



# **Victorian Traditional Owners Trust - Taungurung**

**ABN 51 355 691 790**

**Annual Report - 30 June 2023**

## Auditor-General's Independence Declaration

### To the Trustee, Victorian Traditional Owners Trust - Taungurung

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 Victorian Traditional Owners Trust - Taungurung 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  
21 November 2023

Timothy Maxfield  
*as delegate for the Auditor-General of Victoria*

## **Victorian Traditional Owners Trust - Taungurung**

### **Contents**

**30 June 2023**

Director's report	3
Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11
Directors' declaration	17
Independent auditor's report to the members of Victorian Traditional Owners Trust - Taungurung	18

### **General information**

The financial statements cover Victorian Traditional Owners Trust - Taungurung as an individual entity. The financial statements are presented in Australian dollars, which is Victorian Traditional Owners Trust - Taungurung's functional and presentation currency.

#### **Registered Name**

The Trustee for Victorian Traditional Owners Trust - Taungurung Clans Aboriginal Corporation for and on behalf of the Taungurung People

#### **Registered Office and Principal Place of Business**

12-14 Leveson Street  
North Melbourne, VIC 3051

A description of the nature of the trust's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 13 November 2023. The directors have the power to amend and reissue the financial statements.

## **Victorian Traditional Owners Trust - Taungurung**

### **Director's report**

**30 June 2023**

The Victorian Government established a Native Title Settlement Framework to reach agreements with Traditional Owners. The Victorian Traditional Owners Trust - Taungurung Land and Waters Council (TLaWC Trust) was established with effect from 19 February 2019 under the amended Trust Deed date 25 September 2018.

The Taungurung settlement of \$24,093,250 was received into the TLaWC Trust on 21 September 2020 and comprised of \$8,000,000 long term and \$16,093,250 short term funding.

The Directors of Victorian Traditional Owners Funds Limited (VTOFL) present the annual report for the TLaWC Trust for the period ended 30 June 2022.

#### **Directors**

The following persons were directors of VTOFL during the whole of the financial year and up to the date of this report, unless otherwise stated:

Neil Westbury, Chairperson  
Elizabeth Eldridge, resigned 13 September 2022  
Glen Brennan  
Susanne Dahn  
Kim Bowater, appointed 27 October 2022

#### **Principal Activities and Objectives**

The TLaWC Trust was established for charitable purposes to benefit the Taungurung people of Victoria. The agreement with the Taungurung people was formalised through the execution of a Participation Agreement on 26 October 2018. The Trust which runs for 20 years will terminate on 20 September 2040.

#### **Report on operations and activities**

VTOFL has developed a tailored long term investment strategy for the TLaWC Trust.

The investment strategy was established after meeting with the representatives of TLaWC to develop an understanding its long term and short-term financial objectives and its tolerance for risk.

The long-term funds are invested in a mix of asset classes with Mercer, which are consistent with the targeted investment returns and asset allocations of each investment strategy. Short term funds were transferred from the BlackRock Cash Fund to the Mercer Cash Fund on 24 November 2022.

On 19 March 2021, the Federal Court ordered the decision, to register the Taungurung Indigenous Land Use Agreement (ILUA), be set aside. The ILUA was set aside and removed from the register by the National Native Title Tribunal (NNTT). Subsequently the NNTT reconsidered the application for registration and, on 18 August 2021, determined not to register the Taungurung ILUA. In light of the Federal Court and subsequent NNTT decisions, agreement was reached between the parties to commission an independent anthropological report which is yet to be finalised and considered by the relevant Minister.

VTOFL has received legal advice on its position as Trustee of the Taungurung Trust and its obligations under the Participation Agreement it has signed with the State of Victoria and the Taungurung People. The VTOFL is operating consistent with that advice.

## Victorian Traditional Owners Trust - Taungurung

### Director's report

30 June 2023

#### Information on directors

Name:	Neil Westbury PSM
Title:	Chairperson Re-appointed 18/06/2021 – 17/06/2024
Qualifications:	Certificate in Aboriginal Studies
Experience and expertise:	Director (and former chair) of Machado Joseph Disease Foundation. Director of Westbury and Associates Pty Ltd. Previously Board member of the Indigenous Land Corporation, General Manager Reconciliation Australia, Assistant Secretary Native Title Special Projects, Department of Prime Minister and Cabinet, Visiting Fellow in Public Policy ANU. Mr Westbury has over 40 years' experience working in Indigenous Affairs for governments, the private sector and Indigenous organisations. He has also maintained a strong interest in issues relating to native title including as an expert advisor in the development of the Native Title Alternative Framework and ensuring improved access for Indigenous peoples to financial services.
Special responsibilities:	Chairperson from June 2022
Name:	Elizabeth Eldridge
Title:	Director Retired 13 September 2022
Qualifications:	BA. LLB
Experience and expertise:	Member of the Council of Queen's College, the University of Melbourne. Previously the chair of Docklands Studios Melbourne Pty Ltd (retired June 2016). Ms Eldridge, formally a senior public servant in the Victorian Public Service, was closely involved with the early discussions with the Victorian Traditional Owners regarding an alternative approach to resolving Native Title and, subsequently, with the development of the Victorian Native Title Settlement Framework.
Special responsibilities:	Chair from July 2021 - May 2022
Name:	Glen Brennan PSM
Title:	Director Re-appointed 13/09/2020 – 12/09/2023
Qualifications:	BA, MBA Melbourne Business School
Experience and expertise:	Partner KPMG Indigenous Services. A Gomeroi man from Narrabri in north-west NSW, Mr Brennan was Australia's most senior Indigenous banker. Mr Brennan has over 20 years' experience in both the finance and government sectors with extensive experience in community finance, banking and risk management. Mr Brennan is Co Chair of the Aboriginal Employment Strategy and Chairman of 4 Mile Ventures, a family owned and operated beef cattle enterprise.
Name:	Susanne Dahn
Title:	Director Re-appointed 18/06/2021 – 17/06/2024
Qualifications:	BCom, MBA, Grad dip App Finance & Investment, FAICD
Experience and expertise:	Ms Dahn is a Partner/Executive Director at Pitcher Partners; Non-Executive Director, Spirit Super; Non-Executive Director, Breakthrough Victoria; Non-Executive Director, Australian Communities Foundation; and Investment Committee Member, Trinity College (University of Melbourne).
Name:	Kim Bowater
Title:	Director Appointed 27/10/2022 – 26/10/2025
Qualifications:	BSc (Hons in Mathematical Statistics), Chartered Financial Analyst
Experience and expertise:	Director of Consulting at Frontier Advisors, having joined the firm in 2002. Her experience at Frontier has involved 20 years of investment consulting to institutional asset owners and investment research in a range of asset classes. Kim is a member of Frontier's Investment Committee, Client Portfolio Review Committee and Leadership Team. Kim has over 25 years industry experience in the superannuation and finance industry, and was previously employed at Deloitte and Towers Perrin.

## Victorian Traditional Owners Trust - Taungurung

### Director's report

30 June 2023

#### Meetings of directors

The number of meetings of the Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Neil Westbury PSM	6	6
Elizabeth Eldridge	1	1
Glen Brennan PSM	4	6
Susanne Dahn	6	6
Kim Bowater	4	4

Held: represents the number of meetings held during the time the director held office.

#### Environmental issues

The operations of the TLaWC Trust are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory. However, as a registered charity it is required to comply with all the rules and regulations of the ACNC.

#### Indemnity and insurance of auditor and officers

VTOFL paid insurance premiums to insure the directors of VTOFL for Investment Managers Insurance, Directors and Officers Insurance, Professional Indemnity, Cyber Liability, and Public and Products Liability insurance. The premium paid for this insurance cover was \$39,654 (30 June 2022: \$39,340).

#### Proceedings on behalf of the trustee company

No person has applied for leave of the Court to bring proceedings on behalf of VTOFL and the TLaWC Trust or to intervene in any proceedings to which VTOFL is a party for the purpose of taking responsibility on behalf of VTOFL for all or any part of those proceedings.

The TLaWC Trust was not a party to any such proceedings during the year.

#### Auditor's independence declaration

A copy of the auditor's independence declaration is set out immediately after this directors' report.

#### Committees

The Investment Committee was created to allow non director attendance. Following the retirement of Dr Sams and the appointment of Mercer as the investment Advisor and Manager the Committee was dissolved on 11 April 2022.

#### Consultative advisory council

Since 2011 VTOFL has managed the funds of three Traditional Owner Groups and expects to manage funds for additional Traditional Owner Groups in the next two to three years.

Given that over time Traditional Owner Groups will take responsibility for managing the funds VTOFL has initiated a Consultative Advisory Council (CAC) made up of nominated representatives from the Traditional Owner Corporations to enhance understanding, knowledge, and transparency on a range of matters directly relevant to their managed investments.

The CAC had its second meeting in June 2023. The Terms of Reference for CAC are:

- Share and discuss information with Traditional Owner Groups regarding VTOFL's process for establishing and maintaining an Investment Policy and an Investment Strategy, including the role of financial and economic modelling.
- Share and discuss with Traditional Owner Groups the products in which VTOFL invests and the reasons those products have been selected.
- Share more detailed information with Traditional Owner Groups as to the performance of the funds VTOFL manages and trends and developments in financial markets.
- Enable Traditional Owner Groups to access VTOFL's financial advisers and fund managers.
- Serve as a forum where Traditional Owner Groups can discuss investment issues with VTOFL and its financial advisers and investment managers.

**Victorian Traditional Owners Trust - Taungurung**  
**Director's report**  
**30 June 2023**

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to *subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013*.

On behalf of the directors



---

Neil Westbury PSM  
Chairperson

13 November 2023

**Victorian Traditional Owners Trust - Taungurung**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Revenue</b>	3	432,222	54,921
Other income	4	235,107	208,940
Interest revenue		196	-
<b>Expenses</b>			
Audit fees	5	(5,500)	(5,060)
Administration expenses		<u>(136,130)</u>	<u>(143,000)</u>
<b>Surplus before income tax expense</b>		525,895	115,801
Income tax expense		<u>-</u>	<u>-</u>
<b>Surplus after income tax expense for the year attributable to the members of Victorian Traditional Owners Trust - Taungurung</b>	11	525,895	115,801
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain/(loss) on the revaluation of financial assets at fair value through other comprehensive income, net of tax		<u>383,667</u>	<u>(489,140)</u>
Other comprehensive income for the year, net of tax		<u>383,667</u>	<u>(489,140)</u>
<b>Total comprehensive income for the year attributable to the members of Victorian Traditional Owners Trust - Taungurung</b>		<u><u>909,562</u></u>	<u><u>(373,339)</u></u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Victorian Traditional Owners Trust - Taungurung**  
**Statement of financial position**  
**As at 30 June 2023**

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	27,495	10,911
Trade and other receivables	8	<u>16,929</u>	<u>27,486</u>
Total current assets		<u>44,424</u>	<u>38,397</u>
<b>Non-current assets</b>			
Investments	9	<u>24,509,721</u>	<u>23,605,846</u>
Total non-current assets		<u>24,509,721</u>	<u>23,605,846</u>
<b>Total assets</b>		<u>24,554,145</u>	<u>23,644,243</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	<u>5,500</u>	<u>5,160</u>
Total current liabilities		<u>5,500</u>	<u>5,160</u>
<b>Total liabilities</b>		<u>5,500</u>	<u>5,160</u>
<b>Net assets</b>		<u>24,548,645</u>	<u>23,639,083</u>
<b>Equity</b>			
Beneficiary equity and surplus funds	11	<u>24,548,645</u>	<u>23,639,083</u>
<b>Total equity</b>		<u>24,548,645</u>	<u>23,639,083</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Victorian Traditional Owners Trust - Taungurung**  
**Statement of changes in equity**  
**For the year ended 30 June 2023**

	<b>Beneficiary Equity \$</b>	<b>Total \$</b>
Balance at 1 July 2021	24,012,422	24,012,422
Surplus after income tax expense for the year	115,801	115,801
Other comprehensive income for the year, net of tax	<u>(489,140)</u>	<u>(489,140)</u>
Total comprehensive income for the year	<u>(373,339)</u>	<u>(373,339)</u>
Balance at 30 June 2022	<u><u>23,639,083</u></u>	<u><u>23,639,083</u></u>

	<b>Beneficiary Equity \$</b>	<b>Total \$</b>
Balance at 1 July 2022	23,639,083	23,639,083
Surplus after income tax expense for the year	525,895	525,895
Other comprehensive income for the year, net of tax	<u>383,667</u>	<u>383,667</u>
Total comprehensive income for the year	<u>909,562</u>	<u>909,562</u>
Balance at 30 June 2023	<u><u>24,548,645</u></u>	<u><u>24,548,645</u></u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Victorian Traditional Owners Trust - Taungurung**  
**Statement of cash flows**  
**For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Investment distributions received		-	352,304
Franking credits received		22,466	10,758
Interest received		195	-
Payments to suppliers		(5,130)	(4,950)
		<u>17,531</u>	<u>358,112</u>
Net cash from operating activities			
<b>Cash flows from investing activities</b>			
Payments for investments		(15,572,059)	(9,003,943)
Payments to related parties		(100)	-
Proceeds from disposal of investments		15,571,212	8,656,642
		<u>(947)</u>	<u>(347,301)</u>
Net cash used in investing activities			
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		16,584	10,811
Cash and cash equivalents at the beginning of the financial year		<u>10,911</u>	<u>100</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>27,495</u></u>	<u><u>10,911</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Victorian Traditional Owners Trust - Taungurung**  
**Notes to the financial statements**  
**30 June 2023**

**Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The trust has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-Profits Commission Act 2012 and Regulations 2022*, as appropriate for not-for profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the trust's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**Income tax**

As the trust is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the trust's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the trust's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**Restatement of comparatives**

Comparative figures where appropriate, have been reclassified to be comparable with the figures presented for the current financial year.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

**Victorian Traditional Owners Trust - Taungurung**  
**Notes to the financial statements**  
**30 June 2023**

**Note 3. Revenue**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Trust distributions	420,313	27,434
Franking credit refund	11,909	27,487
	<hr/>	<hr/>
Revenue	<u>432,222</u>	<u>54,921</u>

*Accounting policy for revenue recognition*

The trust recognises revenue as follows:

*Revenue from contracts with customers*

The TLaWC Trust has adopted AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-profit Entities* which came into effect from 1 July 2019. The application of AASB 15 and AASB 1058 has not had an impact on the financial performance and/or financial position of the Trust.

Any settlement sum is recognised in the income statement when the entity obtains control of the sum and it is probable that the economic benefits gained from the settlement will flow to the entity and the amount of the settlement can be measured reliably.

If conditions are attached to the settlement which must be satisfied before it is eligible to receive the contribution, the recognition of the settlement as revenue will be deferred until those conditions are satisfied.

When a settlement is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the settlement is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the settlement is recognised as income on receipt.

None of the revenue of the TLaWC Trust includes any amount for the goods and services tax (GST).

*Trust distributions*

Investment distributions are declared income as advised by the fund managers on the investments. The investments included investments in term deposits, bonds, equities, exchange traded funds and other securities as defined in the management agreement between the Trust and the fund manager. Accordingly, investment distributions include dividend income, interest income and capital gain income (net of any capital loss) upon sale of equities and exchange traded funds. Investment distribution income is accounted upon declaration and credit of the distribution to the investment account. For the year ended 30 June 2023, the TLaWC Trust received investment distributions of \$420,313 (30 June 2022: \$27,434).

**Note 4. Other income**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Net fair value gain on investments	136,107	65,940
Resources received free of charge	99,000	143,000
	<hr/>	<hr/>
Other income	<u>235,107</u>	<u>208,940</u>

*Accounting policy for other income*

**Victorian Traditional Owners Trust - Taungurung**  
**Notes to the financial statements**  
**30 June 2023**

**Note 4. Other income (continued)**

*Gain or losses on financial instruments - investments*

The TLaWC Trust's portfolio of managed investments consists of equities, bonds and other financial instruments. As is customary in the financial markets, investments are traded in that they are sold and then other securities purchased. This results in realised gains or losses from securities that are purchased and sold. Realised gains or losses on financial instruments is calculated by comparing the initial unit purchase price to the unit sale price, multiplied by the number of units withdrawn.

The investment portfolios are priced 'to market prices' at regular intervals, this pricing to market price results in unrealised gains or losses. Unrealised gains or losses from the portfolio investments are not recorded under Income from transactions, but are separately reported under other comprehensive income.

*Interest revenue*

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

VTOFL pays for expenses on behalf of the TLaWC Trust. These expenses are included as "resources free of charge" in the statement of comprehensive income and is funded by the Department of Justice and Community Safety.

**Note 5. Administration expenses**

This represents the value of expenses paid for by VTOFL on behalf of the TLaWC Trust, and funded by the Department of Justice and Community Safety (DoJCS).

	2023 \$	2022 \$
Audit fees	<u>5,500</u>	<u>5,060</u>

**Note 6. Net investment income disclosed in the Statement of Profit and Loss and Other Comprehensive Income**

AASB 101: *Presentation of Financial Statements* requires material items of a dissimilar nature to be presented separately. As such, the trust is required to present income in the form of distributions of units separately from gains or losses resulting from changes in the value of the units.

	2023 \$	2022 \$
Franking credit refund	11,909	27,487
Realised gain from sale of investments	136,107	65,940
Distributions received	420,313	27,434
Increase/(decrease) in value of VFMC & Mercer Investments	<u>383,667</u>	<u>(489,140)</u>
Net income derived from VTOT investments	<u>951,996</u>	<u>(368,279)</u>

**Note 7. Cash and cash equivalents**

	2023 \$	2022 \$
<i>Current assets</i>		
Cash at bank	<u>27,495</u>	<u>10,911</u>

**Victorian Traditional Owners Trust - Taungurung**  
**Notes to the financial statements**  
**30 June 2023**

**Note 7. Cash and cash equivalents (continued)**

*Accounting policy for cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Note 8. Trade and other receivables**

	2023 \$	2022 \$
<i>Current assets</i>		
Franking credits receivable	<u>16,929</u>	<u>27,486</u>

*Accounting policy for trade and other receivables*

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

**Note 9. Investments**

	2023 \$	2022 \$
<i>Non-current assets</i>		
BlackRock Cash Fund	-	15,435,105
Mercer Conservative Growth	8,632,337	8,170,741
Mercer Cash Fund	<u>15,877,384</u>	<u>-</u>
	<u>24,509,721</u>	<u>23,605,846</u>

*Accounting policy for investments and other financial assets*

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the trust has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the trust has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

*Financial assets at amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

*Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the trust intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

**Victorian Traditional Owners Trust - Taungurung**  
**Notes to the financial statements**  
**30 June 2023**

**Note 9. Investments (continued)**

*Impairment of financial assets*

The trust recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the trust's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

**Note 10. Trade and other payables**

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Current liabilities</i>		
Audit fees payable	5,500	5,060
Payable to VTOFL	-	100
	<u>5,500</u>	<u>5,160</u>

*Accounting policy for trade and other payables*

Trade and other payables represent the liability outstanding at the end of the reporting year for goods and services received by the TLaWC Trust during the reporting year which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 365 days or shorter of recognition of the liability.

**Note 11. Beneficiary equity and surplus funds**

	<b>2023</b>	<b>2022</b>
	\$	\$
Beneficiary equity at the beginning of the financial year	23,639,083	24,012,422
Surplus after income tax expense for the year	525,895	115,801
Transfer to revaluation surplus reserve	383,667	(489,140)
Beneficiary equity at the end of the financial year	<u>24,548,645</u>	<u>23,639,083</u>

**Note 12. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the trust is set out below:

	<b>2023</b>	<b>2022</b>
	\$	\$
Aggregate compensation	<u>58,698</u>	<u>59,153</u>

**Victorian Traditional Owners Trust - Taungurung**  
**Notes to the financial statements**  
**30 June 2023**

**Note 12. Key management personnel disclosures (continued)**

The remuneration of the directors of VTOFL has been set in accordance with a resolution of the VTOFL member. The remuneration is in accordance with Victorian Government guidelines for Statutory Bodies.

**Note 13. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by the auditor of the trust:

	2023	2022
	\$	\$
<i>Audit services - Victorian Auditor-General's Office</i>		
Audit of the financial statements	<u>5,500</u>	<u>5,060</u>

**Note 14. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 12.

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Significant transactions and balances with related parties*

The Secretary of the Department of Justice and Community Safety is the sole Member of the Trustee Company (VTOFL).

During the year the TLaWC Trust received resources free of charge of \$99,000 (2022: \$143,000) which represents its share of revenue grant from the Department of Justice and Community Safety.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 15. Commitments**

The TLaWC Trust has no contractual obligations to purchase property plant and equipment as at 30 June 2023 and 30 June 2022.

**Note 16. Contingent assets**

The TLaWC Trust had no contingent assets as at 30 June 2023 and 30 June 2022.

**Note 17. Contingent liabilities**

The TLaWC Trust had no contingent liabilities as at 30 June 2023 and 30 June 2022.

**Note 18. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the trust's operations, the results of those operations, or the trust's state of affairs in future financial years.

**Victorian Traditional Owners Trust - Taungurung**  
**Directors' declaration**  
**30 June 2023**

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the *Australian Charities and Not-for-profits Commission Act 2012* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the trust's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors of VTOFL.

On behalf of the directors



---

Neil Westbury PSM  
Chairperson

13 November 2023

# Independent Auditor's Report

## To the Trustee of the Victorian Traditional Owners Trust - Taungurung

<b>Opinion</b>	<p>I have audited the financial report of the Victorian Traditional Owners Trust - Taungurung (the Trust) which comprises the:</p> <ul style="list-style-type: none"> <li>• statement of financial position as at 30 June 2023</li> <li>• statement of profit or loss and other comprehensive income for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• director's declaration.</li> </ul> <p>In my opinion the financial report is in accordance with Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> <li>• giving a true and fair view of the financial position of the Trust as at 30 June 2023 and its financial performance and 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 2022</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 <i>APES 110 Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. 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>Other information</b>	<p>The Trustee is responsible for the Other Information, which comprises the information in the Trust's annual report for the year ended 30 June 2023 but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>

---

<b>Trustee's responsibilities for the financial report</b>	<p>The Trustee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and the <i>Australian Charities and Not-for-profits Commission Regulations 2022</i>, and for such internal control as the Trustee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Trustee is 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>
<b>Auditor's responsibilities for the audit of the financial report</b>	<p>As required by the <i>Audit Act 1994</i>, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>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:</p> <ul style="list-style-type: none"><li>• 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.</li><li>• 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.</li><li>• evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.</li><li>• conclude on the appropriateness of the Trustee's 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.</li><li>• 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.</li></ul>

---

---

**Auditor's responsibilities for the audit of the financial report (continued)** I communicate with the Trustee 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 Trustee 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.

---

MELBOURNE  
21 November 2023



Timothy Maxfield  
*as delegate for the Auditor-General of Victoria*