature is partnering with Cassinia Environmental and DEECA to permanently protect 20,000 hectares of private land restored under the Victorian Government's \$77 million BushBank program. The primary focus for Trust for Nature this year has been on preparing for BushBank implementation, with an emphasis on readying internal processes for the permanent protection of BushBank sites. We also assisted in the BushBank-funded purchase of a pilot BushBank Revolving Fund site at Stuart Mill.



Spotted Harrier. Image: Ben Williams.

### Case study: Leveraging private funds for conservation outcomes

Land Life Company is an international reforestation organisation working with Trust for Nature and Cassinia Environmental to restore and protect degraded land in Victoria. This includes protection and part-revegetation of a 260 ha site in central Victoria, an initiative that will restore habitat for a range of endangered mammals and birds and create wildlife corridors that connect existing nature reserves and protected areas.

Land Life Company is also part of the consortium led by Cassinia Environmental appointed by DEECA to deliver the private land component of the Victorian Government's BushBank program. At present, Land Life, Cassinia and Trust for Nature are working to restore a BushBank Revolving Fund site at Stuart Mill.





### Goal 3 – between 2021 and 2025 maintain and improve the quality of protected habitat

	2022-23	2021-22	2020-21
Management plans developed or reviewed	126	118	139
Engagement with covenantors	1,068	569	850
Visits to properties	180	154	212

Through our Stewardship Program, we work with landholders to maintain and enhance the conservation values on their property through preventing and controlling threats to the site's biodiversity. This is achieved through education, technical advice, practical assistance, monitoring and financial assistance where available, with the aim of empowering and enabling landholders to look after habitat on their land.

We welcomed the Victorian Government's land tax exemption for covenanted properties. From 1 January 2024, land protected with a conservation covenant through Trust for Nature will be exempt from land tax. This is a development which landholders and Trust for Nature have advocated for over many years. We anticipate the exemption will increase interest in safeguarding habitat on private land, so we have developed a new online process for landholders to express interest in covenanting and a new method for landholders who are interested in paying for conservation covenants on their land.





### Case study: Bushfire recovery helping threatened mammals

The 2019-20 Black Summer Bushfires had a devastating impact on communities and the environment across eastern Victoria, including the habitats of many native species. 40 conservation covenants were affected by fires to varying degrees, with some properties entirely burnt.

In the aftermath of the fires, Trust for Nature has engaged with landholders to support the recovery, including by providing resources, education and advice, alongside practical maintenance, pest control and revegetation projects. A key focus has been on protecting habitat refuges that would assist wildlife in the burned landscape, habitat management and improvement activities to address threats such as feral animals and weeds.

Invasive species moved into some impacted areas following the fires, posing further risks for the already fragile habitats of native species such as the Long-nosed Potoroo and the Long-nosed Bandicoot. Deer, fox and weed control on covenanted properties has helped protect and restore the habitat of these species, with remote camera monitoring, tracks and traces revealing the species have returned in abundance on some covenants, including where they have not been seen before.

Over the last 2-3 years, several multi-year bushfire recovery projects have been completed. Some achievements include:

-  **engaging with over 850 landholders including covenants**
-  **delivering 1,880 hectares of weed control on covenants**
-  **completing 3km of fencing**
-  **enabling 2,452 ha of feral animal control**
-  **providing 25 nest boxes to landholders**
-  **undertaking 30 ha of revegetation**
-  **engaging 25 covenants in camera monitoring**
-  **funding 17 covenants to obtain Australian Chemical Users Permits (ACUP)**
-  **delivering three webinars, eight field days**
-  **supporting five landholders to apply for grants**
-  **securing 488 ha of high quality remnant vegetation under conservation covenant.**

“Three years of assisted post-bushfire habitat recovery and La Niña weather have helped the populations of some critical weight range mammals, such as the threatened Long-nosed Potoroo and the Long-nosed Bandicoot, to recover. The priority now is to ensure that these gains are maintained and that species such as these can continue to increase and re-establish parts of their range which were affected by the fires.”

**Robyn Edwards, East Gippsland Area Manager, Trust for Nature**



### **Case study: Patho Plains farmers safeguard critically endangered Plains-wanderer**

Trust for Nature is partnering with landholders, government and other organisations across the state to protect some of our most threatened species, including the unique and critically endangered Plains-wanderer.

Farmers Andy and Judy McGillivray have protected 239 ha of the bird's grassland habitat on the Patho Plains in northern Victoria, Yorta Yorta Country.

Andy and Judy have safeguarded their properties with conservation covenants through the Plains for Wanderers project, a partnership between Trust for Nature and the North Central Catchment Management Authority, supported through funding from the Australian Government.

Working with local landholders, Trust for Nature has protected nearly 1,000 ha of habitat for Plains-wanderers since 2018.



Andy McGillivray

“Ours is one of the best privately-owned parcels of land for this bird in the world. It’s a little bit of paradise for them, and I get a really nice feeling knowing that I’m protecting them. Protecting the land hasn’t changed the way I farm at all, so protecting additional land with conservation covenants is a no brainer. Helping these important birds is not costing us anything.”

**Andy McGillivray, Covenantor and Farmer**



## Goal 4 Increase our partnerships, reach and impact to help Victorians protect nature on private land

Trust for Nature remains committed to partnering more deeply with First Nations people, recognising the importance of cultural knowledge in managing land, as well as scientific practice.

We continued to support the Certificate III in Conservation and Ecosystems Management for Indigenous students in partnership with the Bunurong Land Council Aboriginal Corporation, Wurundjeri Woi-wurrung Cultural Heritage Aboriginal Corporation, Holmesglen TAFE and the Victorian Government. The fifth year of the course saw nine graduates awarded their certificate; 35 students have graduated to date. The course has been developed with a focus on learning outdoors and on the ground, with less classroom time. Students visit properties with Trust for Nature covenants as part of the learning program. Landholders have the opportunity to learn from course participants and teachers as much as students learn about practical land management.

In June 2023, the Trust for Nature board approved a Cool Season Burning Policy. Under this policy, regional staff who have completed the necessary training can deliver cool season burning on our reserves and on covenants in partnership with Traditional Owners. It is hoped that this will enable Trust for Nature to build partnerships with Traditional Owners across Victoria and to learn more about using fire to care for Country. Conservation covenants are increasingly interested in the use of fire as a management tool, and are looking to Trust for Nature for advice about burning. This policy will enable the organisation to provide that vital support.

## Goal 5 - Substantially grow more revenue to support more private land conservation

Trust for Nature continues to see increasing demand for its services and ongoing need for greater funds to deliver outcomes. Trust for Nature relies on the support of donors, government and other partner organisations, and is increasing focus on donors and funders to leverage philanthropic support.














In 2022-23, 46% of revenue from transactions was received from government and 54% from non-government sources. The specific funding split is as follows:

**Figure 6: Breakdown of revenue sources**

Operating grant - state government	1,320,000
Government program grants - state government	2,024,343
Government program grants - federal government	1,849,695
Philanthropic income	3,620,703
Other income	2,448,747
<b>Total Income</b>	<b>11,263,488</b>

In 2022-23 we completed a five-year project through federal government support which resulted in the following outcomes over the five-year period:

The outcomes that were achieved include:

	<b>380 ha of revegetation</b>
	<b>5,600 tube stock planted</b>
	<b>840 paddock trees planted</b>
	<b>39 km of fencing installed</b>
	<b>1,100 ha of weed control undertaken</b>
	<b>1,500 ha of revegetation permanently protected</b>
	<b>20 field days delivered</b>
	<b>53 communications materials delivered</b>
	<b>technical advice provided to 255 landholders</b>
	<b>250 ha of feral animal control undertaken</b>
	<b>5 song meters installed to monitor presence of threatened species</b>
	<b>1100 ha of flora surveys completed</b>
	<b>2170 ha of site management plans developed.</b>

With the completion of this funding round, Trust for Nature is looking at ways to secure funding to ensure these important landscape scale projects can continue.

Trust for Nature continues to explore market mechanisms in order to achieve permanent protection of habitat. Our Revolving Fund has contributed 7,361 ha of permanently protected habitat to date, with a further 111 ha awaiting on-sale.



Swift Parrot (critically endangered).  
Image: Chris Tzaros.



### Case study: Co-investing to conserve coastal saltmarsh

Trust for Nature is protecting 220 ha of threatened coastal saltmarsh property at Corner Inlet and Nooramunga through co-investment between a generous donor, Trust for Nature's Revolving Fund and Australian and state government agencies.

Saltmarsh is a threatened ecosystem in Australia found on land inundated by the tides. Home to salt-tolerant succulents, grasses and sedges, it provides important habitat for migratory shorebirds, critically endangered Orange-bellied Parrots, fish and numerous invertebrates. Up to half has been lost in Corner Inlet and Nooramunga, largely due to damage from livestock and changes to tidal conditions through draining and construction of sea walls.

Part of the property has been purchased by Trust for Nature through its Revolving Fund program with co-funding also provided by a generous donation. The property will be sold to a suitable buyer on the condition that it is protected forever. The remainder of the property was retained and subsequently protected with a conservation covenant by the current landholder, Esme Rash, who has worked with conservation groups for several decades.

As well as providing habitat for wildlife, saltmarsh protects coasts from erosion and removes large amounts of carbon dioxide from the atmosphere, storing it in plants and sediment. Protecting saltmarsh avoids this carbon being released back into the atmosphere and contributing to climate change.

In 2022-2023, Trust for Nature has worked with landholders, Trust for Nature is working with the landholder, Traditional Owners and West Gippsland Catchment Management Authority to maintain and improve habitat through excluding livestock and weed control. The permanent protection will help ensure the coastal ecosystem can adapt to climate change.

This project has been delivered by Trust for Nature, through funding from the Australian Government's National Landcare Program, in partnership with the West Gippsland Catchment Management Authority.

“One of the key things we're trying to do here is give coastal ecosystems a chance to move inland as sea levels rise. Protecting a range of habitat within and buffering the saltmarsh ecosystem will allow plants and wildlife to adapt. We're thrilled to be able to protect such a large, high quality area of saltmarsh.”

**John Hick,  
Regional Manager,  
Trust for Nature**

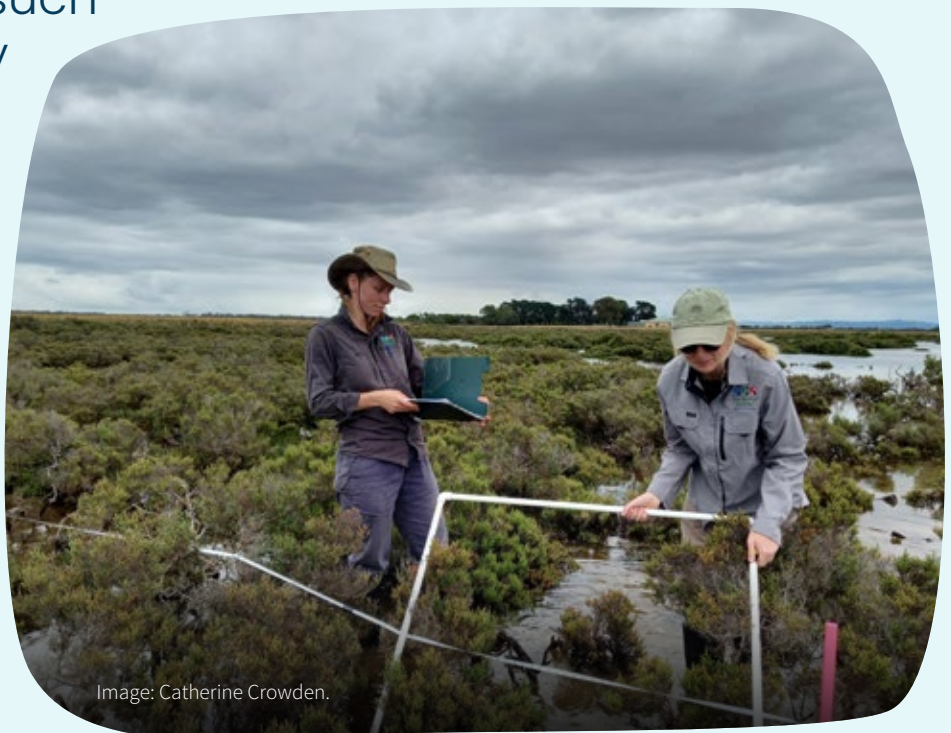


Image: Catherine Crowden.



## Goal 6 Have a safe and inclusive workplace

Trust for Nature recognises that our people are our greatest resource, and the value of their extensive network in the Victorian community as well as outstanding ecological knowledge. We continue to develop strategies to ensure Trust for Nature is an employer of choice.

In 2022-23 Trust for Nature employed a dedicated Transformation Manager to digitise and simplify technological systems so that our team have more time to dedicate to work they are passionate about and contribute most effectively to our conservation goals.

Priorities for the near future are continuing to enable flexibility and increasing job security by securing greater funding.

### Case study: Reputation and flexibility a drawcard for team members

Caitlin Tolsma joined Trust for Nature in October 2021 as Biodiversity Offsets Officer and is now in the role of Nature Markets Coordinator, where she works across Biodiversity Offsets, the Victorian Government's BushBank program, and other nature markets programs.

She was drawn to Trust for Nature by its conservation credentials, the breadth of work and the flexible working environment.



"I love being able to set my own hours and seeing that benefit for team members. The management styles are very supportive of growth. Because it's an organization with quite specific purposes we benefit from all being on the same page. It's also an interesting place to work because people are open to new ideas and projects."

**Caitlin Tolsma, Nature Markets Coordinator, Trust for Nature**



# Partners and volunteers

Trust for Nature carries out its work to protect native plants and wildlife on private land through partnership and collaboration. The Trust gratefully acknowledges the many individuals, community groups, covenantors, associations, foundations and companies who continue to lend their support, both financial and otherwise, to Trust for Nature. It is only through collaboration and cooperation that we can fully achieve our goals.

## **Traditional Owner groups**

- Bangerang Aboriginal Corporation
- Barapa Barapa Land and Water
- Barengi Gadjin Land Council Aboriginal Corporation
- Budj Bim Cultural Rangers
- Bunurong Land Council Aboriginal Corporation
- Dandenong & District Aborigines Co-Operative Limited
- Dja Dja Wurrung Clans Aboriginal Corporation
- Duduroa Dhargal Aboriginal Corporation
- Eastern Maar Aboriginal Corporation
- Federation of Victorian Traditional Owners Corporation
- First People of the Millewa Mallee Aboriginal Corporation
- Gunaikurnai Land and Waters Aboriginal Corporation
- Wadawurrung Traditional Owners Aboriginal Corporation
- Wurundjeri Woi Wurrung Aboriginal Cultural Heritage Corporation

## **Government departments and statutory entities**

- Aboriginal Victoria (First People State Relations)
- Australian Government Department of Climate Change, Energy, the Environment and Water
- Arthur Rylah Institute
- Baw Baw Shire Council
- City of Greater Geelong
- Corangamite Catchment Management Authority
- Country Fire Authority
- Commonwealth Scientific and Industrial Research Organisation
- Department of Energy, Environment, and Climate Action
- Department of Jobs, Precincts and Regions
- Department of Justice
- East Gippsland Catchment Management Authority
- Glenelg Hopkins Catchment Management Authority
- Goulburn Broken Catchment Management Authority
- Gunaikurnai Land and Waters Aboriginal Corporation
- Mallee Catchment

- Management Authority
- Melbourne Water
- Moira Shire Council
- Mornington Peninsula Shire Council
- Municipal Association of Victoria
- Nillumbik Shire
- North Central Catchment Management Authority
- North East Catchment Management Authority
- Office of the Commissioner for Environmental Sustainability
- Parks Victoria
- Port Phillip and Westernport Catchment Management Authority
- Regional Roads Victoria (formerly Vic Roads)
- Royal Botanic Gardens Victoria
- Rural City of Wangaratta
- South Australian Water
- The Commonwealth Environmental Water Holder
- Victorian Environmental Water Holder
- Victorian Environmental Assessment Council
- West Gippsland Catchment Management Authority
- West Wimmera Shire Council

- Wimmera Catchment Management Authority
- Yarra City Council
- Yarra Ranges Council
- Zoos Victoria
- Plus other local governments in Victoria

## **Recovery teams and action networks**

- Blond Bay Hog Deer Advisory Group
- Red-tailed Black Cockatoo Recovery Group
- Orange-bellied Parrot National Recovery Team
- Victorian Rabbit Action Network

## **NGO and not-for-profit partners**

- Australian Association of Bush Regenerators (AABR)
- Australian Deer Association
- Biodiversity Conservation Trust (NSW)
- Birdlife Australia and its regional branches
- Bush Heritage Australia
- Cardinia Environment Coalition
- Central Victorian Biolinks Alliance
- Eco Gipps Pty Ltd
- Greening Australia





Trust for Nature team member Adam on a protected property in Langi Logan, Eastern Maar Country.

- Port Phillip EcoCentre
- Regent Honeyeater Project Group
- Sustainable Farms

**Community groups and organisations**

- Basalt to Bay Landcare Network
- Bass Coast Landcare
- Birchip Landcare Group
- Broken Boosey Conservation Management Network
- East Gippsland Conservation Management Network
- East Gippsland Landcare Network
- Fairley, Bael Bael and Sandhill Lake Landcare
- Field Naturalists Club of Geelong
- Field Naturalists Club of Victoria
- Hindmarsh Landcare Network
- Northern Plains Conservation Management Network
- Project Platypus
- Swamps, Rivers and Ranges

**Corporate and business partners**

- Amer Sports Australia
- Arnold Bloch Liebler
- Askra Consulting Pty Ltd
- Aurizon Community Giving Fund
- Bank Australia
- Cassinia Environmental
- Carbon Landscapes
- Choose Your Future
- Country Road Climate Fund
- Dalton and Associates
- Ellis Jones
- Enel Green Power Australia
- Herbert Smith Freehills
- Kaptify
- Koreen Conservation
- Maddocks
- Microboss
- Mills Oakley
- Property Valuers Australia
- Southern Program Alliance

**Educational institutions**

- The Outdoor School (15 Mile Creek campus)
- Australian National University
- Deakin University – Blue Carbon Lab
- Federation University

- Holmesglen
- La Trobe University
- Monash University
- Monash University
- Outdoors Victoria
- RMIT University
- The University of Melbourne
- University of Queensland
- Victoria University

**Committees of management, friends' groups and organisations that provide special assistance on Trust for Nature properties**

- Friends of Bungalook Conservation Reserve
- Friends of Burge Reserve
- Friends of Clarksdale Bird Sanctuary
- Dog Rocks Flora and Fauna Sanctuary
- Friends of Harbury Reserve
- Friends of Pallister's Reserve
- Friends of Ralph Illidge Sanctuary
- Friends of Uralla Nature Reserve
- Mt Elephant Community Management Inc
- Mt Elgin Swamp Committee of Management

- Ocean Grove Park Association
- Snape Reserve Committee of Management
- Uambi Committee of Management
- Wanderslore Sanctuary Committee of Management and the Friends of Wanderslore
- Northern Plains Conservation Management Network
- Birchip Landcare

**Volunteers**

Thank you to the many volunteers who provided invaluable support towards achieving our goal of protecting private land in Victoria. We could not achieve all that we do without you.



# Thank you to our donors

Trust for Nature is grateful for all its donors. With their generosity, the Trust continues its work to protect nature on private land today, tomorrow and forever.

We would especially like to thank the following supporters who have donated \$1,000 or more in 2022-23.

We also thank those who wished to remain anonymous.

Together, we are making a difference.

## Donors

- |                            |                        |                      |                      |
|----------------------------|------------------------|----------------------|----------------------|
| → Andrew & Rosalind Bradey | → Doug McIver          | → Jillian Thomas     | → Pamela Knight      |
| → Andrew Barrett           | → Douglas Pocock       | → Jon Murray         | → Peter Furneaux     |
| → Andrew Brookes           | → Elizabeth Carmichael | → Julia Bruce        | → Peter Lemon        |
| → Angela & Richard Kirsner | → Elizabeth Balogh     | → Keith Richards OAM | → Rachel Faggetter   |
| → Ann Miller AM            | → Elizabeth Tudor      | → Kingsley Allen     | → Robert Niall       |
| → Annelie Holden           | → Estelle Hewston      | → Laurel Truscott    | → Rosemary Bull      |
| → Arthur Sidwell           | → Frank Schooneveldt   | → Leon Costermans    | → Ruth McKenzie      |
| → Barbara Baird            | → Franz Geisser        | → Lesley Perkins     | → Sandra Cutts       |
| → Ben M & Anne E Hall      | → Geoff Durham         | → Lesley Griffin     | → Sarah Minifie      |
| → Brian Snape              | → Graham Franklin      | → Lesley Adeney      | → Sue Berwick        |
| → Cam Palmer               | → Greg Lewin           | → Lindy Lumsden      | → Susan Morgan OAM   |
| → Camilla Graves           | → Hilary Irwin         | → Lindy Shelmerdine  | → Sylvia Geddes      |
| → Caroline Welsh           | → Ian Hopkins          | → Margaret Ross AM   | → Tye Mason          |
| → Carrillo Gantner AC      | → James Vaux           | → Mark Learmonth     | → Vanessa Craigie    |
| → Charles Meredith         | → Janet Berwick        | → Mathew Hardy       | → Vicky Hudson       |
| → Charles Leone            | → Janet Ralston        | → Max and Pru Ervin  | → Victoria Marles AM |
| → Christine Durbridge      | → Jennifer Rolland     | → Michael Troy       | → William Holsworth  |
| → David Minifie            | → Jennifer Davidson    | → Nancy Kimpton      |                      |
| → David McLatchie          | → Jennifer Bourke      | → Pam Petschack      |                      |



### Partners

- Amer Sports Australia
- Arnold Bloch Liebler
- Askra Consulting Pty Ltd
- Aurizon Community Giving Fund
- Bank Australia
- Cassinia Environmental
- Choose Your Future
- Country Road Climate Fund
- Dalton and Associates
- Ellis Jones
- Enel Green Power
- Herbert Smith Freehills
- Koren Conservation
- Maddocks
- Microboss
- Mills Oakley
- Property Valuers Australia
- Southern Program Alliance

### Trusts and foundations that have supported specific projects in 2022–23

- Biophilia Foundation
- Brian D Newman Foundation for the Environment
- Gras Foundation Trust
- Highways and Byways Ltd.
- Kamener Foundation
- Kel & Rosie Day Foundation
- Koren Conservation Ltd.
- Koshland Innovation Extension Fund
- Loftus-Hills at Lord Mayor's Charitable Foundation
- Lord Mayor's Charitable Foundation
- McBeal Endowment at Australian Philanthropic Services Foundation
- Nation Partners Giving Fund
- Paul Family Foundation
- Rob + Hope Stewart Gift
- Russell and Womersley Foundation
- Stobart Strauss Foundation
- The Sir Wilfred & C H (Roger) Brookes Charitable Foundation
- TMG Family Fund at Mutual Trust Foundation
- Trust for Nature Foundation at Perpetual Trustees
- Urquhart Charitable Fund
- Wildlife Art Society of Australasia
- Yellow Window Foundation

### Bequests

- Estate of Bruce Ewen Miller
- Estate of Paula Clarke





Striated Pardalote.  
Image: Ben Williams.



# Current year financial review

For 2022-23 Trust for Nature had a net comprehensive result surplus of \$508,474 compared to a surplus of \$3,747,803 in 2021-22.

Overall revenue levels were similar reflecting strong government and philanthropic grant income levels and income from gifts. This year's result included a very generous gift of land from a covenantor, and the Trust is recycling most of the sale proceeds back into our covenant program by funding a significant increase in the size of our covenant stewardship program. Trust for Nature is grateful for the continuing strong support of its two major philanthropic appeals held around Christmas and the End of Financial Year and for donor support throughout the year.

Expenditure was similar to last year as employment and on ground conservation activities funded by grants and donors continued at comparable levels. Other expenses include IT and communications, legal and governance, fundraising and marketing.

Other economic flows include profits on the sale of land through the revolving fund and gifted properties. Profits on revolving fund properties are recycled back into the revolving fund to continue its mandate to purchase, covenant, and on-sell more and more private properties.

Trust for Nature's internal audit program continued with reviews completed or underway covering compliance with the *Financial Management Act*, performance reporting and payroll. The Covenant Stewardship surplus reserve has been used to partly fund the Trust's state-wide stewardship program. The Covenant Stewardship surplus reserve is held for this purpose and the total program cost in 2022-23 was \$573,000.

Total assets were \$98 million at year end. Of the total assets, \$34 million is represented by Trust for Nature owned properties which do not generate income. The remaining \$64 million is held in financial assets, primarily against third party liabilities (\$53 million), which includes the funds held in relation to the Trust's offset program, and reserves with specified purposes (\$8 million) including the Trust's revolving fund. Earnings on these funds are applied for the benefit of those funds and are not available for general use. Net assets at year-end are \$46 million.

There are no significant matters which changed our financial position during the reporting period.

There were no significant changes or factors which affected our performance during the reporting period.

There were no events occurring after balance date which may significantly affect the Trust's operations in subsequent reporting periods.



Five-year financial summary					
	2023	2022	2021	2020	2019
Operating grant	1,320,000	1,450,000	1,385,000	1,362,000	1,374,000
Government grants	3,873,433	3,741,907	3,562,384	4,248,461	2,911,444
Government & philanthropic grants used to acquire properties	0	312,366	232,050	1,061,055	0
Donations & appeals	2,289,654	923,159	1,216,097	2,588,996	585,762
Bequests	86,433	2,158,280	27,000	5,000	898
Interest and dividends, net of interest paid to third parties	974,926	546,646	500,152	588,829	929,618
Philanthropic grants, consulting and other income	1,548,299	1,562,266	828,760	1,119,207	1,320,582
<b>Total income</b>	<b>10,092,745</b>	<b>10,694,624</b>	<b>7,751,443</b>	<b>10,973,548</b>	<b>7,122,304</b>
Salary and associated expenses	6,198,359	5,916,084	4,702,988	4,682,455	4,259,277
Conservation program expenditure	1,785,497	1,857,531	1,702,383	1,122,696	1,350,098
Cost of land (to be) surrendered to government for nil consideration	124,500	507,511	0	1,061,055	0
Payments from appeals and other reserves with specified purposes	0	0	195,041	236,651	258,988
Other expenses	2,204,922	2,099,225	1,633,836	1,847,539	1,755,554
<b>Total expenditure</b>	<b>10,313,278</b>	<b>10,380,351</b>	<b>8,234,248</b>	<b>8,950,396</b>	<b>7,623,917</b>
<b>Net result from transactions</b>	<b>-220,533</b>	<b>314,273</b>	<b>-482,805</b>	<b>2,023,152</b>	<b>-501,613</b>
Gain/(loss) on non-financial assets	443,525	333,153	312,584	438,896	204,360
Gain/(loss) on financial instruments	285,482	-1,209,573	1,110,766	-483,239	24,172
Changes in revaluation surpluses	0	4,309,950	3,033,915	1,984,276	0
<b>Total other economic flows</b>	<b>729,007</b>	<b>3,433,530</b>	<b>4,457,265</b>	<b>1,939,933</b>	<b>228,532</b>
<b>Comprehensive result</b>	<b>508,474</b>	<b>3,747,803</b>	<b>3,974,460</b>	<b>3,963,085</b>	<b>-273,081</b>
Total assets	98,207,972	102,139,430	89,106,841	86,007,501	72,345,517
Net assets	45,641,413	45,132,939	41,385,136	37,410,676	33,447,591

Note: Interest income and total income in this table are stated net of interest income and the offsetting interest expense which is directly attributable to funds held on behalf of third parties. Also refer to Note 2.3 and Note 3.6.

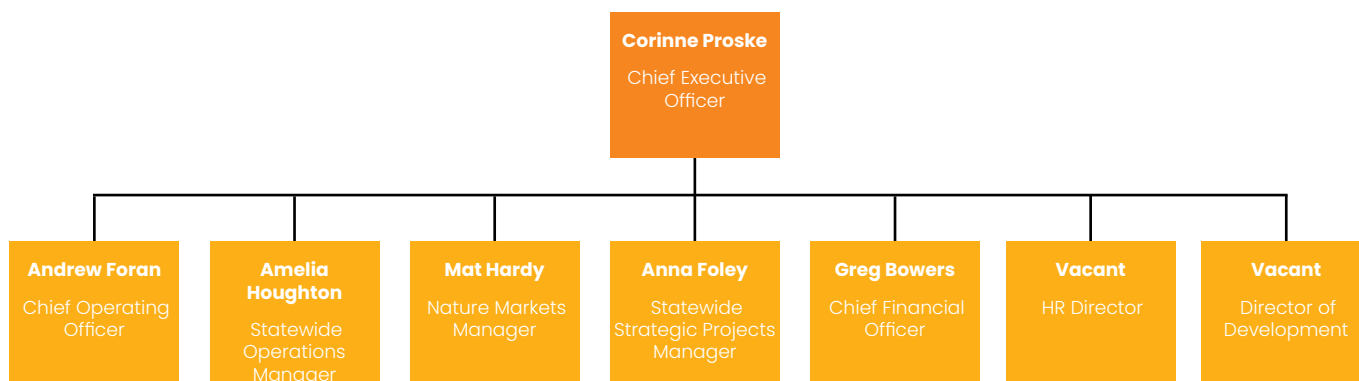




Lace Monitor (endangered).  
Image: Blake Hose.



# Governance and organisational structure



## Executive team

### Corinne Proske, CEO

Corinne oversees the overall operations of the organisation and with the Board, establishes the strategy and annual business plan.

Corinne joined in November 2022 and comes to Trust for Nature with a Bachelor of Commerce, CPA and is a Graduate of the Australian Institute of Company Directors. She also holds post graduate qualifications in Applied Science and Environmental Science.

### Greg Bowers, Chief Financial Officer

Oversees risk and compliance, finance, payroll and investment function. Greg joined Trust for Nature in 2009 and holds a Bachelor of Business and CPA.

### Anna Foley, Statewide Strategic Projects Manager

Anna leads and delivers statewide strategic projects relating to conservation and reserve strategy, operations, development and governance, and provides internal strategic advice to all parts of the business. Anna has a Bachelor of Science with Honours and Masters of Environment with Distinction from the University of Melbourne, and is a Graduate of the Australian Institute of Company Directors.

### Andrew Foran, Chief Operating Officer

Andrew leads Trust for Nature's work on the transfer of Neds Corner Station to the First People of the Millewa Mallee Aboriginal Corporation. In addition, Andrew oversees Trust for Nature Reserves and the conservation science, covenant stewardship, legal, technology, occupational health and safety and human resource functions, and supports the governance of the Board.

Andrew joined Trust for Nature in 2022 and holds an MBA and a Graduate Diploma in Environment Management.

### Vacant, Director of Development

This executive role oversees the development functions at Trust for Nature, including fundraising, marketing and communications.

### Mat Hardy, Nature Markets Manager

Mat leads Trust for Nature's involvement in and development of market-based solutions that enable the conservation of nature. Mat is responsible for the delivery of Trust for Nature's Revolving Fund, The Victorian Government's Bush Bank program, Biodiversity Offsets and Public Policy programs, as well as leading the design and governance of the covenanting program. Mat joined Trust for Nature in 2014, completed his PhD in private land conservation in 2017, and has worked in and researched biodiversity conservation and related fields since 2006.

### Amelia Houghton, Statewide Operations Manager

Amelia oversees the regional team to deliver a range of conservation initiatives and projects that support landholders to protect, maintain and improve habitats across Victoria. Amelia joined TFN in 2019 and holds a Bachelor of Natural Resource Management, Master of Social Science (Planning and Environment), and Graduate Diploma and Project Management.

### Vacant, HR Director

A newly created role in recognition that people are our greatest asset. The HR Director will work closely with the CEO on ensuring that Trust for Nature has the appropriate people systems in place including occupational health and safety and that as a workplace it is inclusive and a great place to work.



## Patron

Her Excellency the Honourable Linda Dessau AC, Governor of Victoria

## Board

Trust for Nature's Board comprised the following independent members as at 30 June 2023:

### Gayle Austen, Chair

BA (Media & Communications), Adv Cert App Language (Mandarin), GAICD

Gayle is a communications and marketing specialist with extensive experience in strategic communications and community engagement. She has held senior executive positions at Seven Network, International CEO Forum and Foster's and was Head of Marketing and Communications at ANZ Institutional. Her senior roles in journalism have been based in Australia, China and the UK, including at The Economist Intelligence Unit and The Age. She is currently Director of Gayle Austen Communications and the Chair of Access Health and Community. As a former journalist with specialties in environmental and rural affairs, and being from a farming family, Gayle has a particular interest in the way agribusiness can contribute to conservation. She believes there are opportunities to energise and involve farmers, communities and corporations in safeguarding our natural heritage for future generations. Gayle is an ex officio member of all Trust for Nature committees.

*Gayle is serving two terms from 08/12/2015 - 08/12/2023.*

### Dr Charles Meredith, Deputy Chair

BSc (Botany, Genetics), PhD (Zoology/Earth Sciences)

Charles is an ecologist and consultant with extensive experience in natural systems and conservation planning. After an early career in wildlife research, he founded Biosis Research, Australia's largest ecological and heritage consulting firm. He was CEO there from 1984 until he retired in 2011. Charles is an inaugural Fellow of the Environment Institute of Australia and New Zealand. He is Chair of the Melbourne Strategic Assessment Land Protection Advisory Group, a member of the Course Advisory Committee for Wildlife and Conservation Biology Degree at La Trobe University and was a member of the Victorian Environmental Assessment Council from 2015-2021. He says Trust for Nature's significant role in contributing to the conservation of privately held vegetation and habitat is critical to the long-term conservation of Victoria's biodiversity. Charles currently chairs Trust for Nature's Conservation Committee and the Executive Remuneration Committee and is a member of the Marketing and Fundraising Committee.

*Charles is serving two terms from 08/12/2015 - 08/12/2023.*

### Nina Braid

BA (AblPolMgmt), MMgmt, Dip Gov, MAICID

Nina is an Aboriginal woman from far-north South Australia. She has eight years' experience working in and with communities for conservation and environmental purposes as a project manager at the Indigenous Land Corporation. She also brings a wealth of experience from her roles with AFL SportsReady, Red Dust Role Models and National Indigenous Pastoral Enterprises, as well as the Australian Department of Health and Ageing and Department of Employment and Workplace Relations. Nina is currently working as the Aboriginal Partnerships Manager with Yarra Valley Water. Nina is a member of Trust for Nature's Conservation Committee and the Marketing and Fundraising Committee.

*Nina is serving two terms from 09/12/2019 - 08/12/2021 and 03/05/2022 - 08/12/2025.*

## Dr Sandra Brizga

BA(Hons), MEnvLaw, MAppFin, PhD, GCertGarDes, AFin, GAICD

Sandra has extensive experience in environmental and natural resource management. She has been an independent consultant in river, catchment and coastal management since 1995 and is also a sessional member of Planning Panels Victoria. She previously pursued a career in academia and has published a book on river management. She chaired the Fraser Island World Heritage Area Scientific Advisory Committee (2008-2016) and Bellarine Bayside Foreshore Committee of Management (2017-2019). Other current and previous board and committee memberships include the Australian World Heritage Advisory Committee, Central Coastal Board, Port Phillip and Westernport CMA and Victorian Catchment Management Council. She is a Fellow of the Peter Cullen Water and Environment Trust, Immediate Past-President of the Australian and New Zealand Geomorphology Group and an Honorary Life Member of the River Basin Management Society. Sandra chaired Trust for Nature's Finance and Investment Committee and is a member of Trust for Nature's Audit and Risk Committee and Conservation Committee.

*Sandra is serving two terms from 23/08/2017 - 08/12/2023.*

### Andrew Brookes

BA, MAICD

Andrew is an experienced chief executive and company director. He has been the Executive Director of Norman Beischer Medical Research Foundation since 2018. The Foundation is an institute that seeks to research, and to promote, healthy pregnancies and healthy babies. Andrew is a Director of GW Vowell Foundation, Holmesglen Foundation, The Melbourne Grammar School Foundation and McNally Family Foundation. He is a former Chair of Relationship Matters Counselling and Mediation Services. Andrew is a Committee Member of the Royal Melbourne Hospital Foundation, a member of WEHI's Advocacy and Support Board Committee, and a Community Representative on the Australian and New Zealand College of Anaesthetists Research Committee. He is a Council Member of the Australian Youth Orchestra. Previously, Andrew held the positions of Chief Executive, Helen Macpherson Smith Trust and the Colonial Foundation. Prior to being in the philanthropic sector, Andrew spent 22 years in financial services at the Colonial Group in a variety of roles. Andrew's family has a small Trust for Nature covenanted property in the heart of Point Lonsdale. The property is one of the last surviving examples of coastal heathland in the area. Andrew is a member of, and from April 2023, Chair of Trust for Nature's Marketing and Fundraising Committee and is a member of the Finance and Investment Committee.

*Andrew is serving one term from 03/05/2022 - 08/12/2025.*

### Lisa Darmanin

BBus (Human Resources/Industrial Relations), Diploma Community Development

Lisa Darmanin is currently Chair of Vision Super, the Victorian local government industry superannuation fund with over \$12 billion funds under management. Lisa is also a Director of Australian Institute of Superannuation Trustees, a member of the Shareholder Advisory Board of IFM Investors, Governing Board member of the Portable Long Service Leave Authority, and Branch Secretary of the Australian Services Union, Vic/ Tas Branch. Lisa has previously worked within the Victorian Government on gender equality and prevention of family violence and has previously been a trustee director of HESTA superannuation. Lisa was inducted into the Victorian Women's Honour Roll in 2016 in recognition for her significant contribution to the Victorian Community, specifically in achieving gender equity for women through pay equity, family violence and workplace entitlements. Lisa is a member of Trust for Nature's Audit and Risk Committee and the Finance and Investment Committee.

*Lisa is serving one term from 03/05/2022 - 08/12/2025.*

## **Binda Gokhale**

MBA, GAICD, FCPA, BEconomics

Binda is an experienced senior executive and non-executive director with significant exposure within Corporate, Local Government, Public and Not-for-Profit sectors. Her most recent executive role was as Chief Financial Officer with Wyndham City Council, having previously held senior treasury, finance, strategy and planning positions at Telstra. With a strong passion for community, Binda participates across several other organisations in a board and governance capacity having recently commenced as Board member at Melbourne Polytechnic. Binda's other current appointments include Chair of Joint Audit and Risk Committee for the Victorian Disability Worker Commission and Disability Worker Registration Board, Board member for Benalla Health and Satellite Foundation. Binda also participates as Chair of the CPA Public Sector and NFP Committee and as Vice-President Professional Development at FinPro (representing finance professionals in the local government sector). Binda is currently Chair of Trust for Nature's Audit and Risk Committee and a member of the Conservation Committee.

*Binda is serving two terms from 23/08/2017 - 08/12/2023.*

## **Sonya Rand**

BEng(Chem), MEng, GDip(Mgmt), MIChemE

Sonya joined Bunnings as Head of Sustainability in early 2020, bringing with her extensive knowledge in sustainability gained from more than 25 years' experience in retail, consumer goods and manufacturing industries. Specialising in stakeholder engagement, policy development and risk management, Sonya's role sees her leading the growth of existing sustainability and community programs and finding new opportunities to drive positive long-term change across the business. A chartered Chemical Engineer, Sonya has held advisory roles with the Australian Attorney General's Office and the Department of Foreign Affairs and Trade, addressing issues of Human Trafficking and Modern Slavery in Supply Chains and the implementation of the United Nations Guiding Principles on Business and Human Rights. She has also served as a member of the Modern Slavery Expert Advisory Group with the Australian Department of Home Affairs. Sonya is also a Board Director of Engineers Without Borders Australia and Water Stewardship Asia-Pacific. Sonya is a member of both the Royal Children's Hospital Clinical Ethics Committee and Carey Baptist Grammar Risk & Governance Committee. Sonya is a member of Trust for Nature's Audit and Risk Committee and the Conservation Committee.

*Sonya is serving one term from 03/05/2022 - 08/12/2025.*

## **Jill Smith**

AM BEc, MBA, Hon Doc (Deakin)

Jill has been a leading arts manager, strategist and advocate over many years as CEO at Playbox Theatre (now Malthouse Theatre) and the Geelong Arts Centre, a State Government Agency. In these roles her focus has been on the development of new work by First Nations artists, women, people with diverse abilities, and those of different cultural backgrounds. She has also been involved in the planning and delivery of major cultural infrastructure including The Malthouse, ACCA, and the Geelong Cultural Precinct Masterplan and Geelong Arts Centre redevelopment. Jill is currently Chair of Deakin University's Arts and Cultural Management Advisory Board. She is also a member of the Geelong Authority, an advisory board to the Minister for Planning in relation to the revitalisation of Central Geelong and Moolap. Jill is a covenantor of a property adjacent to the Great Otway National Park and a volunteer with Birdlife Australia protecting the endangered hooded plovers. Jill is a member of Trust for Nature's Finance and Investment Committee and the Marketing and Fundraising Committee.

*Jill is serving two terms from 13/10/2020 - 08/12/2021 and 03/05/2022 - 08/12/2025.*

## **Jennifer Wolcott**

B. Forest Science (Honours), GAICD, FIPAA

Jennifer has had extensive experience within the Victorian public sector with a focus on environmental and natural resource management and rural and regional development. Jennifer has led significant policy, legislation, regulatory reform and strategy programs and has a keen interest in governance. She has held executive positions with Environment Protection Victoria, Parks Victoria, Regional Development Victoria, Emergency Management Victoria and several departments. Jennifer has been a member of the Victorian Coastal Council and was a longstanding board director of the Royal Botanic Gardens Victoria. Jennifer is currently a member of the Victorian Environment Assessment Council, and a fellow and director of the Institute of Public Administration Australia (Victoria) Jennifer has a covenanted conservation property on the Gippsland Grassy Plains. Jennifer is a member of Trust for Nature's Marketing and Fundraising Committee and Conservation Committee.

*Jennifer is serving one term from 09/12/2019 - 08/12/2023.*

## **Trustees who retired from the board during the reporting period**

There were no Trustee retirements from Trust for Nature's Board during the 2022-23 reporting period.



## Board and committee meetings and attendance

Trust for Nature's Board of Trustees met four times in the 2022-23 reporting period, as did its four main Committees. See attendance details in the table below.

There were three special meetings of the Board held on 2 October 2022, 15 November 2022 and 19 April 2023.

	Board meetings	Audit and Risk Committee meetings	Marketing and Fundraising Committee meetings	Conservation Committee meetings	Finance and Investment Committee meetings	Executive Remuneration Committee
Gayle Austen	3/4	4/4	4/4	4/4	3/4	3/3
Dr Charles Meredith	4/4	-	4/4	4/4	-	3/3
Nina Braid	4/4	-	3/4	3/4	-	-
Dr Sandra Brizga	4/4	4/4	-	4/4	4/4	1/1
Binda Gokhale	4/4	4/4	-	4/4	-	2/2
Sonya Rand	3/4	3/4	-	3/4	-	-
Andrew Brookes	4/4	-	4/4	-	4/4	-
Lisa Darmanin	4/4	4/4		-	3/4	-
Jill Smith	4/4	-	4/4	-	4/4	-
Jennifer Wolcott	4/4	-	4/4	4/4	-	-

**Table 7:** Board and Committee meeting attendance

The Executive Remuneration Committee met in July 2022, March 2023, and April 2023.

### Audit and Risk Committee

Trust for Nature's Audit and Risk Committee comprised the following independent members as at 30 June 2023:

- Binda Gokhale (Chair from December 2017)
- Gayle Austen
- Dr Sandra Brizga
- Lisa Darmanin
- Sonya Rand

Key responsibilities of the Audit and Risk Committee are to:

- Review and report independently to the board on the annual report.
- Assist the board in reviewing the effectiveness of Trust for Nature's internal control environment covering:
  - Effectiveness and efficiency of operations.
  - Reliability of financial reporting.
  - Compliance with applicable laws and regulations.
- Determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors.
- Maintain effective communication with external auditors.

- Consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised.
- Oversee the effective operation of the risk management framework.

Members are appointed by the board and are subject to the committee's terms of reference.

Meetings are held quarterly and at any other time on request of a committee member or the internal or external auditor.

In 2022-23, the committee met four times.

### Employment and conduct principles

Trust for Nature has policies and practices that provide for fair treatment, career opportunities and the early resolution of workplace issues. Trust for Nature has advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.



### Comparative workforce data

Classification	June 2023		June 2022	
	FTE	Headcount	FTE	Headcount
Executives	5.9	7	8.7	9
Senior Managers	7.8	9	9.2	11
Administration/ Support Staff	13.9	17	11.9	16
Field Staff	22.3	27	28	33
total	49.9	60	57.8	69

**Table 8: Trust for Nature staffing statistics by fulltime equivalent and headcount**

**Employees have been correctly classified in workforce data collections**

Gender	June 23		June 22	
	FTE	Headcount	FTE	Headcount
Women	32.4	41	35.9	45
Men	17.5	19	21.9	24
Self-described	0	0	0	0
	49.9	60	57.8	69

**Table 9: Trust for Nature staffing statistics by gender (headcount)**





### Workforce inclusion

Trust for Nature is working to enhance workplace inclusive and to provide an environment where equal opportunity and diversity are valued.

The Trust has developed a Gender Equality Action Plan for 2022-2025 which is consistent with the *Gender Equality Act 2020*.

### Occupational Health and Safety (OH&S)

Trust for Nature continued to focus on and improve its OHS policy, systems and processes, including:

- The integration of psychosocial safety into OHS informed by internal psychosocial safety risk workshops
- External review of the OHS requirements for the volunteer Committees of Management on TFN Reserves
- The development of joint Health and Safety management for TFN and the First Peoples of Millewa Mallee Aboriginal Corporation for work on Neds Corner, including the Safe Havens project
- An external OHS site audit of Neds Corner undertaken and improvements implemented
- Introduction of the new position of OHS Support Officer
- Delivery of staff and Board training on OHS responsibilities

**Table 10: Occupational health and safety statistics**

	2022-23	2021-22	2020-21
OH&S committee meetings	10	12	10
Number of reported accidents and near misses received	8	4	5
Number of reported injuries received	0	2	2
Reports proceeding to Worksafe claims	0	2	0

### Employment and conduct principles

Trust for Nature has policies and practices that provide for fair treatment, career opportunities and the early resolution of workplace issues. Trust for Nature has advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.







# Other disclosures

## Details of consultancies over \$10,000

In 2022-23, there were no consultancies engaged where the total fees payable to the consultant was \$10,000 or greater.

## Details of consultancies under \$10,000

In 2022-23, there were four consultancies engaged during the year where the total fees payable to the consultants was less than \$10,000. The total expenditure incurred during 2022-23 in relation to these consultancies was \$33,792 (excluding GST).

## Major contracts

Major contracts are defined for Victorian Government reporting purposes as greater than \$10 million. Trust for Nature did not award any major contracts during 2022-23.

## Government advertising

No government advertising expenditure was incurred by Trust for Nature during the reporting year.

## Compliance with the Building Act 1993

Trust for Nature does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

## Freedom of Information

The *Freedom of Information Act 1982* allows the public a right of access to documents held by Trust for Nature, which is considered to be a government agency under the Act.

For the 12 months ending 30 June 2023, two freedom of information (FOI) applications were received by Trust for Nature. Both requests were from community organisations. 100% of FOI decisions were made within the statutory 30-day time period.

During 2022-23, no FOI requests were subject to a complaint/ internal review by OVIC and no FOI requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

## Making a request

Access to documents may be obtained through written request to the Authorised Officer, as detailed in s17 of the Freedom of Information Act 1982.

When making a FOI request, applicants should ensure the request:

- is in writing to the Authorised Officer
- clearly identifies which document is being sought
- is accompanied by an application fee of \$31.80 (from 01 July 2023)

Note: The fee may be waived in certain circumstances. Access charges may also be applicable.

FOI requests can be lodged:

- online at <https://ovic.vic.gov.au/> or
- directly to Legal Counsel, Trust for Nature, 5/379 Collins Street, Melbourne VIC 3000 or by email to [trustfornature@tfn.org.au](mailto:trustfornature@tfn.org.au).

A decision to release information is made by Trust for Nature's Authorised Officer.

## Further information

Further information regarding the operation and scope of FOI can be obtained from the Act, regulations under the Act and <https://ovic.vic.gov.au/>

## Compliance with the Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* (PID Act) enables people to make disclosures about improper conduct by public officers and public bodies. Trust for Nature is a public body for the purposes of the PID Act.

Trust for Nature is committed to encouraging and facilitating the making of disclosures of improper and corrupt conduct by public officers and public bodies. Trust for Nature's Public Interest Disclosure (Whistleblowing) Policy and Public Interest Disclosures Procedures demonstrate the Trust's commitment to the aims and objectives of the Victorian public sector public interest disclosure regime. Procedures are here [trustfornature.org.au/compliance](http://trustfornature.org.au/compliance).

### What is a public interest disclosure?

A public interest disclosure is a complaint of corrupt or improper conduct or detrimental action by a public officer or a public body.

'Improper or corrupt conduct' involves substantial mismanagement of public resources, risk to public health or safety or the environment, or corruption.

'Detrimental action' is action taken against a person in reprisal for making a public interest disclosure.

### How do I make a public interest disclosure?

You can make a public interest disclosure about Trust for Nature or its board members, officers or employees by contacting the Independent Broad-based Anti-Corruption Commission via the contact details provided below.

Trust for Nature is not authorised to receive public interest disclosures.

### Public interest disclosure contacts

Independent Broad-Based Anti-Corruption Commission (IBAC)  
Victoria

Level 1 North Tower, 459 Collins Street, Melbourne Victoria 3000

Mail: IBAC, GPO Box 24234, Melbourne VIC 3001

Phone: 1300 735 135

Website: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

Email: Visit the website above for the secure email disclosure process, which also provides for anonymous disclosures.

## Availability of other information

Other information to be made available upon request, subject to the Freedom of Information Act 1982 is:

- a statement that declarations of pecuniary interests were duly completed by all relevant officers
- details of shares held in subsidiaries
- details of publications produced and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged
- details of any major external reviews
- details of major research and development activities
- details of overseas visits
- details of major promotional, public relations and marketing activities
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations and details of time lost through industrial accidents and disputes
- a list of major committees, the purpose of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors.

The information is available on request from Legal Counsel, Trust for Nature, Level 5/379 Collins Street, Melbourne VIC 3000 or via email to [trustfornature@tfn.org.au](mailto:trustfornature@tfn.org.au).

## Competitive Neutrality Policy

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Advantages that government businesses may experience, simply as a result of government ownership, should be neutralised. Trust for Nature complies with the Victorian Government's Competitive Neutrality Policy, to the extent it does not conflict with TFN's charitable purposes.

## Local Jobs First

Trust for Nature has not commenced or completed any contracts during 2022-23 to which the *Local Jobs First Act 2003* applies.



## Social procurement framework

Trust for Nature is fully committed to supporting the Government's directions under the Social Procurement Framework (SPF). In 2020, Trust for Nature developed a Social Procurement Strategy which encourages staff to seek opportunities where available to procure from organisations which prioritise the four SPF objectives detailed in the table below. These SPF objectives were chosen based on their high degree of alignment with the Trust's strategic direction and values and because we are well positioned to advance our identified social procurement opportunities as our operations stretch across the breadth of regional Victoria and focus on conservation on land.

**Table 11: Social procurement metrics**

Objective prioritised	Outcome sought	Outcome achieved 2022-23
Opportunities for Victorian Aboriginal people	Purchasing from Victorian Aboriginal businesses	Seven Victorian Aboriginal businesses engaged and two staff members employed directly.
Sustainable Victorian social enterprises and Aboriginal business sectors	Purchasing from Victorian social enterprises and Aboriginal businesses	Seven social enterprise and Aboriginal businesses engaged.
Sustainable Victorian regions	Job readiness and employment for people in regions with entrenched disadvantage	59% of staff (full-time equivalent basis) are regionally based. 57% of discretionary spending is regionally based.

## Achievements

While the four prioritised SPF objectives guide our procurement delivery, the Trust is committed to pursuing any opportunities to advance social and sustainable outcomes for Victorians.

All individual procurement activities undertaken in 2022-23 fell within the 'below threshold' band of Victoria's Social Procurement Framework where social procurement approaches are encouraged but not mandatory.

## Information and communication technology expenditure

NOTE: In 2022-23, the Trust had a total information and communication technology (ICT) expenditure of \$494,108, as detailed below.

**Table 12: Information and community technology expenditure**

Businesses-usual ICT expenditure	Non-business as usual ICT expenditure	Operational expenditure	Capital expenditure
Total	Total operational and capital		
408	118	108	10

## Disclosure of grants and transfer payments

Trust for Nature made the following payments in 2022-23.

**Table 13: Incentive programs**

Total amount	Recipients
\$339,306	Seventeen private landholders

These are payments made to landholders under government incentive programs and administered under land management agreements to achieve improved on-ground biodiversity outcomes.

## Trust for Nature Financial Management Compliance Attestation Statement

I, Lisa Darmanin, on behalf of the Responsible Body, certify that Trust for Nature has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Lisa Darmanin  
Acting Chair  
29 February 2024

# Disclosure index

The Trust for Nature Annual Report 2022-23 was prepared in accordance with all relevant Victorian legislation and pronouncements. This index identifies the Trust's compliance with statutory disclosure requirements.

**Table 14: Trust for nature compliance with statutory disclosure requirements**

Legislation	Requirement	
Standing Directions & Financial Reporting Directions		
<b>Year in review</b>		
FRD 22I	Manner of establishment and relevant Minister	7
FRD 22I	Purpose, functions, powers and duties	7
FRD 22I	Nature and range of services provided	7
FRD 22I	Operational objectives and outcomes	8
FRD 22I	Key initiatives and projects	9-19
<b>Governance and organisational structure</b>		
FRD 22I	Governing board	29-30
FRD 22I	Board committee structure	31
SD 3.2.1/FRD 22I	Audit committee membership and role	31
FRD 22I	Organisational structure	28
FRD 22I	Occupational health and safety	33
FRD 22I	Employment and conduct principles	33
FRD 29C	Workforce data	32
FRD 15E	Executive Officer data and disclosure	89
<b>Other information</b>		
FRD 10A	Disclosure index	38
FRD 25D	<i>Local Jobs First Act</i> 2003	36
FRD 22I	Statement on Competitive Neutrality Policy	36
FRD 22I	Application and operation of <i>Freedom of Information Act</i> 1982	35
FRD 22I	Application and operation of the <i>Public Interest Disclosures Act</i> 2012	36
FRD 22I	Compliance with <i>Building Act</i> 1993	35
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FRD 30D	Standard requirements for publication of annual reports	Entire document



<b>Financial information</b>		
FRD 22I	Summary of the financial results for the year	25-26
FRD 22I	Consultancies over \$10,000	35
FRD 22I	Consultancies under \$10,000	35
FRD 12B	Disclosure of major contracts	35
FRD 22I	Disclosure of government advertising expenditure	35
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FRD 22I	Disclosure of ICT expenditure	37
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FRD 22I	Major changes or factors affecting performance	25
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<b>Compliance attestation and declaration</b>		
SD 5.2.3	Declaration in report of operations	3
SD 5.2.2	Declaration in financial statements	42
SD 5.1.4	Financial management compliance attestation statement	42
<b>Other requirements under Standing Directions 5.2</b>		
SD 5.2.1 (a)	Compliance with Australian accounting standards and other authoritative pronouncements	42
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	<i>Freedom of Information Act 1982</i>	35
	<i>Building Act 1993</i>	35
	<i>Public Interest Disclosures Act 2012</i>	37
	<i>Local Jobs First Act 2003</i>	36
	<i>Financial Management Act 1994</i>	3



Fat-tailed Dunnart (vulnerable).  
Image: Annette Ruzicka.



# Financial Review

## Financial Statements as at 30 June 2023

### How this report is structured

Trust for Nature (Victoria) has presented its audited general purpose financial statements for the financial year ended 30 June 2023 in the following structure to provide users with information about the authority's stewardship of resources entrusted to it.

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Statement of changes in equity	49

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## **Declaration in the Financial Statements**

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The attached financial statements for Trust for Nature (Victoria) have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, *Australian Charities and Not-for-profit Commission Act 2012*, the *Australian Charities and Not-for-profit Commission Regulations 2022*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2023 and financial position of Trust for Nature (Victoria) at 30 June 2023.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 29 February 2024.



**Lisa Darmanin**  
Acting Chair  
Trust for Nature (Victoria)  
Melbourne  
29 February 2024



**Corinne Proske**  
Chief Executive Officer  
Trust for Nature (Victoria)  
Melbourne  
29 February 2024



**Payal Gandhi**  
Acting CFO  
Trust for Nature (Victoria)  
Melbourne  
29 February 2024



# Independent Auditor's Report

## To the Board of Trustees of the Trust for Nature (Victoria)

<b>Opinion</b>	<p>I have audited the financial report of the Trust for Nature (Victoria) (the trust) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2023</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• declaration in the financial statements.</li> </ul> <p>In my opinion, the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> <li>• presenting fairly, in all material respects, the financial position of the trust as at 30 June 2023 and of its financial performance and its cash flows for the year then ended</li> <li>• complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.</li> </ul>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the trust in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board of Trustees' responsibilities for the financial report</b>	<p>The Board of Trustees of the trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Board of Trustees determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board of Trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees
- conclude on the appropriateness of the Board of Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. I also provide the Board of Trustees with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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MELBOURNE  
15 March 2024



Paul Martin  
*as delegate for the Auditor-General of Victoria*



## Auditor-General's Independence Declaration

### *To the Board of Trustees, the Trust for Nature (Victoria)*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

### *Independence Declaration*

As auditor for the Trust for Nature (Victoria) for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE  
15 March 2024



Paul Martin  
*as delegate for the Auditor-General of Victoria*

## Trust for Nature (Victoria) financial statements

### Comprehensive operating statement

For the financial year ended 30 June 2023

	Notes	2023	2022
		\$	\$
<b>Continuing operations</b>			
<b>Revenue and income from transactions</b>			
Grant and consulting income	2.2	6,438,654	6,588,474
Interest on investments	2.3	1,618,409	417,286
Dividends	2.4	527,260	348,386
Donations and bequests	2.5	2,376,087	3,101,926
Other income	2.6	303,078	457,578
<b>Total revenue and income from transactions</b>		<b>11,263,488</b>	<b>10,913,650</b>
<b>Expenses from transactions</b>			
Employee benefits	3.2	(6,198,359)	(5,916,084)
Depreciation & amortisation	3.3	(545,574)	(586,943)
Conservation, covenant and stewardship programs	3.4	(1,909,997)	(2,365,042)
Other operating expenses	3.5	(2,830,090)	(1,731,308)
<b>Total expenses from transactions</b>		<b>(11,484,020)</b>	<b>(10,599,377)</b>
<b>Net result from transactions (net operating balance)</b>		<b>(220,532)</b>	<b>314,273</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets <sup>(i)</sup>	8.2	443,525	333,153
Net gain/(loss) on financial instruments <sup>(ii)</sup>	8.2	285,482	(1,209,573)
<b>Total other economic flows included in net result</b>		<b>729,007</b>	<b>(876,420)</b>
<b>Net result</b>		<b>508,475</b>	<b>(562,147)</b>
<b>Other economic flows - other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in physical asset revaluation surplus	8.3	-	4,309,950
<b>Total other economic flows - other comprehensive income</b>		<b>-</b>	<b>4,309,950</b>
<b>Comprehensive result</b>		<b>508,475</b>	<b>3,747,803</b>

The accompanying notes form part of these financial statements.

**Notes:**

(i) 'Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

(ii) 'Net gain/(loss) on financial instruments' includes unrealised and realised gains/(losses) from revaluations, impairments and reversals of impairment, and gains/(losses) from disposals of financial instruments.



**Balance sheet**  
As at 30 June 2023

	<i>Notes</i>	<b>2023</b>	<b>2022</b>
		\$	\$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.1	21,797,583	24,596,654
Receivables	5.1	2,267,075	976,687
Investments and other financial assets	5.2	39,246,877	39,934,907
Other assets	5.3	478,818	323,967
<b>Total financial assets</b>		<b>63,790,353</b>	<b>65,832,215</b>
<b>Non-financial assets</b>			
Non-financial physical assets classified as held for sale	4.2	3,447,018	4,049,692
Property, plant and equipment	4.1	30,910,553	32,173,154
Intangible assets	4.3	60,048	84,369
<b>Total non-financial assets</b>		<b>34,417,619</b>	<b>36,307,215</b>
<b>Total assets</b>		<b>98,207,972</b>	<b>102,139,430</b>
<b>Liabilities</b>			
Payables	5.4	813,612	517,792
Borrowings	6.2	1,024,570	1,335,000
Employee related provisions	3.2.1	1,160,080	1,239,301
Other provisions	5.5	4,651,052	4,282,318
Other liabilities	6.3	40,124,939	42,215,920
Contract liabilities	6.3.1	4,792,305	7,416,160
<b>Total liabilities</b>		<b>52,566,558</b>	<b>57,006,491</b>
<b>Net assets</b>		<b>45,641,414</b>	<b>45,132,939</b>
<b>Equity</b>			
Accumulated surplus		13,842,682	13,080,858
Reserves	8.3	31,698,732	31,952,081
Contributed capital		100,000	100,000
<b>Net Worth</b>		<b>45,641,414</b>	<b>45,132,939</b>
Commitments for expenditure	6.5	27,098	58,506
Contingent liabilities and contingent assets	7.2		

The accompanying notes form part of these financial statements.

## Cash flow statement

For the financial year ended 30 June 2023

	<i>Notes</i>	<b>2023</b>	<b>2022</b>
		\$	\$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
State Government - Operating grant		1,240,000	1,450,000
GST recovered from the ATO		698,941	362,395
Interest received		1,156,046	253,355
Donations, grants and other receipts		4,368,249	10,312,110
<b>Total receipts</b>		<b>7,463,236</b>	<b>12,377,860</b>
<b>Payments</b>			
Payments to employees		(6,316,986)	(5,812,266)
Payments to suppliers		(3,286,847)	(3,986,346)
Interest paid to landowners		(178,868)	(247,347)
GST paid to the ATO		(342,407)	(1,999,620)
<b>Total payments</b>		<b>(10,125,108)</b>	<b>(12,045,579)</b>
<b>Net cash flows from/(used in) operating activities</b>	6.1	<b>(2,661,872)</b>	<b>332,281</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of freehold land held for sale		2,936,554	1,181,750
Proceeds from offset landowners and other funds held for third parties		2,194,263	14,165,005
Proceeds from redemption of term deposits		1,534,605	7,050,198
Payments for freehold land held for sale		(1,143,992)	(1,045,844)
Payment from bonds held in trust		-	(191,451)
Payments to offset landowners and from other third party funds held		(5,285,445)	(8,169,204)
Payments for property, plant and equipment		(51,729)	(147,401)
Payments for intangible assets		(11,025)	-
<b>Net cash flows from/(used in) investing activities</b>		<b>173,231</b>	<b>12,843,053</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		7,338	-
Repayment of lease liabilities		(317,768)	(264,050)
<b>Net cash flows from/(used in) financing activities</b>		<b>(310,430)</b>	<b>(264,050)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,799,071)</b>	<b>12,911,284</b>
Cash and cash equivalents at the beginning of the financial year		24,596,654	11,685,370
<b>Cash and cash equivalents at the end of the financial year</b>	6.1	<b>21,797,583</b>	<b>24,596,654</b>

The accompanying notes form part of these financial statements.



**Statement of changes in equity**  
For the financial year ended 30 June 2023

	Notes	Physical asset revaluation surplus \$	Donations surplus \$	Covenant stewardship surplus \$	Properties surplus \$	Bequest surplus \$	Endowment surplus \$	Accumulated surplus \$	Contributed capital \$	Total \$
<b>Balance at 1 July 2021</b>		19,820,997	4,339,930	1,374,750	120,560	1,033,452	2,489,768	12,105,679	100,000	41,385,136
Net result for the year		-	-	-	-	-	-	(562,147)	-	(562,147)
Other comprehensive income for the year	8.3	4,309,950	-	-	-	-	-	-	-	4,309,950
Net transfer to / (from) reserves	8.3	-	(787,429)	(370,995)	(86,628)	(156,673)	(135,601)	1,537,326	-	-
<b>Balance at 30 June 2022</b>		<b>24,130,947</b>	<b>3,552,501</b>	<b>1,003,755</b>	<b>33,932</b>	<b>876,779</b>	<b>2,354,167</b>	<b>13,080,858</b>	<b>100,000</b>	<b>45,132,939</b>
Net result for the year		-	-	-	-	-	-	508,475	-	508,475
Other comprehensive income for the year	8.3	-	-	-	-	-	-	-	-	-
Net transfer to / (from) reserves	8.3	-	8,162	(91,061)	(16,861)	(39,621)	(113,968)	253,349	-	-
<b>Balance at 30 June 2023</b>		<b>24,130,947</b>	<b>3,560,663</b>	<b>912,694</b>	<b>17,071</b>	<b>837,158</b>	<b>2,240,199</b>	<b>13,842,682</b>	<b>100,000</b>	<b>45,641,414</b>

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

## **Note 1. About this report**

Trust for Nature (Victoria) (the Trust) is a body corporate established under the Victorian Conservation Trust Act 1972 (the Act).

Its principal address is:  
Level 5, 379 Collins Street  
Melbourne VIC 3000

A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

### **Basis of preparation**

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item.

Consistent with the requirements of AASB1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Trust.

Consistent with AASB 13 *Fair Value Measurement*, the Trust determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments and for non recurring fair value measurements such as non financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

### **Compliance information**

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA), *Australian Charities and Not-for-profit Commission Act 2012*, the *Australian Charities and Not-for-profit Commission Regulations 2022* and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.



## Note 2 Funding delivery of our services

### Introduction

Under the Act, the Trust's objectives are to:

- conserve areas which are ecologically significant, of natural interest or beauty, or of historical interest;
- conserve wildlife and native plants;
- conserve and create areas for scientific study; and
- encourage and assist in the conservation and creation of areas of natural beauty or interest for recreation and/or educational use by the public.

The Trust obtains its funding from a number of sources including State and Commonwealth Governments, donations and bequests, investment income and the sale of goods and services.

### Significant judgement: Grants revenue

The Trust has made judgement on the recognition of grant revenue as income of not-for-profit entities where they do not contain sufficiently specific performance obligations. Income from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers is recognised when the Trust satisfies the performance obligation by providing the relevant conservation services to the relevant organisations. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done.

### Structure

- 2.1 Summary of income that funds the delivery of our services
- 2.2 Grants and consulting income
- 2.3 Interest on investments
- 2.4 Dividends
- 2.5 Donations and bequests
- 2.6 Other income

#### 2.1 Summary of income that funds the delivery of our services

	2023	2022
	\$	\$
Grant and consulting income	6,438,654	6,588,474
Interest on investments	1,618,409	417,286
Dividends	527,260	348,386
Donations and bequests	2,376,087	3,101,926
Other income	303,078	457,578
<b>Total income from transactions</b>	<b>11,263,488</b>	<b>10,913,650</b>

## Note 2 Funding delivery of our services - continued

### 2.2 Grants and consulting income

	2023	2022
	\$	\$
<b>Income recognised as income of not for profit entities</b>		
State Government – Operating grant	1,320,000	1,450,000
<b>Income recognised as revenue from contract with customers</b>		
Government grants	3,873,433	3,741,907
Government & philanthropic grants used to acquire properties <sup>(i)</sup>	-	312,366
Philanthropic grants	1,136,873	1,003,471
Other grants and consulting	108,348	80,730
<b>Total grant and consulting income</b>	<b>6,438,654</b>	<b>6,588,474</b>

*Notes:*

(i) From time to time, Trust for Nature receives grant or donation and appeal revenue which is used to acquire properties. Such transactions result in an accounting profit equal to the acquisition cost which resides in the accumulated surplus until such time as the property is surrendered or sold. In 2022-23, no properties were purchased with government grant revenue (2021-22: one). Refer also to Note 3.4, 4.1.3 and 5.5.

The Trust has determined that grant income is classified as revenues from contracts with customers in accordance with AASB 15, except for operational grants from the State Government which are not based on an enforceable contract with sufficiently specific obligations which are recognised as revenue in accordance with AASB 1058 *Income of not-for-profit entities*.

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers. These grants relate to the provision of environmental services for the conservation and improvement of biodiversity and ecosystems in Victoria, and community and landowner engagement and education. The Trust transfers control of the services over time and therefore satisfies performance obligations and recognises revenue over time. Revenue is recognised using the input method which depicts the Trust's performance towards complete satisfaction and the extent that it is highly probable a significant reversal of the revenue will not occur.

The funding payments are normally received in advance of the relevant obligation being satisfied and is recorded as a contract liability (Note 6.3).

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Trust has an unconditional right to receive cash which usually coincides with receipt of cash.

### 2.3 Interest on investments

	2023	2022
	\$	\$
Interest on investments	447,666	198,260
Interest on investments attributable to funds held awaiting remittance and landowner payments held in trust	1,170,743	219,026
<b>Total interest on investments</b>	<b>1,618,409</b>	<b>417,286</b>

Interest income is recognised using the effective interest rate method, which allocates the interest over the relevant period.



## Note 2 Funding delivery of our services - continued

### 2.4 Dividends

	2023	2022
	\$	\$
Dividends from managed funds and equities	527,260	348,386
<b>Total dividends</b>	<b>527,260</b>	<b>348,386</b>

Dividend income is recognised when the right to receive payment is established. Dividends represent the income arising from the Trust's investments in financial assets.

### 2.5 Donations and bequests

	2023	2022
	\$	\$
<b>Income recognised as income of not for profit entities</b>		
General donations	678,865	577,071
Donations for appeals and properties	360,789	346,088
General bequests	86,433	98,280
Bequests of land & buildings	-	2,060,000
Donations of land & buildings	1,250,000	-
Other fundraising income	-	20,487
<b>Total donations</b>	<b>2,376,087</b>	<b>3,101,926</b>

Donation and bequest revenue was recognised in accordance with AASB 1058 as there were no specific performance obligations. Donation and bequest revenue is recognised when the cash is received. Donations and bequests of shares and properties are brought to account at their values on the date of transfer.

### 2.6 Other income

	2023	2022
	\$	\$
Rental and accommodation income	-	5,000
Offset program income	145,329	150,987
Other	157,749	301,591
<b>Total other income</b>	<b>303,078</b>	<b>457,578</b>

The offset program income included in the table above are transactions that the Trust has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

Income from the offset program is enforceable and with sufficiently specific performance obligations and is accounted for as revenue from contracts with customers. This income relates to the provision of services associated with a native vegetation offset. The Trust transfers control of the services over time and therefore satisfies performance obligations and recognises revenue over time. Revenue is recognised using the output method by reference to milestones which reflect stages towards completion satisfaction and the extent that it is highly probable a significant reversal of the revenue will not occur.

Consideration is normally received on completion and where the performance obligation is satisfied but not yet billed, a contract asset is recorded (Note 5.3).

Other income is recognised when the right to receive payment is established.

### Note 3 The cost of delivering services

#### Introduction

This section provides an account of the expenses incurred by the Trust in delivering services. In note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

#### Significant judgement: Employee benefit provisions

In measuring employee benefits, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using a single weighted average discount rate based on market yields of national government bonds in Australia that reflects the estimated timing and amount of benefit payment.

#### Structure

- 3.1 Summary of expenses incurred in delivery of services
- 3.2 Employee benefits
- 3.3 Depreciation and amortisation
- 3.4 Conservation, covenant and stewardship programs
- 3.5 Other operating expenses

#### 3.1 Summary of expenses incurred in delivery of services

	2023	2022
	\$	\$
Employee benefits	(6,198,359)	(5,916,084)
Depreciation & amortisation	(545,574)	(586,943)
Conservation, covenant and stewardship programs	(1,909,997)	(2,365,042)
Other operating expenses	(2,830,090)	(1,731,308)
<b>Total expenses incurred in delivery of services</b>	<b>(11,484,020)</b>	<b>(10,599,377)</b>

Expenses from transactions are recognised as they are incurred, and reported in the financial year to which they relate.



## Note 3 The cost of delivering services - continued

### 3.2 Employee benefits

	2023	2022
	\$	\$
Salaries and wages, annual leave and long service leave	(5,367,120)	(5,240,762)
Fringe benefits tax	(7,800)	(10,761)
Defined contribution superannuation expense	(581,376)	(517,244)
Workers Compensation	(104,025)	(85,776)
Other employee expenses	(138,038)	(61,541)
<b>Total employee benefits</b>	<b>(6,198,359)</b>	<b>(5,916,084)</b>

These expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments, fringe benefits tax, superannuation contributions and WorkCover premiums.

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by the Trust to the relevant superannuation plans in respect to the services of the Trust's staff (both past and present). There are no defined benefit superannuation contribution plans. There were no outstanding superannuation contributions as at 30 June 2023 (2022: nil).

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Trust recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

#### 3.2.1 Employee related provisions in the balance sheet

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2023	2022
	\$	\$
<b>Current provisions</b>		
Employee benefits		
Annual leave:		
Unconditional and expected to settle within 12 months <sup>(i)</sup>	305,163	331,117
Unconditional and expected to settle after 12 months <sup>(i)</sup>	98,857	113,853
Long service leave:		
Unconditional and expected to settle within 12 months <sup>(i)</sup>	73,427	51,747
Unconditional and expected to settle after 12 months <sup>(ii)</sup>	459,241	492,930
	<b>936,688</b>	<b>989,647</b>
<i>Provisions for on-costs</i>		
Unconditional and expected to be settled within 12 months <sup>(i)</sup>	59,171	61,739
Unconditional and expected to be settled after 12 months <sup>(ii)</sup>	77,095	73,472
	<b>136,266</b>	<b>135,211</b>
<b>Total current provisions</b>	<b>1,072,954</b>	<b>1,124,858</b>
<b>Non-current provisions</b>		
Long service leave <sup>(ii)</sup>	76,587	102,110
Provisions for on-costs <sup>(ii)</sup>	10,539	12,333
<b>Total non-current provisions</b>	<b>87,126</b>	<b>114,443</b>
<b>Total provisions</b>	<b>1,160,080</b>	<b>1,239,301</b>

Notes:

(i) The amounts disclosed are nominal amounts.

(ii) The amounts disclosed are discounted to present values.

### Note 3 The cost of delivering services - continued

#### Reconciliation of movement in on-cost provision

	2023	2022
	\$	\$
Opening balance	147,544	132,826
Additional provisions recognised	74,880	61,876
Reductions arising from payments/other sacrifices of future economic benefits	(75,619)	(47,158)
<b>Closing balance</b>	<b>146,805</b>	<b>147,544</b>
Current	136,266	135,211
Non-current	10,539	12,333
<b>Closing balance</b>	<b>146,805</b>	<b>147,544</b>

#### Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Trust does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the Balance Sheet at remuneration rates which are current at the reporting date. As the Trust expects liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is measured at the undiscounted amount expected to be paid, as the Trust does not have an unconditional right to defer settlements of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

On-costs such as workers compensation insurance and superannuation are not employee benefits and are reflected as a separate provision.

#### Long service leave (LSL)

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the Trust does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

Unconditional LSL represents long service leave entitlements accrued for employees with more than 7 years of continuous service.

The components of this current LSL liability are measured at:

- undiscounted value – if the Trust expects to wholly settle within 12 months; and
- present value - if the Trust does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised in the net result as an other economic flow.



### Note 3 The cost of delivering services - continued

#### 3.3 Depreciation and amortisation

	2023	2022
	\$	\$
Buildings	(318,861)	(321,737)
Plant & equipment	(100,771)	(119,942)
Motor vehicles	(90,596)	(70,495)
Leasehold improvements	-	(2,366)
Amortisation of software	(35,346)	(72,403)
<b>Total depreciation and amortisation</b>	<b>(545,574)</b>	<b>(586,943)</b>

Buildings, plant and equipment and other non-current physical assets that have a limited useful life are depreciated. Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their useful life.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The Trust depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

The following are typical estimated useful lives for the different asset classes for current and prior years.

Asset class	Useful life
Buildings	40 years
Fencing (included in buildings asset class)	20 years
Leasehold improvements	Minimum lease term
Plant and equipment	3 to 10 years
Vehicles	7 to 10 years
Intangible non-produced assets - software	3 to 5 years

Land which is considered to have an indefinite life is not depreciated. Depreciation is not recognised in respect of such assets as their service potential has not, in any material sense, been consumed during the reporting period.

The consumption of intangible non-produced assets with finite useful lives is not classified as a transaction, but as amortisation. Consequently, the amortisation is included as an other economic flow in the net result.

#### 3.4 Conservation, covenant and stewardship programs

	2023	2022
	\$	\$
Landowner incentives and on-ground works	(978,225)	(1,189,726)
Services provided by project partners	(91,497)	(36,708)
Provision for future year stewardship	(567,734)	(443,565)
Other covenant and stewardship program expenditure	(148,041)	(187,532)
Provision for transfer of land to crown for nil consideration <sup>(i)</sup>	(124,500)	(507,511)
<b>Total conservation, covenant and stewardship programs</b>	<b>(1,909,997)</b>	<b>(2,365,042)</b>

Notes:

(i) Under the terms of a Service Level Agreement, the Trust acquired no properties during 2022-23 (2022: \$312,366) using grant income which would be transferred to the Crown at a later date at nil value once certain conditions are reached. In addition, a property acquired in 2019-20 for \$1,061,055 which will also be transferred to the Crown at nil value once certain conditions are reached was revalued upwards by \$195,145 in 2021-22 resulting in a corresponding increase in the provision for transfer of land to crown for nil consideration. Refer also to note 2.2, 4.1.3, 5.5 and 8.3.

Conservation, covenant and stewardship program expenses generally represent costs incurred in connection with the Trust's regional conservation service delivery and include payments to suppliers of fencing and revegetation services, landowner incentive programs, payments to grant project partners and contributions to property acquired by the Crown.

Conservation, covenant and stewardship programs expenses are recognised in the period in which they are incurred, including, where income is received for the purpose, provision for future stewardship, which is recognised at the time a new covenant is secured and the stewardship obligation commences.

### Note 3 The cost of delivering services - continued

#### 3.5 Other operating expenses

	2023	2022
	\$	\$
Supplies and services:		
Occupancy	(84,184)	(93,912)
Software licences and maintenance	(123,115)	(113,600)
Other ITC expenses	(191,145)	(190,349)
Purchased services (including remuneration of auditors and investment advice)	(565,296)	(620,219)
Other supplies and services	(695,607)	(494,202)
Interest attributed to funds held awaiting remittance and landowner payments held in trust	(1,170,743)	(219,026)
<b>Total other operating expenses</b>	<b>(2,830,090)</b>	<b>(1,731,308)</b>

Other operating expenses generally represent the day to day running costs incurred in normal operations and include supplies and services. Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred.

The following lease payments are recognised on a straight-line basis:

- Short-term leases - leases with a term less than 12 months; and
- Low value leases - leases when the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Interest expense attributed to funds held awaiting remittance and landowner payments held in trust represents costs incurred in connection with those interest bearing liabilities. Interest expenses are recognised in the period in which they are incurred.

### Note 4 Key assets available to support output delivery

#### Introduction

The Trust controls property, plant and equipment that are utilised in fulfilling its objectives and conducting its activities.

#### Significant judgement: Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3.2 in connection with how those fair values were determined.

#### Structure

- 4.1 Property, plant and equipment
  - 4.1.1 Depreciation and amortisation
  - 4.1.2 Impairment of non-financial assets
  - 4.1.3 Reconciliation of movements in carrying values
- 4.2 Non-financial physical assets classified as held for sale
- 4.3 Intangible assets



## Note 4 Key assets available to support output delivery - continued

### Note 4.1 Total property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Land at fair value	26,705,739	27,413,951	-	-	26,705,739	27,413,951
Buildings at fair value	4,229,514	4,306,626	(570,767)	(256,305)	3,658,747	4,050,321
Leasehold improvements at fair value	327,074	327,074	(327,074)	(327,074)	-	-
Plant and equipment at fair value	797,324	748,409	(671,692)	(572,330)	125,632	176,079
Motor vehicles at fair value	734,322	810,629	(313,887)	(277,826)	420,435	532,803
<b>Net carrying amount</b>	<b>32,793,973</b>	<b>33,606,689</b>	<b>(1,883,420)</b>	<b>(1,433,535)</b>	<b>30,910,553</b>	<b>32,173,154</b>

The following tables are subsets of buildings, and plant and equipment by right-of-use assets.

#### 4.1 (a) Total right-of-use assets: buildings and vehicles

	Gross carrying amount		Net carrying amount	Gross carrying amount		Net carrying amount
	2023	2023		2022	2022	
	\$	\$	\$	\$	\$	\$
Buildings at fair value	1,033,626	(367,380)	666,246	1,033,626	(152,530)	881,096
Motor vehicles at fair value	452,119	(133,767)	318,352	492,809	(74,812)	417,997
<b>Net carrying amount</b>	<b>1,485,745</b>	<b>(501,147)</b>	<b>984,598</b>	<b>1,526,435</b>	<b>(227,342)</b>	<b>1,299,093</b>

	Buildings	Vehicles at fair value
	\$	\$
Opening balance - 1 July 2022	881,096	417,997
Disposals	-	(21,771)
Depreciation	(214,850)	(77,874)
<b>Closing balance - 30 June 2023</b>	<b>666,246</b>	<b>318,352</b>
Opening balance - 1 July 2021	91,799	173,619
Additions	1,007,259	305,615
Depreciation	(217,962)	(61,237)
<b>Closing balance - 30 June 2022</b>	<b>881,096</b>	<b>417,997</b>

## Note 4 Key assets available to support output delivery - continued

**Initial recognition:** Items of property, plant and equipment, are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

The initial cost for non-financial physical assets under finance lease is measured at amounts equal to fair value of the leased asset, or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

### Right-of-use asset acquired by lessees - Initial measurement

The Trust recognises right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

**Subsequent measurement:** Property, plant and equipment (PPE) as well as right-of-use assets under leases are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category.

### Right-of-use asset - Subsequent measurement

The Trust depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

**Specialised land and specialised buildings:** The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that the CSO adjustment is also equally applicable to market participants.

For the majority of the Trust's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation.

**Vehicles** are valued using the current replacement cost method. The Trust acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers at Vicfleet at the Department of Treasury & Finance who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method.

Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

### 4.1.1 Depreciation and amortisation

#### Charge for the period<sup>(a)</sup>

	2023	2022
	\$	\$
Buildings	318,861	321,737
Plant & equipment	100,771	119,942
Motor vehicles	90,596	70,495
Leasehold improvements	-	2,366
<b>Total property, plant and equipment</b>	<b>510,228</b>	<b>514,540</b>

The useful lives as stated in Note 3.3 are used in the calculation of depreciation.

## Note 4 Key assets available to support output delivery - continued

### 4.1.2 Impairment of non-financial assets

Non-financial assets are assessed annually for indications of impairment except for non-financial physical assets held for sale.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an other economic flow, except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

If there is an indication that there has been a reversal in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. The impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

### 4.1.3 Reconciliation of movements in carrying values

	Land at fair value		Buildings at fair value		Leasehold improvements		Plant and equipment		Motor vehicles		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Opening balance</b>	\$ 27,413,951	\$ 22,954,001	\$ 4,050,321	\$ 3,364,799	\$ -	\$ 2,366	\$ 176,079	\$ 264,620	\$ 532,803	\$ 181,683	\$ 32,173,154	\$ 26,767,469
Additions	-	150,000	4,887	1,007,259	-	-	51,729	31,401	(21,772)	421,615	56,616	1,610,275
Disposals	-	-	(77,600)	-	-	-	(1,405)	-	(21,772)	-	(23,177)	-
Reclassify asset type	(708,212)	-	-	-	-	-	-	-	-	-	(785,812)	-
Revaluation of PPE	-	4,309,950	-	-	-	-	-	-	-	-	-	4,309,950
Depreciation expense	-	-	(318,861)	(321,737)	-	(2,366)	(100,771)	(119,942)	(90,596)	(70,495)	(510,228)	(514,540)
<b>Closing balance</b>	<b>26,705,739</b>	<b>27,413,951</b>	<b>3,658,747</b>	<b>4,050,321</b>	<b>-</b>	<b>-</b>	<b>125,632</b>	<b>176,079</b>	<b>420,435</b>	<b>532,803</b>	<b>30,910,553</b>	<b>32,173,154</b>

#### Land and buildings carried at fair value

An independent valuation of the Trust's land and buildings was performed effective at 30 June 2021 by Opteon Property Group Pty Ltd under contract to the Valuer-General Victoria. The valuation, which conforms to the requirements of AASB13 and FRD 103, adopted the Market Based Direct Comparison method adjusted for the Community Service Obligations.

The Trust completes an annual assessment of fair value in accordance with FRD 103 Non-financial physical assets for specialised land using indices provided by the Valuer-General Victoria. As a result of this assessment, the movement in fair value was assessed as immaterial (less than 10 per cent). (2022: Increase of \$4,309,950). The next scheduled full revaluation will be conducted in 2026.

Fair value assessments have been performed for all classes of assets at 30 June 2023.



## Note 4 Key assets available to support output delivery - continued

### Note 4.2 Non-financial physical assets classified as held for sale

Non-financial physical assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate use in the current condition; and
- the sale is highly probable and the asset's sale is expected to be completed in 12 months from the date of classification.

	2023	2022
	\$	\$
<b>Current</b>		
Freehold land held for sale	3,369,418	4,049,692
Buildings held for sale	77,600	-
<b>Total non-financial physical assets classified as held for sale</b>	<b>3,447,018</b>	<b>4,049,692</b>

The Trust intends to dispose of certain freehold land and buildings within the next twelve months. This includes Revolving Fund land that was acquired for purposes of conservation with the intention of reselling it with covenants established to ensure particular natural aspects of the properties are conserved. A search is underway for buyers. No impairment loss was recognised on freehold land as held for sale or at reporting date.

Land and buildings held for sale are valued at the lower of carrying amount and fair value less costs of disposal, and are not subject to depreciation or amortisation.

### Note 4.3 Intangible assets

	Computer software and website	
	2023	2022
	\$	\$
<b>Gross carrying amount</b>		
Opening balance	607,431	607,431
Additions	11,025	-
<b>Closing balance</b>	<b>618,456</b>	<b>607,431</b>
<b>Accumulated amortisation and impairment</b>		
Opening balance	(523,062)	(450,659)
Amortisation of intangible non-produced assets	(35,346)	(72,403)
<b>Closing balance</b>	<b>(558,408)</b>	<b>(523,062)</b>
<b>Net book value at end of financial year</b>	<b>60,048</b>	<b>84,369</b>

#### Initial recognition

Intangible assets, which includes externally purchased software and the Trust's website, are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Trust.

#### Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

## Note 5 Other assets and liabilities

### Introduction

This section sets out those assets and liabilities that arose from the Trust's operations.

### Structure

- 5.1 Receivables
- 5.2 Investments and other financial assets
- 5.3 Other assets
- 5.4 Payables
- 5.5 Other provisions

### Note 5.1 Receivables

	2023	2022
	\$	\$
<b>Current receivables</b>		
<i>Contractual</i>		
Sale of goods and services <sup>(i)</sup>	855,216	357,129
Interest receivable	210,992	57,968
Other receivables <sup>(ii)</sup>	1,021,451	-
<i>Statutory</i>		
Net GST recoverable	133,409	533,546
<b>Total current receivables</b>	<b>2,221,068</b>	<b>948,643</b>
<b>Non-current receivables</b>		
<i>Contractual</i>		
Interest receivable	46,007	28,044
<b>Total non-current receivables</b>	<b>46,007</b>	<b>28,044</b>
<b>Total receivables</b>	<b>2,267,075</b>	<b>976,687</b>

Note:

(i) The average credit period on sales of services is 30 days. No interest is charged on other receivables.

(ii) Other receivables includes \$1,021,451 (2021-22: \$Nil) for the sale of a property where settlement is pending.

**Contractual receivables** are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The Trust holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

**Statutory receivables** do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The Trust applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Details of the Trust's impairment policies, exposure to credit risk, and the calculation of any loss allowance are set out in Note 7.1.3.

## Note 5 Other assets and liabilities - continued

### Note 5.2 Investments and other financial assets

	2023	2022
	\$	\$
<b>Current investments and other financial assets</b>		
Australian dollar term deposits > 3 months <sup>(i)(iv)</sup>	18,193,830	18,845,451
<b>Total current investments and other financial assets</b>	<b>18,193,830</b>	<b>18,845,451</b>
<b>Non-current investments and other financial assets</b>		
Australian dollar term deposits > 12 months <sup>(i)</sup>	4,900,000	5,810,000
Listed securities and managed investment schemes <sup>(ii)(iii)</sup>	16,153,047	15,279,456
<b>Total non-current investments and other financial assets</b>	<b>21,053,047</b>	<b>21,089,456</b>
<b>Total investments and other financial assets</b>	<b>39,246,877</b>	<b>39,934,907</b>

Notes:

- (i) Term deposits under 'investments and other financial assets' class include only term deposits with maturity greater than 90 days.  
(ii) The Trust designated all its equities and managed investment schemes at fair value through the profit or loss. Therefore, unless they are part of a disposal group held for sale, all equities and managed investment schemes are classified as non-current. This is consistent with the Trust's purpose of holding the investment for long-term management of risk, not for short-term profit gain.  
(iii) The listed securities and managed investment schemes are managed by JBWere.  
(iv) This balance includes a term deposit in the amount of \$93,124 held as security against bank guarantees issued for rental sites. The bank guarantees outstanding at balance sheet date amounted to \$93,124 (2022: \$93,124).

Details of the Trust's impairment policies, exposure to market risk are set out in Note 7.1.3.

### Note 5.3 Other assets

	2023	2022
	\$	\$
<b>Current other assets</b>		
Prepayments	85,284	75,411
Contract assets <sup>(i)</sup>	144,683	152,555
Deposits	45,000	-
Other current assets	203,851	96,001
<b>Total current other assets</b>	<b>478,818</b>	<b>323,967</b>
<b>Total other assets</b>	<b>478,818</b>	<b>323,967</b>

Note:

- (i) Contract assets include offset program and state government operating grant services provided but not yet invoiced.



## Note 5 Other assets and liabilities - continued

### Note 5.4 Payables

	2023	2022
	\$	\$
<b>Current payables</b>		
<i>Contractual</i>		
Supplies and services <sup>(i)</sup>	135,785	208,142
Interest payable to landowners	561,848	147,878
Other payables	7,409	13,796
	<b>705,042</b>	<b>369,816</b>
<i>Statutory</i>		
Group taxes payables	108,570	147,976
	<b>108,570</b>	<b>147,976</b>
<b>Total current payables</b>	<b>813,612</b>	<b>517,792</b>
<b>Total payables</b>	<b>813,612</b>	<b>517,792</b>

Note:

(i) The average credit period is 10 days. No interest is charged on other payables.

**Contractual payables** are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid. They consist predominantly of accounts payable, accrued wages and salaries, and other sundry liabilities.

**Statutory payables** are recognised and measured similarly to contract payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Details of the Trust's exposure to liquidity risk and maturity analysis of contractual financial liabilities are set out in Note 7.1.3.

### Note 5.5 Other provisions

	2023	2022
	\$	\$
<b>Current provisions</b>		
Future stewardship services provision <sup>(ii)</sup>	89,792	34,069
Other provisions	31,886	24,886
Provision for surrender of properties to Crown <sup>(iii)</sup>	124,500	-
<b>Total current provisions</b>	<b>246,178</b>	<b>58,955</b>
<b>Non-current provisions</b>		
Make-good provision <sup>(i)</sup>	70,000	70,000
Future stewardship provision <sup>(ii)</sup>	3,078,674	2,584,797
Provision for surrender of properties to Crown <sup>(iii)</sup>	1,256,200	1,568,566
<b>Total non-current provisions</b>	<b>4,404,874</b>	<b>4,223,363</b>
<b>Total provisions</b>	<b>4,651,052</b>	<b>4,282,318</b>

Notes:

(i) In accordance with the lease agreement over the principal office, the Trust must remove any leasehold improvements from the leased premises and restore the premises to its original condition at the end of the lease term.

(ii) The future stewardship provision represents grant consideration received under Service Level Agreements as a contribution towards the satisfaction of the Trust's obligation to landowners to conduct a stewardship visit and update the property management plan on covenanted properties on a recurring 5-yearly basis from the date of the initial covenant and into perpetuity.

(iii) Under the terms of a Service Level Agreement, the Trust acquired a property during 2019-20 valued at \$1,256,200 using grant income which will be transferred to the Crown at a later date at nil value once certain conditions are reached. In addition, the Trust is intending to transfer a second property to the Crown at nil value once certain approvals are received. See also note 2.2, 3.4 and 4.1.3.

Provisions are recognised when the Trust has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows, using a discount rate that reflects the time value of money and risks specific to the provision.

## Note 5 Other assets and liabilities - continued

### Movement in provisions

	Provision for transfer of property to Crown	Make-good	Future stewardship	Other Provisions	Total
	2023	2023	2023	2023	2023
	\$	\$	\$	\$	\$
Opening balance	1,568,566	70,000	2,618,866	24,886	4,282,318
Additional provisions recognised	124,500	-	646,807	7,000	778,307
Amounts used	(312,366)	-	(97,207)		(409,573)
<b>Closing balance</b>	<b>1,380,700</b>	<b>70,000</b>	<b>3,168,466</b>	<b>31,886</b>	<b>4,651,052</b>
Current	124,500	-	89,792	31,886	246,178
Non-current	1,256,200	70,000	3,078,674	-	4,404,874
<b>Closing balance</b>	<b>1,380,700</b>	<b>70,000</b>	<b>3,168,466</b>	<b>31,886</b>	<b>4,651,052</b>

## Note 6 How we financed our operations

### Introduction

This section provides information on the sources of finance utilised by the Trust during its operations and other information related to financing activities of the Trust.

This section includes disclosures of balances that are financial instruments, such as cash balances. Note 7.1 provides additional, specific financial instrument disclosures.

### Structure

- 6.1 Cash flow information and balances
- 6.2 Borrowings
- 6.3 Other liabilities
- 6.4 Leases
- 6.5 Commitments

### Note 6.1 Cash flow information and balances

Cash and deposits recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and those highly liquid investments (with an original maturity of 90 days or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and readily convertible to known amounts of cash with an insignificant risk of changes in value.

### Reconciliation of cash and cash equivalents

	2023	2022
	\$	\$
Cash on hand	2,100	2,100
Cash at bank	2,932,761	6,301,325
Cash on deposit at call	18,862,722	18,293,229
<b>Balance as per cash flow statement</b>	<b>21,797,583</b>	<b>24,596,654</b>

## Note 6 How we financed our operations - continued

### Reconciliation of net result for the period to net cash flows from operating activities

	2023	2022
	\$	\$
<b>Net result for the period</b>	<b>508,475</b>	<b>(562,147)</b>
<b>Non-cash movements:</b>		
Provision for transfer of land to crown	124,500	507,511
(Gain)/loss on sale of non-current assets	(443,525)	(333,153)
(Gain)/loss on other financial assets held at fair value	(285,482)	1,209,573
Depreciation and amortisation of non-current assets	545,574	586,943
Properties received as gifts or bequests	(1,250,000)	(2,060,000)
<b>Movements in assets and liabilities:</b>		
(Increase)/decrease in receivables – Sale of goods and services	(19,500)	(172,753)
(Increase)/decrease in interest receivable	(170,987)	13,176
(Increase)/decrease in other receivables	400,137	(533,546)
(Increase)/decrease in other assets	(742,022)	(247,425)
Increase/(decrease) in payables	295,820	(733,255)
Increase/(decrease) in provisions	477,379	470,590
Increase/(decrease) in other liabilities	521,614	(187,110)
Increase/(decrease) in contract liabilities	(2,623,855)	2,373,877
<b>Net cash flows from/(used in) operating activities</b>	<b>(2,661,872)</b>	<b>332,281</b>

### Note 6.2 Borrowings

	2023	2022
	\$	\$
<b>Current borrowings</b>		
Lease liabilities <sup>(i)</sup>	356,869	259,285
Other borrowings <sup>(ii)</sup>	8,804	1,466
<b>Total current borrowings</b>	<b>365,673</b>	<b>260,751</b>
<b>Non-current borrowings</b>		
Lease liabilities <sup>(i)</sup>	658,897	1,074,249
<b>Total non-current borrowings</b>	<b>658,897</b>	<b>1,074,249</b>
<b>Total borrowings</b>	<b>1,024,570</b>	<b>1,335,000</b>

Notes:

(i) Secured by the asset's leased. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(ii) Other borrowings include unsecured purchasing card transactions which are repaid within the interest-free period.

All interest bearing liabilities are initially measured at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the borrowing using the effective interest method.

Additional information relating to lease liabilities is disclosed in Note 6.4.

Details of the Trust's exposure to liquidity risk and maturity analysis of contractual financial liabilities are set out in Note 7.1.3.



## Note 6 How we financed our operations - continued

### Note 6.3 Other liabilities

	2023	2022
	\$	\$
<b>Current other liabilities</b>		
Funds held awaiting remittance:		
Land Conservation Strategy	14,448	14,152
Marcus Knapple	2,479	2,429
Potter Farmland	50,207	49,177
AGL – Growling Grass Frog	13	6,862
Pimelea Fund	124,873	199,633
Golden Sun Moth Conservation Fund	34,110	63,171
PTV - Biomass management study	10,727	10,507
Bushbank Funding Account	18,862,685	18,293,192
Landowner payments held in trust	4,843,096	5,788,627
Deferred 10-year offset stewardship revenue	66,261	63,293
Deferred leasehold incentive benefit	82,593	37,901
<b>Total current other liabilities</b>	<b>24,091,492</b>	<b>24,528,944</b>
<b>Non-current other liabilities</b>		
Funds held awaiting remittance:		
Landowner payments held in trust	15,670,102	17,337,166
Deferred 10-year offset stewardship revenue	363,345	349,810
<b>Total non-current other liabilities</b>	<b>16,033,447</b>	<b>17,686,976</b>
<b>Total other liabilities</b>	<b>40,124,939</b>	<b>42,215,920</b>

Funds held awaiting remittance are funds the Trust holds on behalf of third parties for specific projects. The funds are spent in accordance with the agreement the Trust has with the third party. Interest earned on the funds is credited to the benefit of the fund.

Bonds held in trust are funds held on behalf of proponents as security to meet the approval conditions specified through the Environmental Protection and Biodiversity Conservation Act 1999 pending the achievement of offset arrangements and covenant registration.

Landowner payments held in trust are funds the Trust holds on behalf of third party land owners under offset arrangements payable over 10 years from the date of covenant registration. Interest earned on the funds is credited to the benefit of the landowner and paid annually.

#### Note 6.3.1 Contract liabilities

	2023	2022
	\$	\$
<b>Contract liabilities</b>		
Opening balance	7,416,160	5,042,283
Add: Grant consideration received during the year	3,408,946	6,590,600
Less Grant revenue for sufficiently specific performance obligations works recognised consistent with the performance obligations met during the year	(6,032,801)	(4,216,723)
<b>Total contract liabilities</b>	<b>4,792,305</b>	<b>7,416,160</b>
Current	3,402,435	5,551,473
Non-current	1,389,870	1,864,687
<b>Closing balance</b>	<b>4,792,305</b>	<b>7,416,160</b>

Contract liabilities include consideration received in advance from customers in respect of the provision of environmental services for the conservation and improvement of biodiversity and ecosystems in Victoria, and community and landowner engagement and education. Invoices are raised in accordance with milestones in the grant agreement. Grant income is recognised when the relevant services are provided.

## Note 6 How we financed our operations - continued

### Note 6.4 Leases

Information about leases for which the Trust is a lessee is presented below.

#### *The Trust's leasing activities*

The Trust leases various properties and motor vehicles. The lease contracts are typically made for fixed periods of 1-7 years with an option to renew the lease after that date.

Leases of motor vehicles includes right-of-use assets and short-term leases. The Trust has elected not to recognise right-of-use assets and lease liabilities for these short-term items. As at 30 June 2023, the Trust was committed to short-term leases and the total commitment at that date was \$11,782 (2022: \$18,834).

#### 6.4 (a) Right-of-use Assets

Right-of-use assets are presented in note 4.1 (a).

#### 6.4 (b) Amounts recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	2023	2022
	\$	\$
Interest expense on lease liabilities	25,644	21,648
Expenses relating to short-term motor vehicle leases	34,066	44,421
<b>Total amount recognised in the Comprehensive Operating Statement</b>	<b>59,710</b>	<b>66,069</b>

#### 6.4 (c) Amounts recognised in the Statement of Cashflows

The following amounts are recognised in the Statement of Cashflows for the year ending 30 June 2023 relating to leases:

	2023	2022
	\$	\$
Total cash outflows for leases	317,768	264,050

For any new contracts entered into, the Trust considers whether a contract is, or contains a lease. A lease is defined as a 'contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Trust assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Trust and for which the supplier does not have substantive substitution rights;
- Whether the Trust has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Trust has the right to direct the use of the identified asset throughout the period of use; and
- Whether the Trust has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

#### Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

## **Note 6 How we financed our operations - continued**

### **Recognition and measurement of leases as a lessee**

#### *Lease Liability - initial measurement*

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Trust's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

#### *Lease Liability - subsequent measurement*

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

#### *Short-term leases and leases of low-value assets*

The Trust has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### *Presentation of right-of-use assets and lease liabilities*

The Trust presents right-of-use as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.



## Note 6 How we financed our operations - continued

### Maturity Analysis of Lease Liabilities

Repayments in relation to lease liabilities payable are as follows:

	Minimum future lease payments <sup>(i)</sup>		Present value of minimum future lease payments	
	2023	2022	2023	2022
	\$	\$	\$	\$
Lease liabilities payable (prior period finance lease) <sup>(ii)</sup>				
Not longer than 1 year	376,750	285,839	356,869	259,285
Longer than 1 year but not longer than 5 years	674,773	1,111,479	658,897	1,074,249
Minimum future lease payments	<b>1,051,523</b>	<b>1,397,318</b>	<b>1,015,766</b>	<b>1,333,534</b>
Less future finance charges	(35,757)	(63,784)	-	-
Present value of minimum lease payments	<b>1,015,766</b>	<b>1,333,534</b>	<b>1,015,766</b>	<b>1,333,534</b>
Included in the financial statements as:				
Current borrowings lease liabilities (Note 6.2)			356,869	259,285
Non-current borrowings lease liabilities (Note 6.2)			658,897	1,074,249
<b>Total</b>			<b>1,015,766</b>	<b>1,333,534</b>

Note:

(i) Minimum future lease payments include the aggregate of all lease payments and any guaranteed residual.

(ii) Finance lease liabilities include obligations that are recognised on the balance sheet; the future payments related to operating lease commitments are disclosed in Note 6.5 below.

Lease liabilities include:

- nine motor vehicle finance leases held with Vicfleet with a lease term of three years (2022: ten). The Trust has an option to purchase the leased asset at expiry of the lease.
- operating lease commitments relating to motor vehicles and office facilities. These contracts do not allow the Trust to purchase the assets after the lease ends. Motor vehicle operating leases are currently on a 6-month arrangement pending return. Office facility leases have terms of between one and five years, provide for additional rent payments based on changes in the local price index and do not currently include options for extensions. Where it is reasonably certain that extensions will be exercised, the additional term commitments are included in the calculation of the lease liability.

### Note 6.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present value of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

#### 6.5.1 Total commitments payable

Nominal amounts	Less than 1 year	1-5 years	5+ years	Total
2023	\$	\$	\$	\$
Novated lease commitments	21,041	8,767	-	29,808
Less: GST recoverable				(2,710)
<b>Total commitments (exclusive of GST)</b>				<b>27,098</b>
2022	\$	\$	\$	\$
Novated lease commitments	34,549	29,808	-	64,357
Less: GST recoverable				(5,851)
<b>Total commitments (exclusive of GST)</b>				<b>58,506</b>

Note:

(i) Capital expenditure commitments includes a Contract of Sale which has been entered into for the acquisition of a parcel of land once a number of separate subdivisions have been completed.

## **Note 7 Risks, Contingencies and Valuation Judgements**

### **Introduction**

The Trust is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposure to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Trust related mainly to fair value determination.

### **Structure**

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

#### **Note 7.1 Financial instruments specific disclosures**

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Trust's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

#### **Categories of financial instruments**

##### **Financial assets at amortised cost**

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Trust to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Trust recognises the following assets in this category: cash and deposits; receivables (excluding statutory receivables); and, term deposits.

##### **Financial assets at fair value through net result**

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

However, as an exception to those rules above, the Trust may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on a different basis.

The Trust recognises listed equity securities as mandatorily measured at fair value through net result and designated all of its managed investment schemes as fair value through net result.

## Note 7 Risks, Contingencies and Valuation Judgements - continued

### Categories of financial liabilities

#### Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method.

Financial liabilities at amortised cost category includes payables (excluding statutory payables), borrowings and other financial liabilities.

**Derecognition of financial assets:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Trust retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Trust has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Trust has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Trust's continuing involvement in the asset.

**Derecognition of financial liabilities:** A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

**Reclassification of financial instruments:** Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the Trust's business model for managing its financial assets has changed such that its previous model would no longer apply.

However, the Trust is generally unable to change its business model because it is determined by the Performance Management Framework (PMF).

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.



## Note 7 Risks, Contingencies and Valuation Judgements - continued

### 7.1.1 Financial instruments: Categorisation

	Cash and deposits	Financial assets at amortised cost (AC)	Financial assets / liabilities designated at fair value through net result (FV/PL)	Financial liabilities at amortised cost (AC)	Total
<b>2023</b>	\$	\$	\$	\$	\$
<b>Contractual financial assets</b>					
Cash and deposits	21,797,583	-	-	-	21,797,583
Receivables: <sup>(i)</sup>					
Sale of goods and services	-	855,216	-	-	855,216
Accrued investment income	-	256,999	-	-	256,999
Other receivables		1,021,451			1,021,451
Investments and other contractual financial assets:					
Term deposits	-	23,093,830	-	-	23,093,830
Listed securities and managed investment schemes	-	940,394	15,212,653	-	16,153,047
<b>Total contractual financial assets</b>	<b>21,797,583</b>	<b>26,167,890</b>	<b>15,212,653</b>	<b>-</b>	<b>63,178,126</b>
<b>Contractual financial liabilities</b>					
Payables <sup>(i)</sup>	-	-	-	705,042	705,042
Lease liabilities	-	-	-	1,015,766	1,015,766
Other borrowings	-	-	-	8,804	8,804
Other financial liabilities	-	-	-	40,124,939	40,124,939
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,854,551</b>	<b>41,854,551</b>

Note:

(i) The total amounts disclosed here exclude statutory amounts.

	Cash and deposits	Financial assets at amortised cost (AC)	Financial assets / liabilities designated at fair value through net result (FV/PL)	Financial liabilities at amortised cost (AC)	Total
<b>2022</b>	\$	\$	\$	\$	\$
<b>Contractual financial assets</b>					
Cash and deposits	24,596,654	-	-	-	24,596,654
Receivables: <sup>(i)</sup>					
Sale of goods and services	-	357,129	-	-	357,129
Accrued investment income	-	86,012	-	-	86,012
Investments and other contractual financial assets:					
Term deposits	-	24,655,451	-	-	24,655,451
Listed securities and managed investment schemes	-	1,798,075	13,481,381	-	15,279,456
<b>Total contractual financial assets</b>	<b>24,596,654</b>	<b>26,896,667</b>	<b>13,481,381</b>	<b>-</b>	<b>64,974,702</b>
<b>Contractual financial liabilities</b>					
Payables <sup>(i)</sup>	-	-	-	369,816	369,816
Lease liabilities	-	-	-	1,333,534	1,333,534
Other borrowings	-	-	-	1,466	1,466
Other financial liabilities	-	-	-	42,215,920	42,215,920
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,920,736</b>	<b>43,920,736</b>

Notes:

(i) The total amounts disclosed here exclude statutory amounts.

## Note 7 Risks, Contingencies and Valuation Judgements - continued

### 7.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category<sup>(i)</sup>

2023	Net holding gain/(loss)	Total dividend income	Total interest income/(expense)	Impairment loss	Total
	\$	\$	\$	\$	\$
<b>Contractual financial assets</b>					
Financial assets at amortised cost	-	-	1,618,409	-	1,618,409
Financial assets designated at fair value through net result	285,482	527,260	-	-	812,742
<b>Total contractual financial assets</b>	<b>285,482</b>	<b>527,260</b>	<b>1,618,409</b>	<b>-</b>	<b>2,431,151</b>
<b>Contractual financial liabilities</b>					
Financial liabilities at amortised cost	-	-	(1,170,743)	-	(1,170,743)
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>(1,170,743)</b>	<b>-</b>	<b>(1,170,743)</b>
<b>2022</b>					
<b>Contractual financial assets</b>					
Financial assets at amortised cost	-	-	417,286	-	417,286
Financial assets designated at fair value through net result	(1,209,573)	348,386	-	-	(861,187)
<b>Total contractual financial assets</b>	<b>(1,209,573)</b>	<b>348,386</b>	<b>417,286</b>	<b>-</b>	<b>(443,901)</b>
<b>Contractual financial liabilities</b>					
Financial liabilities at amortised cost	-	-	(219,026)	-	(219,026)
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>(219,026)</b>	<b>-</b>	<b>(219,026)</b>

Notes:

(i) Amounts disclosed in these tables exclude holding gains and losses related to statutory financial assets and liabilities.

The net holding gains or losses disclosed above are determined as follows:

- For cash and cash equivalents and financial assets at amortised cost, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus dividend revenue, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result.
- For financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from revaluation of the financial liabilities measured at amortised cost.
- For financial assets and liabilities that are mandatorily measured at or designated at fair value through net result, the net gain or loss is calculated by taking the movement in fair value of the financial asset or liability.

### 7.1.3 Financial risk management objectives and policies

The Trust's main financial risks include credit risk, liquidity risk, interest rate risk and equity price risk. The Trust manages these financial risks in accordance with its risk management framework and investment policy.

The Trust uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Board.

#### Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Trust's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Trust. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Trust's financial assets is minimal. Most receivables are with government-funded organisations, and cash, deposits and held-to-maturity investments are held at a range of financial institutions with high credit ratings of a minimum BBB. Financial assets available-for-sale includes managed investments which are managed by JBWere, and listed securities.

In addition, the Trust does not engage in hedging for its contractual financial assets and mainly obtains financial assets that are on fixed interest, except for cash and deposits, which are cash at bank.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Trust will not be able to collect a receivable. Other evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings.

## Note 7 Risks, Contingencies and Valuation Judgements - continued

### Financial instruments: Credit risk - continued

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Trust's maximum exposure to credit risk without taking into account the value of any collateral obtained.

There has been no material change in the Trust's credit risk profile in 2022-23.

#### Credit quality of financial assets<sup>(i)</sup>

2023	Government agencies	Financial institutions (min. AA-credit rating)	Other financial institutions (min. BBB credit)	Other	Equities and managed funds	Total
	\$	\$	\$	\$	\$	\$
<b>Financial assets</b>						
<b>Financial assets with loss allowances measured at 12-month expected credit loss:</b>						
Cash and deposits (not assessed for impairment due to materiality)	-	21,795,483	-	2,100	-	21,797,583
Accrued investment income	-	85,628	171,371	-	-	256,999
Other receivables	-	-	-	1,021,451	-	1,021,451
Term deposits	-	8,643,124	14,420,000	30,706	-	23,093,830
Listed securities and managed investment schemes	-	-	-	-	16,153,047	16,153,047
<b>Financial assets with loss allowances measured at lifetime expected credit loss:</b>						
Sale of goods and services <sup>(i)</sup>	235,322	-	-	619,894	-	855,216
<b>Total financial assets</b>	<b>235,322</b>	<b>30,524,235</b>	<b>14,591,371</b>	<b>1,674,151</b>	<b>16,153,047</b>	<b>63,178,126</b>

#### Credit quality of contractual financial assets that are neither past due nor impaired<sup>(i)</sup>

2022	Government agencies	Financial institutions (min. AA-credit rating)	Other financial institutions (min. BBB credit)	Other	Equities and managed funds	Total
	\$	\$	\$	\$	\$	\$
<b>Financial assets</b>						
<b>Financial assets with loss allowances measured at 12-month expected credit loss:</b>						
Cash and deposits (not assessed for impairment due to materiality)	-	24,594,554	-	2,100	-	24,596,654
Accrued investment income	-	56,736	29,276	-	-	86,012
Term deposits	-	15,173,124	9,455,000	27,327	-	24,655,451
Listed securities and managed investment schemes	-	-	-	-	15,279,456	15,279,456
<b>Financial assets with loss allowances measured at lifetime expected credit loss:</b>						
Sale of goods and services <sup>(i)</sup>	228,824	22,000	-	106,305	-	357,129
<b>Total financial assets</b>	<b>228,824</b>	<b>39,846,414</b>	<b>9,484,276</b>	<b>135,732</b>	<b>15,279,456</b>	<b>64,974,702</b>

Note:

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

### Impairment of financial assets under AASB 9

The Trust records the allowance for expected credit loss for the relevant financial instruments, applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment includes the Trust's contractual receivables and statutory receivables.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents, term deposits and accrued interest income are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Although not a financial asset, contract assets recognised applying AASB15 (refer to Note 5.1) are also subject to impairment however it is immaterial.



## Note 7 Risks, Contingencies and Valuation Judgements - continued

### Contractual receivables at amortised cost

The Trust applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Trust has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the Trust's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, the Trust determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at the end of the financial year as follows:

<b>30-June-22</b>	<b>Current</b>	<b>Less than 1 month</b>	<b>1 – 3 months</b>	<b>3 months -1 year</b>	<b>1-5 years</b>	<b>Total</b>
<b>Expected loss rate</b>	0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	\$148,561	\$143,814	\$64,754	\$-	\$-	\$357,129
<b>Loss allowance</b>	\$-	\$-	\$-	\$-	\$-	\$-

<b>30-Jun-23</b>	<b>Current</b>	<b>Less than 1 month</b>	<b>1 – 3 months</b>	<b>3 months -1 year</b>	<b>1-5 years</b>	<b>Total</b>
<b>Expected loss rate</b>	0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	\$371,184	\$4,785	\$479,247	\$-	\$-	\$855,216
<b>Loss allowance</b>	\$-	\$-	\$-	\$-	\$-	\$-

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

	<b>2023</b>	<b>2022</b>
<b>Balance at beginning of the year</b>	\$-	\$-
Increase in provision recognised in the net result	-	-
Reversal of provision of receivables written off during the year as uncollectible	-	-
Reversal of unused provision recognised in the net result	-	-
<b>Balance at end of the year</b>	-	-

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

### Statutory receivables at amortised cost

The Trust's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance has been recognised.

## Note 7 Risks, Contingencies and Valuation Judgements - continued

### Financial instruments: Liquidity risk

Liquidity risk arises when the Trust is unable to meet its financial obligations as they fall due. The Trust operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Trust manages its liquidity risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

The Trust's exposure to liquidity risk is deemed insignificant. Cash for unexpected events is generally sourced from funds held at call.

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the Balance Sheet.

The following tables disclose the contractual maturity analysis for the Trust's contractual financial liabilities.

### Maturity analysis of contractual financial liabilities<sup>(ii)</sup>

	Carrying amount	Nominal amount	Maturity dates		
			Less than 1 month	1 month to 1 year	1 year or more
	\$	\$	\$	\$	\$
<b>2023</b>					
<b>Payables<sup>(i)</sup>:</b>					
Contractual payables at amortised cost	705,042	705,042	80,862	624,180	-
Other financial liabilities at amortised cost	40,124,939	40,124,939	439,105	8,562,239	31,123,595
<b>Borrowings:</b>					
Lease liabilities	1,015,766	1,051,523	31,396	345,354	674,773
Other borrowings	8,804	8,804	8,804	-	-
<b>Total</b>	<b>41,854,551</b>	<b>41,890,308</b>	<b>560,167</b>	<b>9,531,773</b>	<b>31,798,368</b>
<b>2022</b>					
<b>Payables<sup>(i)</sup>:</b>					
Contractual payables at amortised cost	369,816	369,816	148,982	220,834	-
Other financial liabilities at amortised cost	42,215,920	42,215,920	525,800	24,002,021	17,688,099
<b>Borrowings:</b>					
Lease liabilities	1,333,534	1,397,318	23,820	262,019	1,111,479
Other borrowings	1,466	1,466	1,466	-	-
<b>Total</b>	<b>43,920,736</b>	<b>43,984,520</b>	<b>700,068</b>	<b>24,484,874</b>	<b>18,799,578</b>

Notes:

(i) The carrying amount of financial liabilities disclosed here excludes statutory payables (e.g. taxes payable).

(ii) Maturity analysis is presented using the undiscounted cash flows.

## Note 7 Risks, Contingencies and Valuation Judgements - continued

### Financial instruments: Market risk

The Trust's exposures to market risk are primarily through interest rate risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

#### Interest rate risk

The Trust manages interest rate risk by undertaking fixed rate financial instruments with maturity profiles mostly spread over 3 to 24 months. The Trust does not enter into interest rate swaps.

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust has minimal exposure to cash flow interest rate risks through cash and deposits that are at floating rate.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Trust's sensitivity to interest rate risk are set out in the table that follows.

#### Interest rate exposure of financial instruments

	Weighted average effective interest rate	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
<b>2023</b>	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>					
Cash and deposits	4.28%	21,797,583	-	21,795,483	2,100
Receivables <sup>(i)</sup> :					
Sale of goods and services		855,216	-	-	855,216
Accrued investment income		256,999	-	-	256,999
Other receivables		1,021,451			1,021,451
Investments and other contractual financial assets:					
Term deposits	3.34%	23,093,830	23,063,124	30,706	-
Listed securities and managed investment schemes	3.80%	16,153,047	-	940,394	15,212,653
<b>Total financial assets</b>		<b>63,178,126</b>	<b>23,063,124</b>	<b>22,766,583</b>	<b>17,348,419</b>
<b>Financial liabilities</b>					
<b>Payables<sup>(i)</sup>:</b>					
Payables	3.17%	705,042	-	561,848	143,194
Lease liabilities	2.16%	1,015,766	1,015,766	-	-
Other borrowings		8,804	-	8,804	-
Other financial liabilities <sup>(ii)</sup>	3.69%	40,124,939	20,513,198	19,099,542	512,199
<b>Total financial liabilities</b>		<b>41,854,551</b>	<b>21,528,964</b>	<b>19,670,194</b>	<b>655,393</b>
<b>2022</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1.00%	24,596,654	-	24,594,554	2,100
Receivables <sup>(i)</sup> :					
Sale of goods and services		357,129	-	-	357,129
Accrued investment income		86,012	-	-	86,012
Other receivables					-
Investments and other contractual financial assets:					
Term deposits	1.05%	24,655,451	24,628,124	27,327	-
Listed securities and managed investment schemes	0.76%	15,279,456	-	1,798,075	13,481,381
<b>Total financial assets</b>		<b>64,974,702</b>	<b>24,628,124</b>	<b>26,419,956</b>	<b>13,926,622</b>
<b>Financial liabilities</b>					
<b>Payables<sup>(i)</sup>:</b>					
Payables	0.85%	369,816	-	147,878	221,938
Lease liabilities	2.22%	1,333,534	1,333,534	-	-
Other borrowings		1,466	-	1,466	-
Other financial liabilities <sup>(ii)</sup>	0.92%	42,215,920	23,125,793	18,639,123	451,004
<b>Total financial liabilities</b>		<b>43,920,736</b>	<b>24,459,327</b>	<b>18,788,467</b>	<b>672,942</b>

Notes:

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government, GST input tax credit recoverable, and GST payables).

(ii) Weighted average effective interest rate reflects the interest earned and allocated to trust funds held in accordance with the various agreements.



## Note 7 Risks, Contingencies and Valuation Judgements - continued

### Equity price risk

The Trust is exposed to equity price risk through its investments in managed investment schemes which are invested in domestically traded securities and managed funds. The value of dividend income and imputation credits will also vary. The managed investment schemes are administered by JBWere. The fund manager on behalf of the Trust closely monitors performance and manages the equity price risk through diversification of its investment portfolio. Direct equity investments are sometimes received from bequests and are liquidated once registered ownership is received.

The Trust's exposure to equity price risk is set out below.

### Sensitivity disclosure analysis and assumptions

The Trust's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. The Trust's fund managers cannot be expected to predict movements in market rates and prices and sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 100 basis points up and down (2022: 100 basis points up and down) in market interest rates (AUD)
- a movement of 10 per cent up and down (2022: 10 per cent) for the top ASX 200 index.

The table below discloses the material impact on net result and equity for each category of financial instrument held by the Trust at year-end if the above movements were to occur.

### Market risk exposure

	Carrying amount	Interest rate risk		Equity price risk	
		- 1.00 per cent	+1.00 per cent	- 10 per cent	+10 per cent
		Net result	Net result	Net result	Net result
<b>2023</b>	\$	\$	\$	\$	\$
<b>Contractual financial assets</b>					
Cash and cash equivalents	21,797,583	(217,955)	217,955	-	-
Receivables:					
Sale of goods and services	855,216	-	-	-	-
Accrued investment income	256,999	-	-	-	-
Other receivables	1,021,451	-	-	-	-
Investments and other contractual financial assets:					
Term deposits	23,093,830	(57,735)	57,735	-	-
Listed securities and managed investment schemes <sup>(i)</sup>	16,153,047	(2,351)	2,351	(1,521,265)	1,521,265
<b>Total impact</b>	<b>63,178,126</b>	<b>(278,041)</b>	<b>278,041</b>	<b>(1,521,265)</b>	<b>1,521,265</b>

	Carrying amount	Interest rate risk		Equity price risk	
		- 0.25 per cent	+ 0.25 per cent	- 10 per cent	+10 per cent
		Net result	Net result	Net result	Net result
<b>2022</b>	\$	\$	\$	\$	\$
<b>Contractual financial assets</b>					
Cash and cash equivalents	24,596,654	(245,946)	245,946	-	-
Receivables:					
Sale of goods and services	357,129	-	-	-	-
Accrued investment income	86,012	-	-	-	-
Investments and other contractual financial assets:					
Term deposits	24,655,451	(61,639)	61,639	-	-
Listed securities and managed investment schemes <sup>(i)</sup>	15,279,456	(4,495)	4,495	(1,348,138)	1,348,138
<b>Total impact</b>	<b>64,974,702</b>	<b>(312,080)</b>	<b>312,080</b>	<b>(1,348,138)</b>	<b>1,348,138</b>

Note:

(i) Non-interest bearing managed funds include \$6,115,663 of domestic equities and managed funds (2022: \$5,155,927), \$874,118 of fixed interest trusts (2022: \$339,915) and \$8,222,877 of fixed income securities (2022: \$7,985,546).

## **Note 7 Risks, Contingencies and Valuation Judgements - continued**

### **Note 7.2 Contingent assets and contingent liabilities**

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. They are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because: it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or, the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

There are no known contingent assets or contingent liabilities. (2022: Nil).

### **Note 7.3 Fair value determination**

#### *Significant judgement: Fair value measurements of assets and liabilities*

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Trust.

This section sets out information on how the Trust determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measured date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through the net result; and
- land, buildings, plant and equipment.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

The Trust determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required

#### **Fair value hierarchy**

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Trust determines whether transfers have occurred between levels in the hierarchy by reassessing categorisations (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Trust, in conjunction with the Valuer-General Victoria (VGV), monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

## Note 7 Risks, Contingencies and Valuation Judgements - continued

### How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs;
  - a reconciliation of the movements in fair values from the beginning of the year to the end; and
  - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 7.3.1), non-financial physical assets (refer to Note 7.3.2) and non-financial physical assets classified as held for sale (refer to Note 7.3.3).

### 7.3.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 - the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Trust considers that the carrying amount of other financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full. These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables:
Receivables:	• For supplies and services
• Sale of goods and services	• Interest payable to landowners
• Accrued investment income	• Other payables
• Other receivables	Lease liabilities
Term deposits	Other borrowings
	Other financial liabilities
	Contract liabilities

The following table shows that the fair values of all of the financial assets and liabilities are the same as the carrying amounts.

#### Fair value of financial instruments measured at amortised cost

	Carrying amount	Fair value	Carrying amount	Fair value
	2023	2023	2022	2022
	\$	\$	\$	\$
<b>Contractual financial assets</b>				
Cash and deposits	21,797,583	21,797,583	24,596,654	24,596,654
Receivables <sup>(i)</sup> :				
Sale of goods and services	855,216	855,216	357,129	357,129
Accrued investment income	256,999	256,999	86,012	86,012
Other receivables	1,021,451	1,021,451	-	-
Investments and other contractual financial assets:				
Term deposits	23,093,830	23,093,830	24,655,451	24,655,451
Listed securities and managed investment schemes	940,394	940,394	1,798,075	1,798,075
<b>Total contractual financial assets</b>	<b>47,965,473</b>	<b>47,965,473</b>	<b>51,493,321</b>	<b>51,493,321</b>
<b>Contractual financial liabilities</b>				
<b>Payables<sup>(i)</sup>:</b>				
Payables	705,042	705,042	369,816	369,816
Lease liabilities	1,015,766	1,015,766	1,333,534	1,333,534
Other borrowings	8,804	8,804	1,466	1,466
Other financial liabilities	40,124,939	40,124,939	42,215,920	42,215,920
<b>Total contractual financial liabilities</b>	<b>41,854,551</b>	<b>41,854,551</b>	<b>43,920,736</b>	<b>43,920,736</b>

Note:

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government, GST input tax credit recoverable, and GST payables).



## Note 7 Risks, Contingencies and Valuation Judgements - continued

### Financial assets measured at fair value

	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3
<b>2023</b>	\$	\$	\$	\$
Financial assets at fair value through net result:				
Listed securities and managed investment schemes	15,212,653	10,164,955	5,047,698	-
<b>Total</b>	<b>15,212,653</b>	<b>10,164,955</b>	<b>5,047,698</b>	<b>-</b>
<b>2022</b>				
Financial assets at fair value through net result:				
Listed securities and managed investment schemes	13,481,381	9,667,771	3,813,610	-
<b>Total</b>	<b>13,481,381</b>	<b>9,667,771</b>	<b>3,813,610</b>	<b>-</b>

Note:

(i) There is no significant transfer between level 1 and level 2

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value:

**Listed securities:** The listed securities are managed by JBWere and are valued at fair value with reference to a quoted (unadjusted) market price from an active market. The Trust categorises these instruments as Level 1.

**Debt securities:** The debt securities are managed by JBWere and are valued at fair value with reference to a quoted (unadjusted) market price from an active OTC corporate bond market. The Trust categorises these instruments as Level 1.

**Managed investment schemes:** The Trust invests in managed funds, managed by JBWere, which are not quoted in an active market. Fair value is measured by reference to observable net asset values (NAV) which are updated daily. Redemptions are usually available within a week. The Trust classifies these instruments as Level 2.

## Note 7 Risks, Contingencies and Valuation Judgements - continued

### 7.3.2 Fair value determination: Non-financial physical assets

#### Fair value measurement hierarchy of property, plant and equipment

	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
<b>2023</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land at fair value				
Specialised land	26,705,739	-	-	26,705,739
<b>Total of land at fair value</b>	<b>26,705,739</b>	<b>-</b>	<b>-</b>	<b>26,705,739</b>
Buildings at fair value				
Specialised buildings	3,658,747	-	-	3,658,747
<b>Total of buildings at fair value</b>	<b>3,658,747</b>	<b>-</b>	<b>-</b>	<b>3,658,747</b>
Leasehold improvements at fair value				
Leasehold improvements	-	-	-	-
<b>Total of leasehold improvements at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Plant and equipment at fair value				
Plant and equipment	125,632	-	-	125,632
<b>Total of plant and equipment at fair value</b>	<b>125,632</b>	<b>-</b>	<b>-</b>	<b>125,632</b>
Motor vehicles at fair value				
Motor vehicles	420,435	-	-	420,435
<b>Total of motor vehicles at fair value</b>	<b>420,435</b>	<b>-</b>	<b>-</b>	<b>420,435</b>
<b>2022</b>				
Land at fair value				
Specialised land	27,413,951	-	-	27,413,951
<b>Total of land at fair value</b>	<b>27,413,951</b>	<b>-</b>	<b>-</b>	<b>27,413,951</b>
Buildings at fair value				
Specialised buildings	4,050,321	-	-	4,050,321
<b>Total of buildings at fair value</b>	<b>4,050,321</b>	<b>-</b>	<b>-</b>	<b>4,050,321</b>
Leasehold improvements at fair value				
Leasehold improvements	-	-	-	-
<b>Total of leasehold improvements at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Plant and equipment at fair value				
Plant and equipment	176,079	-	-	176,079
<b>Total of plant and equipment at fair value</b>	<b>176,079</b>	<b>-</b>	<b>-</b>	<b>176,079</b>
Motor vehicles at fair value				
Motor vehicles	532,803	-	-	532,803
<b>Total of motor vehicles at fair value</b>	<b>532,803</b>	<b>-</b>	<b>-</b>	<b>532,803</b>

Note:

(i) Classified in accordance with the fair value hierarchy

The measurement and classification of each class of property, plant and equipment is outlined below. There have been no transfers between levels during the period.

#### Specialised land and buildings

Specialised land is valued using the market approach, although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the Trust's majority of specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the Trust's land and buildings was performed effective at 30 June 2021 by Opteon Property Group Pty Ltd under contract to the Valuer-General Victoria. The valuation, which conforms to the requirements of AASB13 and FRD 1031, adopted the Market Based Direct Comparison method adjusted for the Community Service Obligations.

## Note 7 Risks, Contingencies and Valuation Judgements - continued

### Leasehold improvements

Leasehold improvements are valued using the depreciated replacement cost method. The depreciation rates are set to reflect utilisation of the leasehold improvements over the minimum lease term.

### Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

### Motor vehicles

Motor vehicles are valued using the depreciated replacement cost method. The Trust acquires new vehicles and at times disposes of them before the end of their economic life. The depreciation rates are set to reflect the utilisation of the motor vehicles.

There were no changes in valuation techniques throughout the period to 30 June 2023.

For all assets measured at fair value, the current use is considered the highest and best use.

### Reconciliation of Level 3 fair value

	Specialised land	Specialised buildings	Leasehold improvements	Plant and equipment	Motor vehicles
<b>2023</b>	\$	\$	\$	\$	\$
<b>Opening balance</b>	<b>27,413,951</b>	<b>4,050,321</b>	<b>-</b>	<b>176,079</b>	<b>532,803</b>
Purchases (sales)	-	4,887	-	50,324	(21,772)
Transfer to assets held for sale	(708,212)	(77,600)	-	-	-
Depreciation	-	(318,861)	-	(100,771)	(90,596)
<b>Subtotal</b>	<b>26,705,739</b>	<b>3,658,747</b>	<b>-</b>	<b>125,632</b>	<b>420,435</b>
Gains or losses recognised in other comprehensive income					
Revaluation	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance</b>	<b>26,705,739</b>	<b>3,658,747</b>	<b>-</b>	<b>125,632</b>	<b>420,435</b>
<b>2022</b>					
<b>Opening balance</b>	<b>22,954,001</b>	<b>3,364,799</b>	<b>2,366</b>	<b>264,620</b>	<b>181,683</b>
Purchases (sales)	150,000	1,007,259	-	31,401	421,615
Restatement of present value right-of-use assets	-	-	-	-	-
Depreciations	-	(321,737)	(2,366)	(119,942)	(70,495)
<b>Subtotal</b>	<b>23,104,001</b>	<b>4,050,321</b>	<b>-</b>	<b>176,079</b>	<b>532,803</b>
Gains or losses recognised in other comprehensive income					
Revaluation	4,309,950	-	-	-	-
<b>Subtotal</b>	<b>4,309,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance</b>	<b>27,413,951</b>	<b>4,050,321</b>	<b>-</b>	<b>176,079</b>	<b>532,803</b>

## Note 7 Risks, Contingencies and Valuation Judgements - continued

### Description of significant unobservable inputs to Level 3 valuations

2023 and 2022	Valuation technique	Significant unobservable inputs <sup>(i)</sup>	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
<b>Specialised land <sup>(i)</sup></b>	Market approach	Community Service Obligation (CSO) adjustment	0%-60% (5.7%) <sup>(i)</sup>	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
<b>Specialised buildings</b>	Depreciated replacement cost	Direct cost per square metre  Useful life of specialised buildings	\$1,000 - \$1,178,000 per building (\$65,460) 20-40 years (22 years)	A significant increase or decrease in direct cost per unit would result in a significantly higher or lower fair value.  A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
<b>Leasehold improvements</b>	Depreciated replacement cost	Direct cost per square metre  Useful life of leasehold improvements	\$nil per m <sup>2</sup>  Nil years	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.  A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
<b>Plant and equipment</b>	Depreciated replacement cost	Cost per unit  Useful life of plant and equipment	\$1,000 - \$69,000 per unit (\$6,500)  3-5 years (4 years)	A significant increase or decrease in direct cost per unit would result in a significantly higher or lower fair value.  A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
<b>Motor vehicles</b>	Depreciated replacement cost	Cost per unit  Useful life of motor vehicles	\$1,000 - \$116,000 per unit (\$38,601)  7-10 years (10 years)	A significant increase or decrease in direct cost per unit would result in a significantly higher or lower fair value.  A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Note:

(i) CSO adjustments ranging from 25 per cent to 60 per cent were applied to some specialised land to reduce the market approach value.

### 7.3.3 Fair value determination: Non-financial physical assets classified as held for sale

	Carrying amount as at 30 June	Fair value measurement at end of reporting period using <sup>(ii)</sup> :		
		Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
<b>2023</b>				
Land at fair value	\$	\$	\$	\$
Specialised land	3,369,418	-	3,369,418	-
<b>Total of land at fair value</b>	<b>3,369,418</b>	<b>-</b>	<b>3,369,418</b>	<b>-</b>
<b>2022</b>				
Land at fair value				
Specialised land	4,049,692	-	4,049,692	-
<b>Total of land at fair value</b>	<b>4,049,692</b>	<b>-</b>	<b>4,049,692</b>	<b>-</b>

Notes:

(i) Classified in accordance with the fair value hierarchy.

(ii) Non-financial physical assets classified as held for sale have been classified as level 2 as the significant inputs to fair value measurement are indirectly observable, in this case the recent acquisition costs with reference to recent comparable sales in the area.

There have been no transfers between levels during the period.



## Note 8 Other disclosures

### Introduction

This section provides additional material disclosures required by accounting standards or otherwise, for the understanding of this report.

### Structure

- 8.1 Ex gratia expenses
- 8.2 Other economic flows included in net result
- 8.3 Reserves
- 8.4 Responsible persons
- 8.5 Remuneration of executives
- 8.6 Related parties
- 8.7 Remuneration of auditors
- 8.8 Subsequent events
- 8.9 Australian Accounting Standards issued that are not yet effective

#### Note 8.1 Ex-gratia expenses <sup>(a)</sup>

Ex-gratia expenses are the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

	2023	2022
	\$	\$
Ex-gratia expenses	-	-
<b>Total ex-gratia expenses</b>	<b>-</b>	<b>-</b>

Notes:

(a) Includes ex-gratia expenses greater than or equal to \$5,000 or those considered material in nature. There were no such ex-gratia expenses in 2022-23 (2021-22: Nil).

#### Note 8.2 Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that does not result from transactions. These include:

- revaluation gains/(losses) on non financial assets and liabilities
- net gain/(loss) on the sale of non financial assets, recognised at the date of disposal and determined after deducting from the proceeds the carrying value of the asset at the time
- net gain/(loss) on financial instruments including realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held for trading, impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets
- revaluation gain/(loss) on financial instruments at fair value excluding dividends or interest earned on financial assets, which is reported as part of income from transactions.

	2023	2022
	\$	\$
<b>Net gain/(loss) on non-financial assets</b>		
Net gain/(loss) on disposal of land and buildings	419,086	333,153
Net gain/(loss) on disposal of plant & equipment	24,439	-
<b>Total net gain/(loss) on non-financial assets</b>	<b>443,525</b>	<b>333,153</b>
<b>Net gain/(loss) on financial instruments</b>		
Net gain/(loss) on disposal of financial investments	-	136,217
Net gain/(loss) arising from revaluation of financial assets at fair value	285,482	(1,345,790)
<b>Total net gain/(loss) on financial instruments</b>	<b>285,482</b>	<b>(1,209,573)</b>

## Note 8 Other disclosures - continued

### Note 8.3 Reserves

	2023	2022
	\$	\$
<b>Physical asset revaluation surplus</b>		
Balance at the beginning of the financial year	24,130,947	19,820,997
Revaluation increments/(decrements)	-	4,309,950
<b>Balance at the end of the financial year</b>	<b>24,130,947</b>	<b>24,130,947</b>
<b>Donations surplus</b>		
Balance at the beginning of the financial year	3,552,501	4,339,930
Transfers to/(from) accumulated surplus:		
Investment income earned on funds held less administration fee	76,568	(258,009)
Donations for reserve and proceeds from sale of properties	1,696,944	593,213
Funds appropriated and properties acquired	(1,765,350)	(1,122,633)
<b>Balance at the end of the financial year</b>	<b>3,560,663</b>	<b>3,552,501</b>
<b>Covenant stewardship surplus</b>		
Balance at the beginning of the financial year	1,003,755	1,374,750
Transfers to/(from) accumulated surplus:		
Investment income earned on funds held	69,809	(194,259)
Surpluses transferred for future covenant monitoring	30,600	24,000
Funds appropriated on covenant monitoring program	(191,470)	(200,736)
<b>Balance at the end of the financial year</b>	<b>912,694</b>	<b>1,003,755</b>
<b>Properties surplus</b>		
Balance at the beginning of the financial year	33,932	120,560
Transfers to/(from) accumulated surplus:		
Surpluses transferred for future property stewardship	(9,444)	-
Funds appropriated	(7,417)	(86,628)
<b>Balance at the end of the financial year</b>	<b>17,071</b>	<b>33,932</b>
<b>Bequest surplus</b>		
Balance at the beginning of the financial year	876,779	1,033,452
Transfers to/(from) accumulated surplus:		
Investment income earned on funds held less administration fee	44,751	(67,390)
Funds appropriated	(84,372)	(89,283)
<b>Balance at the end of the financial year</b>	<b>837,158</b>	<b>876,779</b>
<b>Endowment surplus</b>		
Balance at the beginning of the financial year	2,354,167	2,489,768
Transfers to/(from) accumulated surplus:		
Donations for endowment	-	1,405
Investment income earned on funds held	167,864	(126,957)
Funds appropriated	(281,832)	(10,049)
<b>Balance at the end of the financial year</b>	<b>2,240,199</b>	<b>2,354,167</b>
<b>Total reserves</b>	<b>31,698,732</b>	<b>31,952,081</b>

The **physical asset revaluation surplus** records increments and decrements on the revaluation of non-current assets.

**Donations surplus** funds are derived from Government grants and donations from other organisations or individuals. These donations are directed towards property purchases or are held in trust for specified purposes.

The **covenant stewardship surplus** is for monitoring of covenanted properties and approved management expenditure. The Trust has adopted the policy of transferring \$600 for each new covenant to the covenant stewardship reserve.

The **properties surplus** is for property purchases and management, educational and legal costs for Trust properties.

**Bequest surplus** funds are held in trust for specified purposes.

The **endowment surplus** includes endowments funded from gifts to support long-term conservation work according to the spending conditions of each endowment. The endowment surplus is made up of: the West Gippsland Endowment Fund \$1,124,634; the TFN Property Endowment Fund \$451,131; and, the TFN General Purpose Endowment Fund \$664,434.

## Note 8 Other disclosures - continued

### Note 8.4 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

#### Names

The persons who held the positions of Ministers and Accountable Officers in the Trust are as follows:

#### Responsible Minister:

The Hon Ingrid Stitt MP, Minister for Environment	5 December 2022 to 30 June 2023
The Hon Lily D'Ambrosio MP, Minister for Environment and Climate Action	1 July 2022 to 4 December 2022

#### Governing Board of Trustees:

Gayle Austen (Chair)	1 July 2022 to 30 June 2023
Nina Braid	1 July 2022 to 30 June 2023
Dr Sandra Brizga	1 July 2022 to 30 June 2023
Binda Gokhale	1 July 2022 to 30 June 2023
Charles Meredith	1 July 2022 to 30 June 2023
Jennifer Wolcott	1 July 2022 to 30 June 2023
Jill Smith	1 July 2022 to 30 June 2023
Sonya Rand	1 July 2022 to 30 June 2023
Lisa Darmanin	1 July 2022 to 30 June 2023
Andrew Brookes	1 July 2022 to 30 June 2023

The Trust for Nature (Victoria) Board is established under the *Victorian Conservation Trust Act 1972*.

#### Chief Executive Officer (Accountable Officer):

Victoria Marles	1 July 2022 to 6 November 2022
Corinne Proske	7 November 2022 to 30 June 2023

Amounts relating to Ministers are disclosed in the financial report of the Department of Parliamentary Services.

#### Remuneration

Remuneration received or receivable by the Trustees is in the range \$367 - \$444 per sitting (2021-22: \$357 - \$432). Trustees may elect not to receive sitting fees. Total sitting fees paid in 2022-23 were \$41,340 (2021-22: \$32,210). The remuneration of the Trustees fell within the band:

	2023	2022
<b>Income band</b>		
less than \$9,999	10	11

Remuneration received or receivable by the Accountable Officer during the reporting period was in the range:

	2023 No.	2022 No.
<b>Income band</b>		
\$80,000 - \$89,999	1	-
\$160,000 - \$169,999	1	-
\$210,000 - \$219,999	-	1

## Note 8 Other disclosures - continued

### Note 8.5 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 Employee Benefits) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

**Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

**Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Other long-term benefits** include long service leave, other long service benefits or deferred compensation.

**Termination benefits** include termination of employment payments, such as severance packages.

<b>Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.6)</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	304,020	290,648
Post-employment benefits	33,160	32,114
Other long-term benefits	8,905	7,732
<b>Total remuneration <sup>(a)</sup></b>	<b>346,085</b>	<b>330,494</b>
<b>Total number of executives</b>	<b>2</b>	<b>3</b>
<b>Total annualised employee equivalents <sup>(b)</sup></b>	<b>2.0</b>	<b>1.9</b>

Notes:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.6).

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

### Note 8.6 Related parties

The Trust is a wholly owned and controlled entity of the State of Victoria.

Related parties of the Trust include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet members and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

#### Significant transactions with government-related entities

The Trust received funding from government-related entities of \$5,193,443 (2022: \$5,504,273).

During the year, the Trust had the following government-related entity transactions:

- Department of Environment, Land, Water and Planning - Operating grant \$1,320,000 (2022: \$1,450,000);
- Department of Environment, Land, Water and Planning - Government grants \$3,873,443 (2022: \$3,741,907); and
- Department of Environment, Land, Water and Planning - Government grants used to acquire properties \$Nil (2022: \$312,366).



## Note 8 Other disclosures - continued

**Key management personnel** of the Trust includes the Portfolio Minister, The Hon Ingrid Stitt MP, Minister for Environment (5th Dec 2022 to 30th Jun 2023), Hon Lily D'Ambrosio MP, Minister for Environment and Climate Action (1st Jul 2022 to 4th Dec 2022), the governing Board of Trustees, the Chief Executive Officer, Victoria Marles (1st Jul 2022 to 3rd Mar 2023) & Corinne Proske (7th Nov 2022 to 30th Jun 2023), the Chief Finance Officer, Greg Bowers, and the Chief Operating Officer, Andrew Foran.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State of Victoria's Annual Financial Report.

<b>Compensation of KMPs</b>	<b>2023</b>	<b>2022</b>
	\$	\$
Short-term employee benefits	553,251	509,018
Post-employment benefits	67,324	55,598
Other long-term benefits	15,655	13,106
<b>Total <sup>(a)</sup></b>	<b>636,230</b>	<b>577,722</b>

Notes:

(a) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.5).

### Transactions and balances with key management personnel and other related parties

There were no related party transactions that involved key management personnel, their close family members and their personal business interests.

### Note 8.7 Remuneration of auditors

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Victorian Auditor-General's Office:</b>		
Audit or review of the financial statements	19,000	18,500
<b>Total amount</b>	<b>19,000</b>	<b>18,500</b>

No other services were performed during the reporting period.

### Note 8.8 Subsequent events

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

## **Note 8 Other disclosures - continued**

### **Note 8.9 Australian Accounting Standards issued that are not yet effective**

Certain new and revised accounting standards have been issued but are not effective for the 2022-23 reporting period. These accounting standards have not been applied to the Trust's Financial Statements. The Trust is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- **AASB 2022-6 Non-current liabilities with Covenants**

This Standard requires a liability be classified as a non-current liability if at the end of the reporting period the entity has a right to defer settlement of the liability for at least twelve months after the reporting period.

The Trust is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Trust's reporting.

- *AASB 17 Insurance Contracts*

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.*

- *AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.*

- *AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB17 and AASB 9 Comparative information*



Barking Owl (critically endangered).  
Image: Annette Ruzicka.





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