

Victorian Traditional Owners Trust - Dja Dja Wurrung

ABN 75 867 557 989

Annual Report for the Year Ended 30 June 2019

Corporate Information

ABN 75 867 557 989

Registered Name

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

Directors

Elizabeth Eldridge Chair

Glen Brennan

Susanne Dahn

Neil Westbury

Company Secretary

Ian Gaudion

Registered Office and Principal Place of Business

12-14 Leveson Street,
North Melbourne
Victoria, 3051 Australia

Postal address:

PO Box 431

North Melbourne

Victoria, 3051 Australia

Phone: + 61 417 720 807

Member of Trustee Company

Secretary of the Department of Justice and Community Safety

Solicitors

Hall & Wilcox

Level 11, Rialto South Tower

525 Collins Street

Melbourne, Victoria, 3000

Bankers

National Australia Bank Ltd

500 Bourke Street

Melbourne, Victoria, 3000

Investment Managers

Victorian Funds Management Corporation

Level 35, 101 Collins Street,

Melbourne, Victoria, 3000 Australia

Auditors

Victorian Auditor-General's Office

Level 31, 35 Collins Street,

Melbourne, Victoria, 3000 Australia

DIRECTORS' REPORT

The Victorian Traditional Owners Trust - Dja Dja Wurrung (DDW Trust) was established with effect from 1 July 2018 by an amendment to the initial Trust Deed on 25 September 2018. The initial Trust Deed was signed on 13 September 2011 between Robert Clark the Attorney General of Victoria and the Trustee Victorian Traditional Owners Funds Ltd (VTOFL). The amendment created two separate trusts the DDW Trust and the Gunaikurnai Trust. The trust assets of the Dja Dja Wurrung people and the Gunaikurnai people had previously been accounted for in separate accounts in a single trust, the Victorian Traditional Owners Trust (VTOT).

With effect from 1 July 2018 the trust assets and equity specifically identified with the Dja Dja Wurrung people were transferred to the DDW Trust.
This is the first annual report of the DDW Trust.

VTOT as a single trust has no further purpose and VTOFL resolved to deregister it. The deregistration was implemented with effect from 28 June 2019.

The directors of VTOFL present the annual report for the DDW Trust for the financial year ended 30 June 2019.

Directors

The names of each person who has been a Director of VTOFL during the year and to the date of this report are:

Elizabeth Helen Eldridge	re-appointed to 12/09/2020
Glen Gerald Brennan	appointed to 12/09/2020
Susanne Dahn	appointed to 17/06/2021
Neil Donald Westbury	appointed to 17/06/2021

Principal Activities and Objectives

The DDW Trust was established for charitable purposes to benefit the Dja Dja Wurrung people of Victoria. The Victorian government established a Native Title Settlement Framework to reach agreements with Traditional Owners through execution of Participation Agreements.

Report on Operations and Activities

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

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

The funds are invested with the Victorian Funds Management Corporation (VFMC) which is a public authority governed by an independent board of Directors whose members are appointed by the Governor in Council of Victoria, in a mix of funds which are consistent with the targeted investment returns and asset allocations of the strategy.

VTOFL incurs expenses in establishing a management framework for this activity. These activities were funded by payments from the Department of Justice and Community Safety.

Report on Significant Changes and Likely developments

The VTOT has been deregistered and replaced by two separate trusts: the DDW Trust and the Gunaikurnai Trust.

The DDW Trust was registered as a charity by the Australian Charities and Not for Profits Commission (ACNC). As a consequence the Australian Taxation Office granted exemption from income tax. Both of these decisions take effect from 1 July 2018.

The DDW Trust is not registered for the goods and services tax (GST).

DIRECTORS' REPORT

Major Financial and Performance Statistics

The table below sets out a summary of the financial results for the year.

	2019	2018
	\$	\$
Income	375,126	-
Other Economic Flows	29,141	-
Expenses	(66,245)	-
Operating Result	338,022	-
Total Assets	5,329,620	-
Total Liabilities	13,801	-
Equity of the Trust (at beginning of year)	-	-
Equity transfer from VTOT to the Trust	5,255,198	-
Audit fees transferred from VTOT	-	-
Distributions to beneficiaries	(275,000)	-
Equity (at year end)	5,318,219	-

Environmental Issues

The operations of the DDW 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.

Workforce Data

From September 2016 VTOFL on behalf of the DDW Trust employed a Company Secretary on a part-time basis. The Company Secretary was the only employee during 2019 (2018: 1 employee).

Consultancies

Willis Towers Watson was appointed during the 2019 financial year to provide investment modelling for the trusts. (2018: no consultancies entered into.)

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

DIRECTORS' REPORT

Meetings of Directors

During the 2019 financial year, five meetings of directors were held. Attendances by each director

	Directors' Meetings	
	Number eligible to attend	Number attended
Elizabeth Helen Eldridge	5	5
Glen Gerald Brennan	5	5
Susanne Dahn	5	5
Neil David Westbury	5	5

Information on Directors of the Trustee

Elizabeth Helen Eldridge	Director
Qualifications	BA LLB
Experience	Member of Queen's College Council. Previously the Chair of Docklands Studios Melbourne Pty Ltd (retired June 2016). Elizabeth, 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 and member of Investment Committee
Glen Gerald Brennan (PSM)	Director. Appointed for 3 year term from 13 September 2017.
Qualifications	MBA, Melbourne Business School
Experience	Current role, State Director Victoria - Government, Education and Community Banking, National Australia Bank. A Gomerioi man from Narrabri in north-west NSW, Glen is Australia's most senior Indigenous banker. Glen has over 20 years' experience in both the finance and government sectors with extensive experience in community finance, banking and risk management. Glen was is Co- Chair of the Aboriginal Employment Strategy and Chairman of 4 Mile Ventures a family owned and operated beef cattle enterprise.
Special Responsibilities	Member of Investment Committee

DIRECTORS' REPORT

Susanne Dahn	Director. Appointed for 3 year term from 18 June 2018.
Qualifications	BCom, MBA, Grad Dip App Finance & Investment, FAICD
Experience	Partner/Executive Director Pitcher Partners since 1998. Former Director Department of Treasury and Finance. Director AIA Australia. Trustee Director MTAA Super Council Member Victorian AICD Investment Committee Member Trinity College (University of Melbourne) and Australian Communities Foundation Community Panel Member, Victorian Judicial Commission.
Special Responsibilities	Member of Investment Committee
Neil Donald Westbury (PSM)	Director. Appointed for 3 year term from 18 June 2018.
Qualifications	Certificate in Aboriginal Studies
Experience	Experience: Chair of Machado Joseph Disease Foundation, Director 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. Neil 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	Member of Investment Committee

DIRECTORS' REPORT

Remuneration of the Board of the Trustee Company

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.

Victorian Traditional Owners Fund Ltd

	2019	2018
Chair		
Elizabeth Eldridge	\$18,551 plus superannuation guarantee amount of \$1,762	\$13,510 plus superannuation guarantee amount of \$1,283
Directors		
Glen Brennan	\$11,130 plus superannuation guarantee amount of \$1,057	\$8,729 plus superannuation guarantee amount of \$829
Susanne Dahn	\$11,130 plus superannuation guarantee amount of \$1,057	\$364 plus superannuation guarantee amount of \$nil
Neil Westbury	\$11,130 plus superannuation guarantee amount of \$1,057	\$364 plus superannuation guarantee amount of \$nil
Mark Sibree	-	\$15,589 plus superannuation guarantee amount of \$1,481

Trustee Company Secretary

In September 2016 Ian Gaudion was appointed Secretary of VTOFL. He is employed on a part-time basis and is the only employee of the Company.

Related Party Transactions

Glen Brennan was appointed a director on 13 September 2017. Glen is a senior executive at the National Australia Bank Ltd. VTOFL maintains bank accounts for itself and the DDW Trust with the National Australia Bank. All of these accounts are on normal commercial terms and conditions no more favourable than those available to other persons.

Other Disclosures

Insurances

VTOFL paid insurance premiums to insure the directors of the directors for Investment Managers Insurance, Directors and Officers Insurance Professional Indemnity, Cyber Liability Policy, Public and Products Liability Policy insurance. The premium paid for this insurance cover was \$20,449 (2018: \$18,759)

Committees

The Board of VTOFL established an Investment Committee. Each director is entitled to attend and Dr. Dennis Sams has been appointed as a non-executive independent member.

DIRECTORS' REPORT

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 9 of the financial report.

Declaration

This Director's report is signed in accordance with a resolution of the directors of VTOFL.



Chair

Elizabeth Eldridge

Dated this twenty fourth day of January 2020

Auditor-General's Independence Declaration

To the Trustee, Victorian Traditional Owners Trust - Dja Dja Wurrung

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 Victorian Traditional Owners Trust - Dja Dja Wurrung for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.



MELBOURNE
24 January 2020

Janaka Kumara
as delegate for the Auditor-General of Victoria

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DIRECTORS' DECLARATION

In accordance with *subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013* , the Directors declare that in their opinion:

- (b.) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (a.) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* .

This declaration is authorized by a resolution of the Board of Directors of VTOFL.



Director
Elizabeth Eldridge

Dated this twenty fourth day of January 2020

COMPREHENSIVE OPERATING STATEMENT

for the financial year ended 30 June 2019

	Note	2019 \$	2018 \$
Income			
Distributions received	2	270,375	-
Franking credit refund	2	47,352	-
Resources received free of charge	3	57,399	-
		<u>375,126</u>	-
Less: Expenses			
Administration expenses		57,399	-
Audit fees		8,846	-
Total expenses		<u>66,245</u>	-
Net Result from Transactions		<u>308,881</u>	-
Other Economic Flows			
Increase (decrease) in value of Investments	2	29,141	-
Total Economic Flows included in Net Result		<u>29,141</u>	-
Profit for the year		338,022	-
Other comprehensive income		-	-
Total comprehensive income for the year		<u>338,022</u>	-

BALANCE SHEET

as at 30 June 2019

		2019	2018
	Note	\$	\$
ASSETS			
Financial Assets			
Investments	8	5,159,948	-
Distributions receivable	8	122,320	-
Franking credits receivable		47,352	-
Total Financial Assets		5,329,620	-
TOTAL ASSETS		5,329,620	-
LIABILITIES			
CURRENT LIABILITIES			
Payable to VTOFL		2,045	-
Payable to Gunaikurnai Trust	9	2,556	-
Audit fees provided for		9,200	-
TOTAL		13,801	-
TOTAL LIABILITIES		13,801	-
NET ASSETS		5,315,819	
EQUITY			
Settlement sum		-	-
Beneficiary Equity - Dja Dja Wurrung		5,252,797	-
Retained Earnings		338,022	-
Payment to beneficiary		(275,000)	-
TOTAL EQUITY		5,315,819	
Commitments for expenditure	4	-	-
Contingent assets and contingent liabilities	5	-	-

STATEMENT OF CHANGES IN EQUITY**for the Year Ended 30 June 2019**

	Settled Sum \$	Retained Earnings \$	Total \$
Balance as at 1 July 2017			
Comprehensive Income			
Profit for the year		-	-
Other Comprehensive Income		-	-
Total Comprehensive Income		-	-
Payments to beneficiaries			-
Balance as at 30 June 2018		-	-
Balance as at 1 July 2018		-	-
Comprehensive Income			
Profit for the year		338,022	338,022
Other Comprehensive Income		-	-
Total Comprehensive Income		338,022	338,022
Payments to beneficiaries		(275,000)	(275,000)
Transfer of assets from VTOT			
Equity transfers for the year		5,252,797	5,252,797
Balance as at 30 June 2019		5,315,819	5,315,819

CASH FLOW STATEMENT**for the Year Ended 30 June 2019**

	Note	2019	2018
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Investment distributions received		339,082	-
Net Cash Generated from/(used in) operating	13	<u>339,082</u>	<u>-</u>
CASH FLOW FROM INVESTING ACITVITIES			
Proceeds from sale of investments		-	-
Payments for investments		<u>(339,082)</u>	<u>-</u>
Net Cash Generated from/(used in) Investing		<u>(339,082)</u>	<u>-</u>
CASH FLOW FROM FINANCING ACITVITY			
Payments to beneficiaries		-	-
Net Cash Generated from/(used in) Investing		<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH HELD			
Cash at beginning of year		-	-
Cash at end of the financial year		<u>-</u>	<u>-</u>

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The directors of VTOFL apply Australian Accounting Standards – Reduced Disclosure Requirements as set out in *AASB 1053: Application of Tiers of Australian Accounting Standards* and *AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with *Australian Accounting Standards – Reduced Disclosure Requirements* of the *Australian Accounting Standards Board (AASB)* and the *Australian Charities and Not for profits Commission Act 2012* and *Regulations 2013*. The Trust is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Basis of Preparation

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

These financial statements are presented in Australian dollars, and prepared in accordance with historical cost conventions. Amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

b. Revenue recognition

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

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.

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

VTOFL pays for expenses on behalf of the DDW 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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c. Expenses from Transactions

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

All expenses are stated inclusive of the goods and services tax (GST).

d. Financial instruments

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and financial liability or equity instrument of another entity. The Trust adopted AASB 9 which was effective from 1 July 2018 for the first time in the current financial year. Adoption of the standard did not have an impact on the financial statements of the Trust.

Categories of financial assets under AASB 9

Financial assets at amortized 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 the net result:

- * the assets are held by the VTOT - Dja Dja Wurrung 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, and
- * receivables.

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 results. Other financial assets are required to be measured at fair value through net results unless they are measured at amortised cost or fair value through other comprehensive income.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. **Financial instruments** - (continued)

Categories of financial assets previously under AASB 139

Loans and receivable and cash are financial instrument assets with fixed and determined payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to the initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The Trust recognises the following assets in this category:

- * cash and deposits, and
- * receivables.

Categories of financial assets previously under AASB 9 and previously under AASB 139

Financial liabilities at amortised cost are initially recognised on the date they 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 rate method. The Trust recognises the following liabilities in this category:

- * payables (excluding statutory payables), and
- * borrowings.

Reclassification of financial instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be classified 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 changes such that its previous model would no longer apply.

e. **Goods and Services Tax (GST)**

The DDW Trust is not registered for GST.

Revenue does not incur GST.

Expenses and assets are recognised inclusive of the amount of GST.

Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented on a gross basis.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. Fair Value of Assets and Liabilities

The trust measures some of its assets and liabilities at fair value on either a recurring or nonrecurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

The fair value of liabilities and the entity’s own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

g. 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 DDW 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.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2019

NOTE 2: Net investment Income Disclosed in the Statement of Comprehensive Income

AASB 101 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.

The total return from the VFMC investments for the year was:

	2019	2018
	\$	\$
Franking credit refund	47,352	-
Distributions received	270,375	-
Increase (decrease) in value of VFMC Investments	29,141	-
Net Income derived from VTOT investments	<u>346,868</u>	<u>-</u>

NOTE 3: Resources received free of charge.

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

	2019	2018
	\$	\$
Administration expenses funded by DoJCS.	57,399	-
	<u>57,399</u>	<u>-</u>

NOTE 4: Commitments for expenditure

The DDW Trust has no contractual obligations to purchase property plant and equipment.

NOTE 5: Contingent assets and contingent liabilities

The directors of VTOFL are not aware of any contingent assets or commitments of the DDW Trust which are not otherwise disclosed in these financial statements (2018: Nil).

NOTE 6: Significant events during the Reporting Year.

The Attorney-General amended the Trust Deed and this has been agreed to by the Trustees and the beneficiaries, with effect from 1 July 2018. The beneficiaries (GLaWAC on behalf of the Gunaikurnai people and DDWCAC on behalf of the Dja Dja Wurrung people) have signed amended Participation Agreements which were effective from 1 July 2018. VTOT has been deregistered as a charity and removed from the Australian Business Register, all creditors have been paid.

NOTE 7: Significant events after the Reporting Year

The directors of VTOFL are not aware of any significant events since the end of the reporting year which are not otherwise disclosed in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2019

NOTE 8: Investments of the DDW Trust

The funds invested with VFMC as at 30 June 2019

	2019	2018
	\$	\$
Investments - Dja Dja Wurrung: Capital Stable Fund		
Comprising:		
Net value of the Capital Stable fund	2,571,519	
Distributions receivable	72,670	
	<u>2,644,189</u>	
Investments - Dja Dja Wurrung: Balanced Fund		
Comprising:		
Net value of the Balanced fund	2,588,429	
Distributions receivable	49,650	
	<u>2,638,079</u>	
Combined investments with VFMC		
Net value of investments	5,159,948	
Distributions receivable	122,320	
	<u><u>5,282,268</u></u>	

NOTE 9: Payable to the Gunaikurnai Trust

In prior years VTOFL implemented a methodology for allocating the shared revenue and expenses of VTOT between the Dja Dja Wurrung account and the Gunaikurnai account. The methodology allocated shared revenue and expenses based on the relativity between the opening Equity balances for the Dja Dja Wurrung account and the Gunaikurnai account. The methodology could not be applied exactly due to the investing rules of the VFMC. As a consequence, at 28 June 2019 when VTOT was wound up, fewer of the Dja Dja Wurrung notional assets had been used to fund the shared net expenses of VTOT. Offsetting this, more of the notional assets of Gunaikurnai had been used to fund the net expenses of VTOT.

As at 30 June net amount owed by the DDW Trust to the Gunaikurnai Trust was:

	2019	2018
	\$	\$
Payable to Gunaikurnai Trust	2,556	-

The directors of VTOFL have resolved that VTOFL will pay the payable amount to the Gunaikurnai Trust. The DDW Trust will not have to pay this amount and neither of the two new trusts will be out of pocket.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2019

NOTE 10: Related Party Transactions

10.1 Related parties

Related parties of the VTOFL and DDW Trust include:

all key management personnel and their close family members and their personal business interests, controlled entities, joint ventures and entities that they have significant influence over.

10.2 Significant transactions and balances with related parties

Glen Brennan was appointed a director on 13 September 2017. Glen is a senior executive at the National Australia Bank Ltd. VTOFL maintains bank accounts for itself and the DDW Trust with the National Australia Bank. All of these accounts are on normal commercial terms and conditions no more favourable than those available to other persons.

During the year the DDW Trust received interest of \$0 (2018: \$0) from the National Australia Bank and paid bank fees to the National Australia Bank of \$0 (2018: \$0).

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2019

Key management personnel of the Trustee Company are:

10.3 Key Management Personnel

Elizabeth Eldridge	Chair
Glen Brennan	Director
Susanne Dahn	Director
Neil Westbury	Director

10.4 Compensation of Key Management Personnel

	2019	2018
	\$	\$
Short term employee benefits	51,941	38,556
Post-employment benefits	4,934	3,594
	<u>56,875</u>	<u>42,150</u>

Remuneration comprises employee benefits in all forms of consideration paid, payable 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 is 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.

10.4.1 Change of classification

The classification of the staff as Key Management Personnel has not been changed.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2019

NOTE 11: Remuneration of Directors of VTOFL

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.

	2019	2018
Chair		
Elizabeth Eldridge	\$18,551 plus superannuation guarantee amount of \$1,762	\$13,510 plus superannuation guarantee amount of \$1,283
Directors		
Glen Brennan	\$11,130 plus superannuation guarantee amount of \$1,057	\$8,729 plus superannuation guarantee amount of \$829
Susanne Dahn	\$11,130 plus superannuation guarantee amount of \$1,057	\$364 plus superannuation guarantee amount of \$nil
Neil Westbury	\$11,130 plus superannuation guarantee amount of \$1,057	\$364 plus superannuation guarantee amount of \$nil
Mark Sibree	-	\$15,589 plus superannuation guarantee amount of \$1,481

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2019

NOTE 12: Financial Risk Management

The DDW Trust financial instruments consist solely of deposits with banks, local money market instruments, and short-term and long term investments.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2019	2018
	\$	\$
Financial assets		
Investments	5,159,948	-
Distributions receivable	122,320	-
Dividend franking credits receivable	47,352	-
Other receivables	-	-
Total financial assets	5,329,620	-
Total Financial liabilities	11,401	-

Market risk

Markets Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The trusts exposure to market risk is insignificant and primarily through equity price risk.

Equity Price Risk

The trust is exposed to equity price risk through its management Investment schemes. The trust appointment the VFMC to manage its investment portfolio after meetings with each Traditional Owners Group and understanding their long term and short term financial objectives, and their tolerance for risk. The fund manager closely monitors performance and management the equity price risk through diversification of its investment portfolio.

NOTE 13: Reconciliation of Net Result for the period

Cash flows from Operating Activities

	2019	2018
	\$	\$
Net Result for the period	338,022	-
Non cash movements		
Unrealised (gains)/losses in investments	(29,140)	-
Movement in Assets and Liabilities		
Decrease/(increase) in distributions receivable	68,707	-
Decrease/(increase) in franking credits receivable	(47,352)	-
Increase/(decrease) in Payable to VTOFL	4,445	-
Increase/(decrease) in Payable to GLaWAC	4,400	-
Net cash from/(used in) operating activities	339,082	-

NOTES TO THE FINANCIAL STATEMENTS**for the Year Ended 30 June 2019****NOTE 14: Dja Dja Wurrung Trust – Equity Entitlement**

Dja Dja Wurrung Trust		
	2019	2018
	\$	\$
Equity at Beginning		
Opening Equity	5,255,198	5,182,321
add		
Investment Return	299,515	303,783
Franking Credits	47,352	21,182
Interest Received	-	72
	<u>5,602,065</u>	<u>5,507,358</u>
less		
Audit Fees	(8,846)	(2,089)
Bank Charges	-	(71)
	<u>(8,846)</u>	<u>(2,160)</u>
Sub-total	5,593,219	5,505,198
less		
Distributions made	(275,000)	(250,000)
adjustment for share of VTOT audit fees	(2,400)	
Equity at End	<u>5,315,819</u>	<u>5,255,198</u>

Independent Auditor's Report

To the Trustee of the Victorian Traditional Owners Trust - Dja Dja Wurrung

Opinion I have audited the financial report of the Victorian Traditional Owners Trust - Dja Dja Wurrung (the Trust) which comprises the:

- balance sheet as at 30 June 2019
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- directors' declaration.

In my opinion the financial report is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the financial position of the Trust as at 30 June 2019 and of its financial performance and its cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the Trust in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information	<p>The Trustee of the Trust is responsible for the Other Information, which comprises the information in the Trust’s annual report for the year ended 30 June 2019, 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>
Trustee's responsibilities for the financial report	<p>The Trustee of the Trust is responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Trustee determines is necessary to enable the preparation of a financial report that gives a true and fair view and 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>
Auditor’s responsibilities for the audit of the financial report	<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 the 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"> • 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 Trustee

Auditor's responsibilities for the audit of the financial report (continued)

- 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
- 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 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
24 January 2020



Janaka Kumara
as delegate for the Auditor-General of Victoria