

Helen Macpherson Smith Trust

**Annual
Report
2023**



Helen Macpherson Smith Trust

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Honouring our founder



Helen Macpherson Smith Trust has been granting in Victoria for more than 70 years. The investments and resulting grants to community have been made possible through the generosity of founder, the late Helen Macpherson Schutt (nee Smith).

Helen was a remarkable woman. At a time when the philanthropic acts of Australian women were centred around volunteer work, and when large-scale giving was considered the province of men, Helen chose a different path.

Helen was one of the first life members of The Lost Dogs' Home, with her name appearing in the list of donors from 1914 to 1935. She was also an active supporter of organisations including the Victorian Missions to Seamen, the RSPCA, the Royal District Nursing Service, the Royal Children's Hospital and the Royal Victorian Institute for the Blind.

On her passing in 1951, Helen left a bequest of £275,000 (\$550,000) for the establishment of a charitable trust in perpetuity to benefit Victorian charities. She astutely put few conditions around the bequest, giving Trustees discretion to support charities of their choosing.

As a result of her foresight and generosity, the Trust has distributed \$141.7m to Victorian charities and charitable causes.

From the Chair & Chief Executive Officer

2023 was an important and rewarding year for the Trust; a year of the recurring themes of Partners, Place and People.

Under a new grant making strategy, 17 **partners** were awarded grants totalling \$4.7m. The grants supported organisations working in and with their communities to address the Trust's two areas of focus: Community and Education.

The year reminded us of the significance of **place** as we bid farewell to Windsor Place and embarked on a transition to our future home.

Our **people** have been pivotal in preparing the Trust for the future. Of note are the contributions of the Trustees to redefining our strategy, and the commitment of staff who have operationalised the strategy while continuing to support existing granting partners.

Our strategic direction

The continued ripple effects of Covid-19 and natural disasters provided an inflection point for the Trust and motivated us to undertake a review of our vision, values and granting strategy. Through this review, we considered how the Trust might make the greatest possible impact. In 2022 the Trust engaged specialist consulting firm Goodwolf to help set a strategic direction that enabled us to maximise our community impact, and develop a clear framework against which we could align resources.

The new strategy took effect in August 2022, and you can read more about it on page 6.

Grant making

The deliberate move to fewer, larger grants has enabled us to have greater impact and, importantly, establish a more robust foundation to foster deeper relationships with our community partners and stakeholders.

We were delighted to confirm grants to eight organisations through the new strategy, providing support to deliver important work addressing community and educational disadvantage in rural, regional and metropolitan Victoria. We are pleased to share more about the work of these partners from page 14.

Legacy gifts

Alongside grants made through the new strategic direction, Trustees provided support to a number of other worthy grantees. These grants included support for the beneficiaries named in Helen's Will, as well as discretionary grants to philanthropy's peak body Philanthropy Australia, Unison Housing for the Make Room project in Melbourne's CBD, and an investment in Youth Live4Life's digital capacity.

Investment and Finance

FY23 was a positive year for the Trust, with the corpus generating a total return of 16.8%, outperforming the objective of CPI+5.5% by 5.3%. At the end of the year, the corpus was an all-time high of \$150m, up from \$134m at the end of FY22.

Total income generated from the corpus was \$6.9m, with operating expenses remaining constant at \$1.2m. After making grants of \$4.7m, \$0.8m was capitalised to the Capital Account, with the balance set aside for grant making in future years.

Sharing our history

From 2012 the Trust was located in Windsor Place, Melbourne in a building referred to as "Helen's Home".

Acquired in the time of former Chair, Darvell Hutchinson AM, the location in Windsor Place has a personal connection to Helen in her lifetime. When Helen visited Australia from Europe in her later years, she stayed at the Windsor Hotel (then known as The Grand). The hotel's rooms overlooked Windsor Place, and the close proximity to Helen's Melbourne base resonated with the Trustees at the time, creating a connection to the history of the Trust.

The evolving needs of the Trust led us to bid farewell to the Windsor Place property in March 2023. The Trust offices are now established at 90 Collins Street, and provide opportunity to welcome our community and philanthropic partners for events and convening.

Another important part of the Trust's history was its archive, containing material about Helen, her family, the founding of the Trust, and the

development and growth of philanthropy in Australia. Originally commissioned by Darvell Hutchinson AM, the archive includes family photographs, early correspondence from grant partners and newspaper articles. With the safe-keeping of the archive front of mind, the archive was gifted to the State Library of Victoria in 2023, ensuring it is safely held in perpetuity for the benefit of all Victorians.

Our people

Our thanks to the team in what was a productive and future-focused year. The development and implementation of the new strategic approach, alongside significant operational improvements will serve the Trust well in years to come.

Thanks to Trustees for their commitment to both upholding the legacy of the Trust, and charting its future. Sincere thanks are due to Andrew Sisson for expertly chairing the Investment Committee. Farewell and thanks are due to Claire Higgins and Danielle Toon who retired this calendar year. Claire's commitment to chairing the Grants Committee for four years was particularly valued as were Danielle's contributions in the areas of educational and Indigenous disadvantage.

Catherine Walter AM,
Chair

Debra Morgan,
Chief Executive Officer

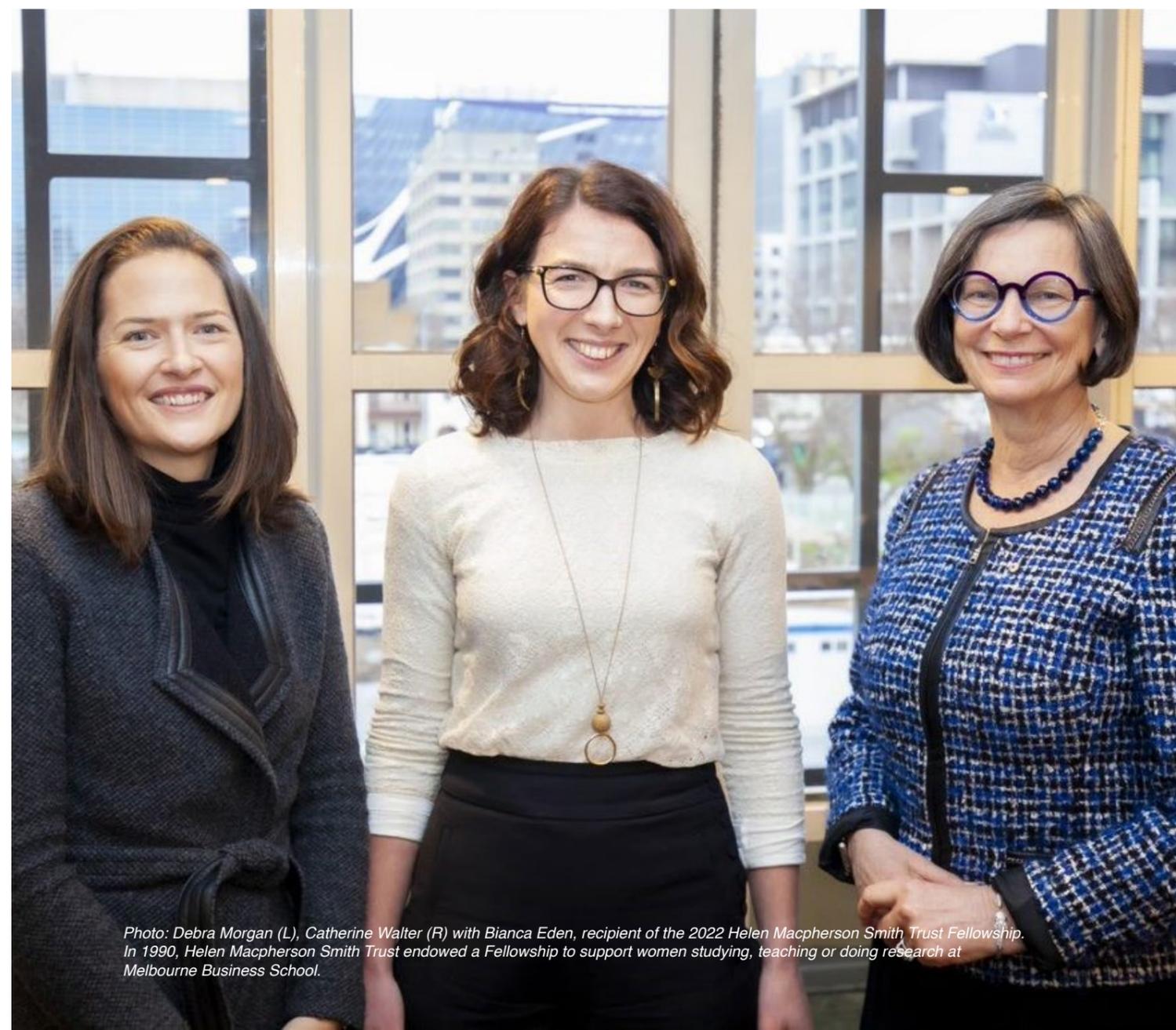


Photo: Debra Morgan (L), Catherine Walter (R) with Bianca Eden, recipient of the 2022 Helen Macpherson Smith Trust Fellowship. In 1990, Helen Macpherson Smith Trust endowed a Fellowship to support women studying, teaching or doing research at Melbourne Business School.

Strategic Direction

In her lifetime, Helen was committed to relieving disadvantage through support for children's wellbeing, disaster relief, and care for new migrants. Through her Will, Helen left broad discretion to Trustees to benefit charitable purposes in Victoria. In the context of a perpetual Trust, the challenge presented is to respond to contemporary conditions and the changing needs of communities, while striving for the greatest possible impact.

A comprehensive review of the Trust's strategy took place over a six-month period in 2022. Incorporating stakeholder feedback and sector best-practice, the new strategy responds to the ever-increasing needs of the Victorian community, and exercises the unique strengths of the Trust.

The resulting strategy has a sharp focus on contributing to meaningful improvement in the lives of Victorians experiencing disadvantage, and their communities.

Our Vision

A strong, just and sustainable Victoria
Balit, noogee ba kangooeit biik

Our Values

Our values reflect the importance of our legacy, our desire to continue learning, and the value of partnering with others.

Respect & Integrity

Enabling the views of others to be heard and genuinely valued, making decisions based on robust evidence, and acknowledging our granting partners are experts in the field in which they work.

Stewardship

Prioritising, with care and diligence, long-term over short-term priorities, and acknowledging the legacy of the Trust is reflected through the work of our partners.

Collaboration

Partnering with others, acknowledging the challenges we face cannot be met alone

Learning

An openness to learning from each other, our peers and our grantees Seeking best-practice, expert advice and learning opportunities together to inform our granting.



Photo: Parents and children participating in the 16 Days of Activism 2022 campaign as part of Save the Children's Children's Wellbeing Initiative East Gippsland. Photography by PollyannaR.

“Trust-based philanthropy seeks to demonstrate **humility and collaboration** in what we do and how we show up in all aspects of our work as grant makers”.

- Trust-Based Philanthropy Project

Our Approach

The Trust’s approach to grant making is guided by the principles of trust-based philanthropy, an approach that considers the relationships between donors, not-for-profits and communities to rebalance power and decision making. Through the new strategic approach, the Trust is working towards:

Developing signature grant opportunities through deep engagement with communities and stakeholders.

Bringing our skills, networks, partners and funding to collaborations that respect the expertise of others and amplify impact.

Using influence and connections to help organisations beyond the grant.

Acknowledging we don’t have all the answers and seeking to understand systems and social contexts.

Being transparent about our processes and responsive to grantees.

Using data to inform rather than determine, and seeing mistakes as opportunities to learn.

Our Strategy

Through grants and other strategic interventions, the Trust seeks to contribute to meaningful improvement in the lives of Victorians experiencing disadvantage, and their communities.

Recognising this is complex work, our new strategic direction sees the Trust take a long-term view, acknowledging that change often requires long-term, systemic intervention. The Trust priorities projects that are evidence-informed, and considers short-, medium- and long-term indicators of progress towards impact.

Our Focus Areas

To effectively achieve the vision, to enable deep learning, and importantly, to better understand impact, the Trust's grant making focuses on two areas; Community and Education.

Community

Building connection, capability and capacity.

Helen Macpherson Smith Trust has a long history of supporting communities following natural disasters, and of supporting organisations to build capacity and capability. The ever-increasing requirement for communities to be adaptive and resilient, together with the Trust's long experience in this area, provided opportunity to deepen our support to communities with the objective of achieving greater resilience.

Through the strategy review process, the Trust considered a range of indicators and approaches that lead to community resilience. As a result, grant making focuses on organisations and projects that support:

- community networks and structures that facilitate collaboration, communication, sharing and learning;
- strong and cohesive community networks that can recover from disturbances, such as natural disasters and economic pressures; and
- broad community participation that enables productive turnover and sustainable, positive change.

The Community focus area supports backbone organisations working to build community connection, capacity and capability. In partnership with other funders, the Trust supports communities using a range of approaches to identify and realise their own goals and priorities.

Photo: A child participating in an arts project facilitated by Save the Children in partnership with Gippsyouth as part of the Children's Wellbeing Initiative.



Education

Addressing educational disadvantage through community-based partnerships

In her lifetime, Helen demonstrated her belief in the importance of education by providing direct support for her nieces to continue education in Australia when she was travelling abroad. Honouring Helen's legacy, and responding to significant community need, the Education focus area supports organisations working in partnership with early learning and school education providers to improve educational outcomes for children and young people experiencing disadvantage.

In considering the potential impact of grants, the Trust considered emerging evidence and practice that suggests high-quality education could create a path to better life outcomes for individuals, and better economic and non-economic outcomes for society. In Victoria, equal opportunity and quality outcomes are not available for all children and young people, especially those experiencing disadvantage. These individuals can often have complex needs that require additional and holistic support.

The focus on educational outcomes acknowledges schools, early learning services, families, communities and other child and family support services are deeply interconnected systems, and when working together, they can better support complex needs, reduce educational disadvantage and ultimately improve educational outcomes.

The Trust's support to address educational disadvantage focuses on community-based partnerships between education providers and not-for-profit organisations.

2023 Grants

Community

54 reasons (Save the Children)

\$306,491

Children's Wellbeing Initiative - East Gippsland
Support for promoting positive health and wellbeing outcomes for children and families in East Gippsland, including activities that aim to "build back better" from the layered disasters experienced through drought, bushfire and Covid-19.

54reasons.org.au

Australian Centre for Rural Entrepreneurship

\$660,000

Mallacoota - A Community Led Future
Support for developing and building the social enterprise capability in the Mallacoota community through entrepreneurial and social enterprise learning.

acre.org.au

Victorian Women's Trust

\$400,000

VWT's Rural Women Online Phase 2 | Building Women's Digital Resilience
Support for the design and implementation of a series of place-based Digital Hubs across regional Victoria aimed at increasing digital capability for women.

vwt.org.au

Westjustice

\$600,000

Justice Innovation Project Phase One: Developing a Feasibility Study for a Wyndham Community Services Hub.
Development of a community-led engagement framework and feasibility study to inform consideration of the Community Services Hub proposed to sit within the Wyndham justice precinct.

westjustice.org.au

Education

Banksia Gardens Community Services

\$600,000

Northern Centre for Excellence in School Engagement
Support to consolidate and expand the Northern Centre for Excellence in School Engagement, a place-based initiative responding to high levels of disengagement in schools.

banksiagardens.org.au

Ganbina

\$600,000

JOBS4U2 - Education Program
Support for program delivery offering case management, mentoring and skills development for Aboriginal and Torres Strait Islander young people in Shepparton.

ganbina.com.au

Mornington Peninsula Foundation

\$650,000

Western Port Learning Guarantee (WPLG)
Support for a place-based, locally led community initiative aimed at reducing low rates of educational attainment, corresponding unemployment, and cycles of disadvantage across schools on the Mornington Peninsula.

mpf.org.au

Western Chances

\$150,000

Western Chances Holistic Support Program
Support for scholarships, networking opportunities and professional development for young people aged 12 – 25 years in Melbourne's west.

westernchances.org.au

Discretionary grants

Philanthropy Australia

\$75,000

National Engagement Manager (Victoria)
Support to enable the Victorian State Manager to work with Victorian members to increase their level of giving and the impact of that giving.

philanthropy.org.au

Youth Live4Life

\$70,000

Capacity Development
Support for project management and technical development to enhance organisational capacity, providing systems that will encourage greater philanthropic and government investment in preventive, evidence-based, mental health initiatives.

live4life.org.au



Unison Housing

\$500,000

Make Room
Support for the redevelopment of a Melbourne CBD building to deliver accommodation and support services for people who are experiencing homelessness.

unison.org.au

Photo: Hoarding around Unison Housing's Make Room building featuring artwork by John Patton, a Yorta Yorta and Bundjalung man, historian, cultural educator and artist

Legacy Gifts

Beneficiaries named in the Will of Helen Macpherson Schutt (nee Smith).

Bolton Clarke

\$15,000

Support for nurses and front-line workers to delivery holistic health care to vulnerable Victorians

boltonclarke.com.au

Royal Society for the Prevention of Cruelty to Animals

\$15,000

Support for animal welfare program, caring for and rehoming shelter animals

rspcavic.org

The Lost Dogs Home

\$15,000

Support for the Love of Animals - Shelter Medicine Program

dogshome.com

The Royal Children's Hospital Foundation

\$15,000

Support for the Chronic Illness Peer Support (ChIPS) program

rchfoundation.org.au

Mission to Seafarers Victoria Inc

\$15,000

Support for welfare services for seafarers

missiontoseafarers.com.au

Vision Australia Limited

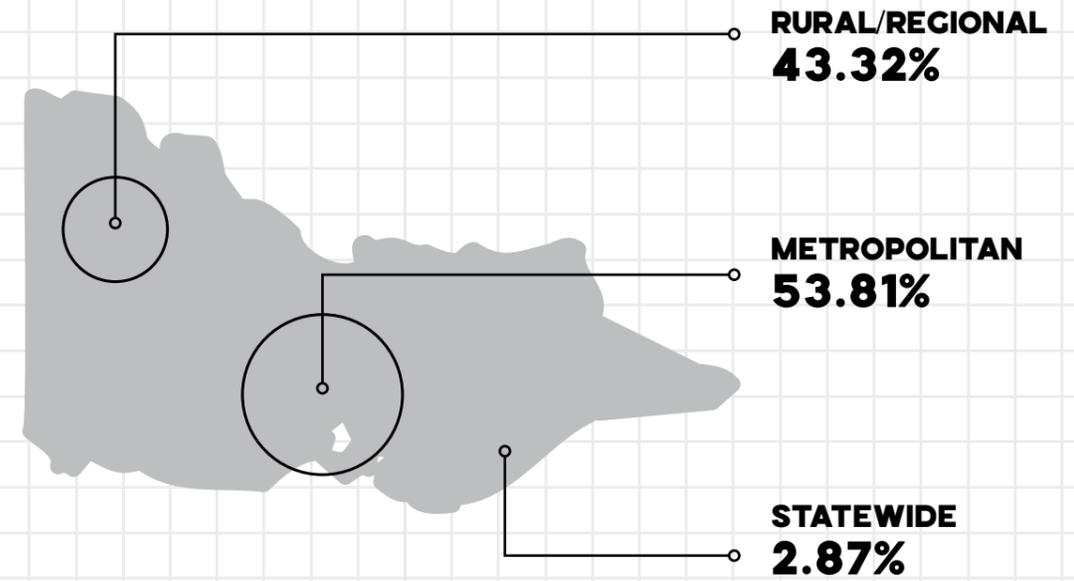
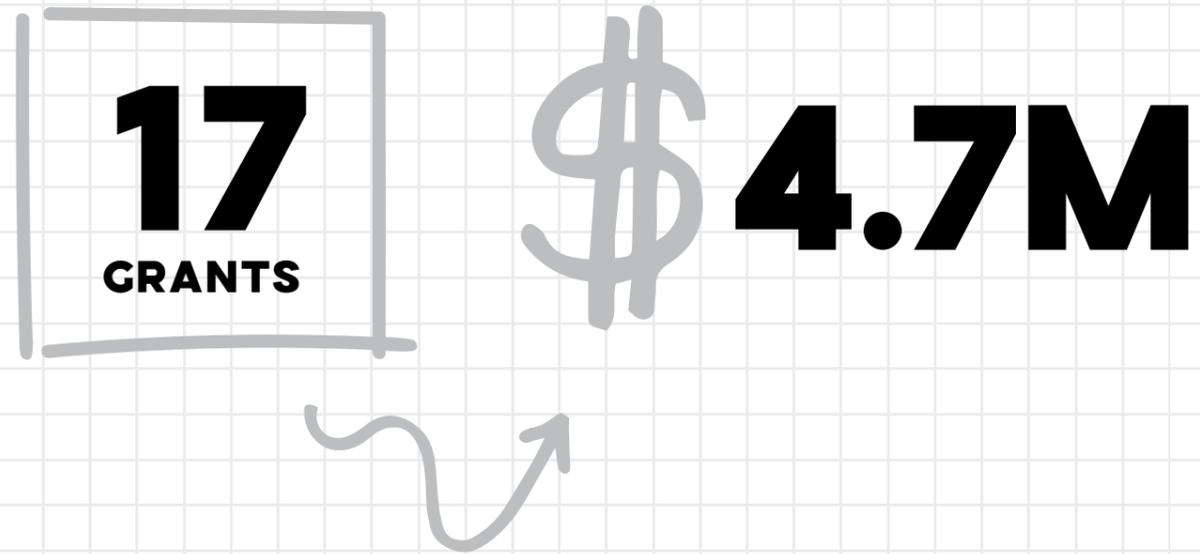
\$15,000

Support for the Telelink virtual social inclusion program

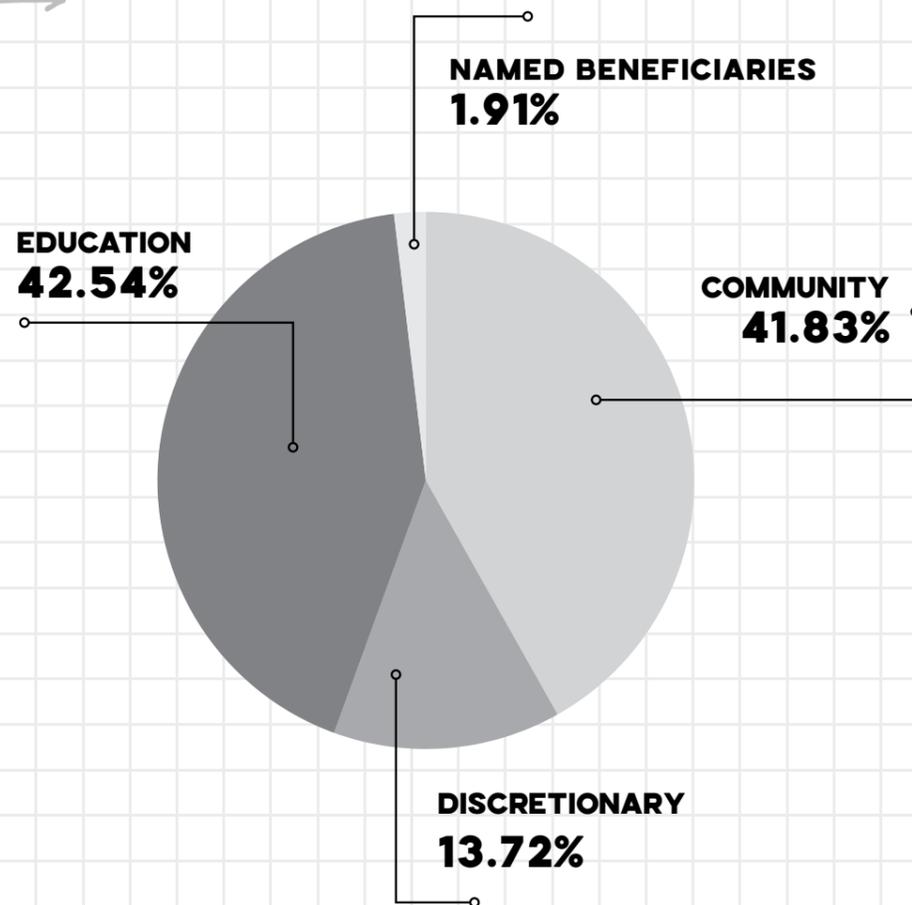
visionaustralia.org

2023 Grants

By Geography



By Focus Area



Since Inception (1951)

4952 GRANTS
APPROVED

\$141.7M
GRANTED

Our Granting Partners



‘Making significant strides in creating a better future for children, young people, and families in East Gippsland.’



54 reasons (Save the Children) Children’s Wellbeing Initiative – East Gippsland

\$306,491 over two years

COMMUNITY

Led by 54 reasons, part of Save the Children Australia, the Children’s Wellbeing Initiative seeks to make a meaningful impact to the lives of children and young people in East Gippsland by progressing shared actions alongside over 40 local partner organisations.

“When we work together in partnership, through a coordinated and collaborative community-led approach, we find that we have much greater impact than we could ever achieve on our own. 54 reasons is extremely proud to lead this work alongside our partner organisations from the community, health and education sector to ensure our children and young people can grow

up healthy, happy and safe with a prosperous future.” Matt Gardiner, CEO - 54 reasons. This initiative builds the capacity of local services, government bodies, and community members, while prioritising the voices of children and young people in decision-making processes. Through joint advocacy efforts, the Children Wellbeing Initiative has successfully influenced government policy frameworks, ensuring the needs and perspectives of children and young people are heard and incorporated in policy and service development.

Photo: Early years engagement in Sarsfield as part of 54 reasons’ Children’s Wellbeing Initiative – East Gippsland.



‘A Mornington Peninsula where learning and opportunities are optimized for all children.’



Mornington Peninsula Foundation Western Port Learning Guarantee

\$650,000 over three years

EDUCATION

Mornington Peninsula Foundation is a place-based community foundation with a vision to see opportunities and learning optimised for all children and young people. The Foundation works locally, developing relationships with communities to understand systemic conditions that cause disadvantage. Their work focuses on systems change in education and family support, using an evidence-informed approach.

The Western Port Learning Guarantee (WPLG) program is a locally led community initiative aiming to reduce low rates of educational attainment and corresponding unemployment. It brings together local secondary schools with feeder primary schools to deliver a shared commitment to evidence-based practice. Together with local community, support services and other wellbeing support is integrated into the program, building a cohesive network to ensure all children succeed in their education.

“The WPLG cluster approach is holistic and means that ideas, resources, and a vision for the future of education and student/family wellbeing are shared. The secondary school,

feeder primaries, preschools and community support services all working together, together with strong leadership from principals with a shared vision, has been integral to the positive outcomes of WPLG.” Stephanie Exton, Chief Executive Officer - Mornington Peninsula Foundation

- The WPLG program delivery includes:
- a focus on instruction in oral language in preschools, and teaching literacy skills in the first three years of primary school using systematic synthetic phonics;
 - support for wellbeing of students and their families through the integration of local services including support for First Nations students from the local Aboriginal Community Healing Centre; and
 - addressing high rates of early disengagement through delivery of evidence-informed trauma informed teaching practices.

Photo: Students participating in classroom learning as part of the Western Port Learning Guarantee.



‘Transforming lives, strengthening communities, reducing disadvantage’



Banksia Gardens Community Services
Northern Centre for Excellence in School Engagement

\$600,000 over three years

EDUCATION

Banksia Gardens Community Services (BGCS) is a vibrant community service organisation that has been working in the heart of Broadmeadows for over 40 years. The organisation works to eradicate poverty and disadvantage by delivering programs in early childhood, education and training, gender equity, young people, environmental sustainability, and community participation.

With support from Helen Macpherson Smith Trust, the organisation is expanding the Northern Centre for Excellence in School Engagement program, a place-based initiative established to tackle early school disengagement with 15 partner schools.

“We have observed a very clear trend of earlier and more persistent disengagement over the last decade or so, something which has been exacerbated by the Covid-19 pandemic. Collective partnerships such as Northern Centre for Excellence in School Engagement are essential because early disengagement is an entrenched and complex problem fueled by structural disadvantage. A single school or organisation has very limited capacity to address it in isolation. The development of this program has enabled our schools to boost their morale thanks to a strong

collective purpose that has allowed them to embark on a common journey and draw support from each other along the way”. Jaime de Loma-Osorio Ricon, Deputy CEO - BGCS

The program aims to:

- Build the collective capacity of partner agencies to support their most vulnerable and disadvantaged students through professional development, coaching and mentoring.
- Boost the impact of inclusive education approaches in schools through innovation, local service integration and family engagement and support practices.
- Enhance the collective evidence base on school engagement factors and strategies ‘that work’ (for example, trauma-informed teacher training) for the most disengaged students.
- Continue delivering the CARE (Cultivating Awareness and Resilience in Educators) program to support teachers and educators to build collective resilience and prevent burnout and vicarious trauma.

Photo: Seral Fehmi, Project Real Manager, at the Northern Centre for Excellence in School Engagement conference, March 2023.



‘Western Chances believes in the power of education to transform lives’



Western Chances
Western Chances Holistic Support

\$150,000 over two years

EDUCATION

Western Chances takes an holistic approach to supporting young people to overcome barriers to education in Melbourne’s west. The organization works to understand the needs and aspirations of young people, and supports them to overcome barriers to education. Since 2004, Western Chances has assisted over 3,750 motivated, young people in Melbourne’s west.

“Western Chances believes in the power of education to transform lives. Our work is all about supporting talented and motivated students who may not otherwise have an opportunity to pursue their education dreams. This is not something we can do alone – individuals, foundations, business, and community can all play a role in supporting these young people”. Julie Noonan, Program Manager – Western Chances

Western Chances provides critical financial support to allow young people to pay for education-related expenses, such as textbooks, internet, public transport, and specialist subject materials and tuition. The organisation also connects scholarship recipients with high quality programs and activities through their Links program. These activities connect young people to networks as well as academic, personal and professional opportunities including subject-specific tutoring and seminars, leadership and learning residential camps, forums, conferences, mentoring, internships and university residential scholarships.

*Photo: Western Chances scholarship recipient, *Jada. Photography by Cooke Creative.*

‘Empowering Aboriginal kids to achieve their potential’



Ganbina
Jobs 4U2 Program

\$600,000 over three years

EDUCATION

Ganbina delivers Australia’s most successful Indigenous school to work program, Jobs4U2. Jobs4U2 is delivered by a team of trained mentors who support Aboriginal and Torres Strait Islander young people through their crucial formative years, from the age of six to 25 years. The support assists young people to gain education, job skills and life experience necessary to unlock their full potential.

“Ganbina is an example of how unwavering strategic leadership helps others overcome social disadvantage and adversity by restoring hope back into the lives of the children and youth we support.

We’ve got on average 89% of our kids graduating from Year 12 every year. We’ve got two out of three kids heading to work or further training. So, I think our impact is exactly what our mission was... break the cycle of

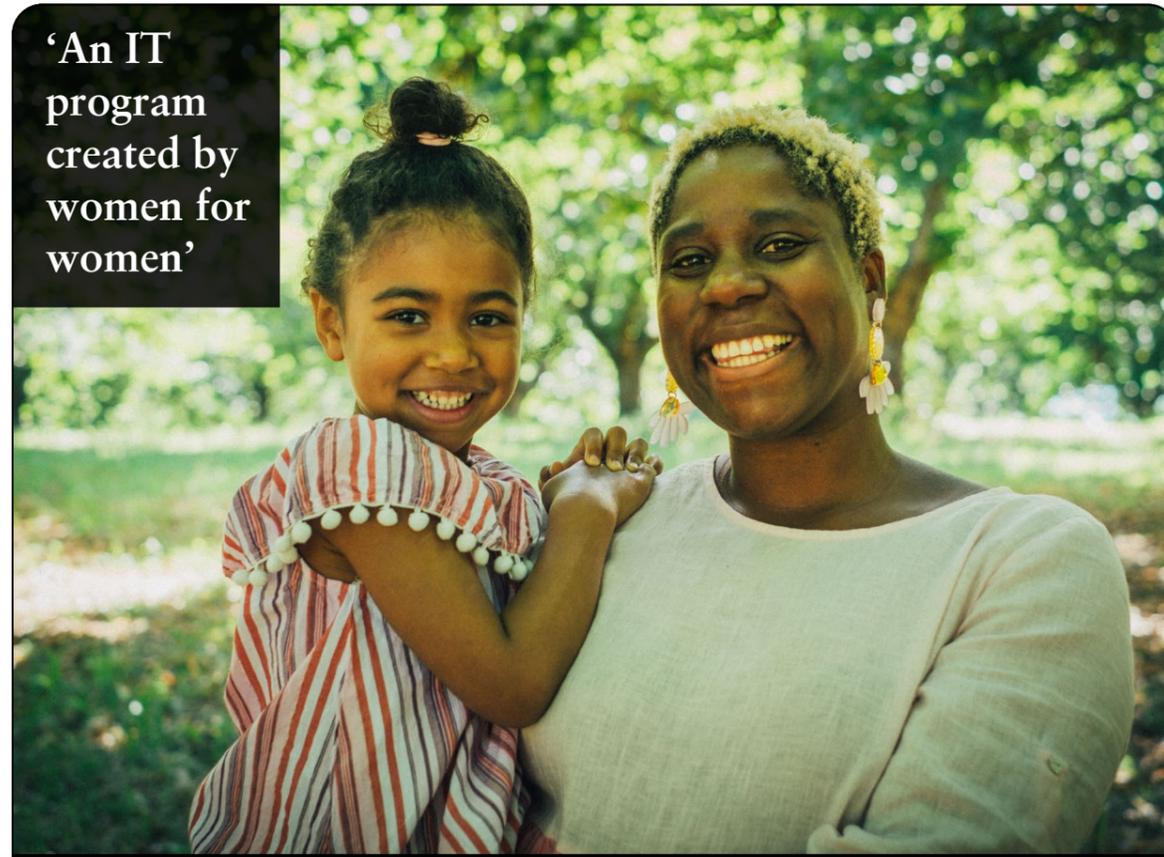
disadvantage and welfare.” Anthony Cavanagh, Chief Executive Officer - Ganbina

The Jobs4U2 program includes Jobs Education for Years 7 - 12 students, an accelerated learning program to access tutoring support in English and Maths, and a scholarship fund to assist in full participation in education and leadership training. Employment training helps 16 to 25-year-old participants consolidate their career choices, network with potential employers and engage in traineeships or tertiary training. Leadership training targets Year 10 students, and Ganbina’s driver skills program for people aged 15 - 25 helps young people get a learners permit or licence.

With support from Helen Macpherson Smith Trust, Ganbina continues to deliver programs and initiatives that support and motivate young people to complete their schooling, develop their career potential, and equip them to become positive role models and leaders in their communities.

Photo: Ganbina Youth Leadership Program participants, Lillie, Frances, Tyarra and Chrystal.

‘An IT program created by women for women’



Victoria Women’s Trust
Rural Women Online

\$400,000 over two years

COMMUNITY

Digital skills are now considered the fourth pillar of learning after language, literacy and numeracy. The skills and competencies required to use digital technologies are vital for people to enhance their prospects of employment and economic security, education, safety and general wellbeing. For many women, Covid-19 propelled a rapid transition to the digital sphere, requiring basic digital skills to find or keep employment, stay connected with friends and family, and attend vital health appointments. However, many women who live in rural and regional Victoria did not have basic digital literacy and were left behind.

In 2021, with support from Helen Macpherson Smith Trust, the Victorian Women’s Trust launched the Rural Women Online program, seeking to address the growing digital divide experienced by women living in rural and remote Victoria.

“Rural Women Online aims to build and foster women’s digital resilience through week-long, place-based digital intensives across regional

Victoria. Women in rural and regional Victoria are highly capable and deeply connected to the places where they live and work. They have advised us time and time again that they have fallen behind because ‘there was just no opportunity to be taught’. Rural Women Online foregrounds women’s digital needs so that ultimately women and their communities are galvanised to build digital resilience together”. Bronwyn Johnson, Project Manager - Rural Women Online

Following the success of the pilot in 2021, Helen Macpherson Smith Trust supported a further two years allowing the program to be extended. Victorian Women’s Trust is working collaboratively with key community agencies and local community members to deliver week-long intensives for women, building vital relationships between service providers and relevant agencies to enable women to participate and engage in non-judgmental digital learning.

Photo: Rural Women Online participant, Julia Vesval and child. Photography by Georgina Ginnivan.

‘Westjustice believes in a just and fair society where the law and its processes don’t discriminate’



Westjustice



Justice innovation Project Phase one: Developing a feasibility study for a Wyndham Community Service Hub

\$600,000 over three years

COMMUNITY

Westjustice is a human rights and community legal centre serving a population of almost one million people in Melbourne’s west. The organisation provides free legal advice, representation, education, community development, advocacy, and systemic reform across four impact areas: people experiencing economic injustice; people experiencing family and gender-based violence; youth; and culturally and linguistically diverse (CALD) communities.

Westjustice is leading the collaboration with their local community to design and develop a critical community service delivery asset to inform the newly developed Wyndham Justice Precinct. This community service hub will complement the objectives of the Victorian Government and Department of Justice and Community Safety by ensuring the community voice has been included in the design of assets and services at the precinct, and that overall services are effectively integrated and resourced.

“We are conscious that the Western Suburbs are under resourced with respect to social, economic, transport, health, and justice infrastructure. With the development of the new Wyndham Justice Precinct underway we are keen to work with the local communities and key stakeholders to ensure that current services and future developments are targeted and coordinated”. Melissa Hardham, Chief Executive Officer – Westjustice

With support from Helen Macpherson Smith Trust, Westjustice will deliver a community-informed feasibility study which will inform the Hub’s governance model, tenancy structure, location, and implementation plan.

Photo: Rashmi Ghimire, Joseph Nunweek, Tess Mathews and Polly Kiyaga participating in discussions at Westjustice. Photography by muzzmedia.

‘Thriving rural futures’



Australian Centre for Rural Entrepreneurship
Mallacoota -
A Community Led Future



\$660,000 over three years

COMMUNITY

The Australian Centre for Rural Entrepreneurship (ACRE) exists to drive the renewal of Australia’s rural communities through entrepreneurship and social enterprise that create economic and social opportunities for communities, and solve local issues. The organisation uses a systems approach to build the capability and capacity of local change makers across all ages and sectors of the community.

ACRE has been working with the Mallacoota community since early 2021, providing support to achieve their goal to build Mallacoota’s economic, social and cultural wellbeing and to drive community-led rejuvenation post bushfires and Covid-19.

After the devastation of the Black Summer fires, a group of passionate Mallacoota locals formed The Wilderness Collective, aiming to support, sustain and showcase the unique wilderness of the region and its people and to enable long-term economic, community and environmental benefits.

ACRE and The Wilderness Collective have entered into a three-year partnership aimed at educating and building the capacity of

individuals, students, organisations and cross-sector leaders from government, business, community and education to support rural entrepreneurship and social enterprise as a model for achieving positive social impact for the community of Mallacoota.

“We know from other collective impact approaches here and around the world it can take between 7-10 years to realise sustainable impact at a community level. For this reason, we are thrilled that Helen Macpherson Smith Trust is making this investment as it is the most critical time after building initial momentum.” Matt Pfahlert, Co-founder & CEO - ACRE

Support from Helen Macpherson Smith Trust sees the project appropriately resourced to continue this critically important work over the next three years, enabling The Wilderness Collective to engage an Executive Officer, and ACRE to continue to deliver programs and support in the community.

Photo: Mallacoota residents Paris Brooke, Tricia Hiley, Meg Allan and Mary O’Malley, part of The Wilderness Collective.



SHEPPARTON COMMUNITY SHARE

Innovating, collaborating and building capacity



A Look Back Feature Story

**Building capacity and collaboration
with four Shepparton-based
*social service providers***



Photo: Participants enjoying an activity provided by ConnectGV.

Background

In 2015 Helen Macpherson Smith Trust piloted a round of place-based capacity building grants in the regional city of Shepparton, focusing on strengthening the effectiveness and efficiencies of organisations servicing needs within the community.

A total of \$109,500 was awarded across four not-for-profit organisations; The Bridge Youth Services Connect GV, Family Care and Primary Care Connect.

The grant enabled the four organisations to undertake interrelated capacity building projects, including the establishment of a formal collaboration known as the Shepparton Community Share. Funding also enabled an external evaluation of the collaboration.

The CEO of FamilyCare, David Tennant, reflected on the value of the Trust's approach in listening to, and empowering, local voices.

'Shepparton is a community that has attracted considerable social policy reform attention across levels of government. Not all of that attention has included or even sought local input to help understand challenges and develop relevant, sustainable approaches. Helen Macpherson Smith Trust's grant helped us to develop our partnership, encouraging us, rather than directing us. The fact we are still going strong over eight years later, shows how useful that approach was.'

David Tennant, CEO - FamilyCare



As the collaboration developed, the four partner organisations, with the support of an external facilitator, gained high levels of consensus and trust. The most notable outcomes of the formal evaluation were the commitment to share services, the removal of elements of competition and conflict, and more effective and coordinated service provision.

Eight years on

Now into its eighth year, Jacinta Russell, CEO of ConnectGV, shares how the Community Share collaboration continues to bring value to those involved.

'I joined ConnectGV in July 2022 and was welcomed warmly by my new Shepparton Community Share CEO colleagues. Meeting regularly and chatting on the phone and over email provided me with a level of support that I was not expecting when taking on my new role. I instantly felt the trust and authenticity within the group with everyone working collaboratively supporting each other and the community at large.'

What Shepparton Community Share has created over the last 8 years is a professional collaborative CEO team leading our organisations to help our communities both individually and collectively. There is no sight or sound of competition or conflict, but rather the building of relationships amongst our four organisations at all levels which improves the outcomes for our community.'

Jacinta Russell, CEO - ConnectGV



Investment and Finance

Investment and Finance

Helen Macpherson Smith Trust is a perpetual charitable trust whose principal activities are to hold Helen's residuary estate (corpus) in trust, to invest the corpus to grow its real value, to earn income from the corpus and to distribute that income to charitable institutions situated in Victoria and charitable purposes in Victoria. The corpus has grown from an initial bequest of £275,000 (\$550,000) in 1951 to \$150m as at 30 June 2023. More information on this remarkable story of growth is available [here on the website](#).

Investment objective

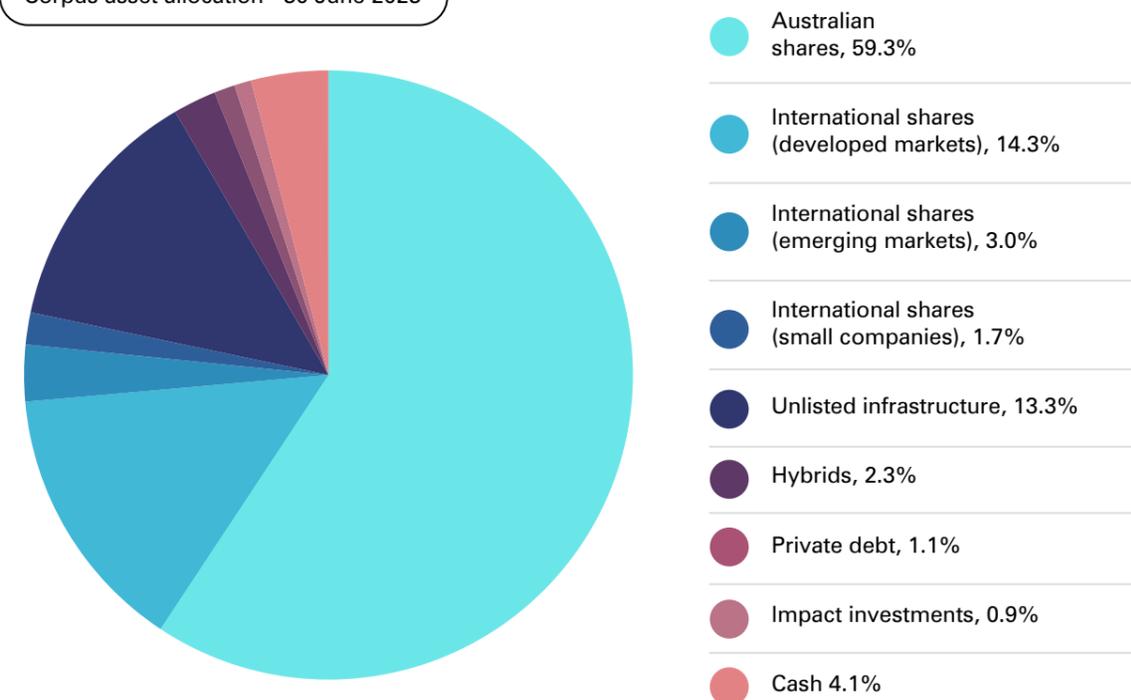
The objectives of the Trust's investment mission are twofold: firstly, to achieve long-term appreciation of the value of the corpus, ahead of inflation, and secondly to generate sufficient income to fund the annual grant giving program and operating expenses. The Trust prioritises long-term growth in the value of the corpus to ensure support for Victorian communities in perpetuity.

The Trust's overall investment objective is a total investment return of Consumer Price Index (CPI) + 5.5% over rolling 20-year periods. Of the total expected annual investment return, long term capital returns are targeted at CPI + 1.0% p.a. and income returns are targeted at 4.5% p.a. to cover granting and operating expenses.

Asset allocation

The Trust operates in perpetuity and cannot grant out of capital. These two features allow the corpus to have a high allocation to growth assets (86.7% as at 30 June 2023). The Trust maintains a high allocation to Australian equities (59.3% as at 30 June 2023) due to the attractiveness of refundable franking credits.

Corpus asset allocation - 30 June 2023



Investment performance

Despite the challenge of a high inflationary environment and higher interest rates, the corpus performed strongly, generating a total return (including franking credits) of 16.8% for FY23, outperforming our long-term objective of 11.5% (CPI+5.5%) by 5.3%.

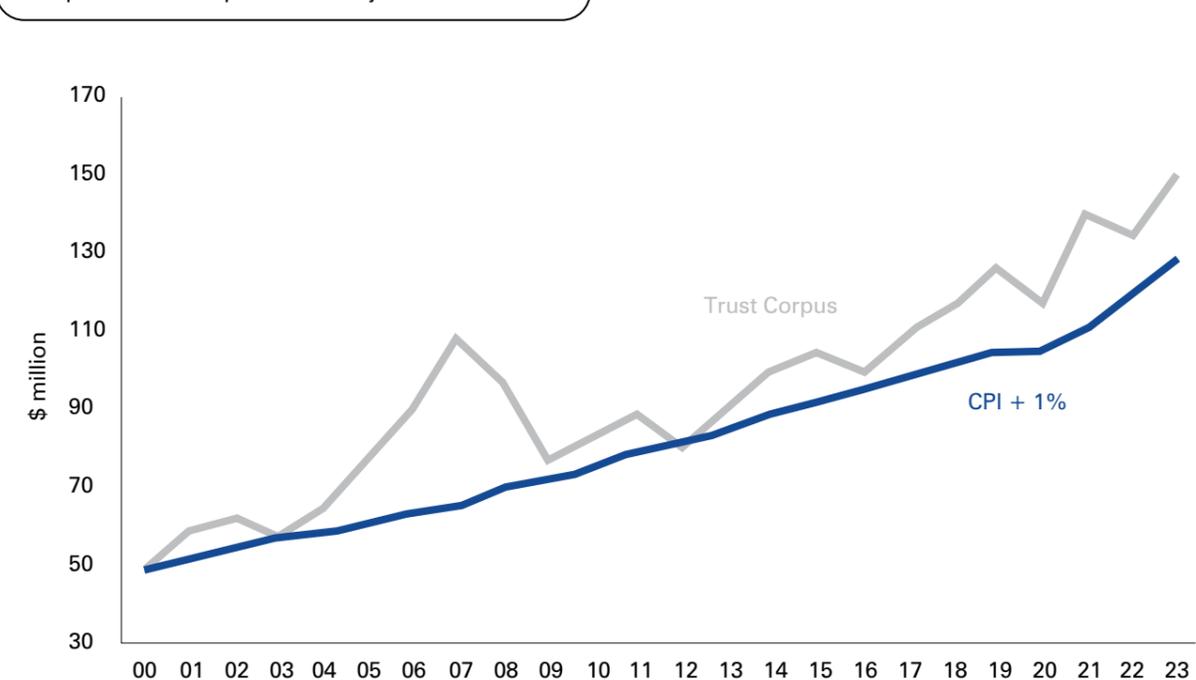
The strong rebound in listed markets resulted in our Australian shares returning 17.1% and international shares returning 19.2%. Total returns were also assisted by our allocation to unlisted infrastructure, which returned 10.2% for FY23.

As at 30 June 2023	1 year	3 years	5 years	10 years
Corpus: total return % pa (including franking, net of fees)	16.8%	12.8%	9.5%	10.0%
Objective: CPI+5.5% pa	11.5%	10.8%	8.9%	8.2%
Over/(under) performance	5.3%	1.9%	0.6%	1.8%

It was pleasing to note, over the past 10 years the total return on the corpus outperformed its objective by 1.8% p.a. The total return objective of CPI+5.5% could be considered ambitious, albeit appropriate for a fund in perpetuity.

Excluding income returns, the value of the corpus continues to outpace inflation over the longer-term. The chart below shows how the value of the corpus (which excludes income earned) has changed since 2000 and compares that with the increase in CPI + 1% (our capital return objective). The corpus finished the year at \$150m, an all-time year-end high.

Corpus value vs capital return objective of CPI + 1%



Responsible investment

To avoid circumstances where the Trust’s investment activities are inconsistent with the objectives of the Trust’s granting activities, the Trust has a principles-based responsible investment policy that aims to balance responsible investment with the need to generate returns.

The Trust manages its Australian equities portfolio internally on a passive basis, enabling us to take advantage of our tax-exempt status (particularly franking credits) and also giving us the flexibility to screen out stocks not in line with the Trust’s vision and granting strategy. The Trust utilises the S&P/ASX50 Franking Credit Adjusted Daily Total Return (Tax Exempt) Index benchmark modified for negatively screened stocks. Stocks currently screened out are Aristocrat Leisure (gambling), Endeavour Group (alcohol), The Lottery Corporation (gambling) and Treasury Wine Estates (alcohol).

The Trust’s developed market equity exposure is invested in the Vanguard Ethically Conscious International Shares Index Fund. This fund tracks the FTSE Developed ex Australia Choice Index which excludes companies with significant business activities involving fossil fuels, nuclear power, alcohol, tobacco, gambling, weapons, adult entertainment and conduct-related controversies.

The Trust is invested in two unlisted infrastructure funds: the Utilities Trust of Australian (UTA) and the IFM International Wholesale Infrastructure Fund. The managers of both funds are signatories with the UN Principles for Responsible Investment and have responsible investment strategies and climate change policies (net zero by 2050) which embed Environmental, Social and Governance (ESG) factors into their respective investment processes. In 2023, the UTA fund scored 97% from GRESB (an organisation that produces internationally-recognised benchmarks to track ESG performance) against a peer group average of 87% and was placed 2nd out of 26 in the peer group.

During FY23, the Trust made an investment into the Community Capital Credit Fund (CCCF). CCCF is a fund of funds that invests in global private debt with the added goal of supporting the growth of social purpose charities which have the potential and capability to create meaningful and measurable social impact in Australian communities. Management fees earned by CCCF (net of operating costs) are granted to early-stage social purpose charities to grow and scale their

impact across Australian communities. Each of the underlying managers of CCCF are UN Principles of Responsible Investors signatories with ESG fully integrated into their investment processes. CCCF is negatively screened at the underlying manager level with the following exclusions applied: fossil fuel explorers/miners/energy generators, gambling, tobacco, alcohol, pornography, live animal exports, nuclear and controversial weapons.

The Trust is currently invested in four impact investments which aim to deliver both a market return and a measurable social or environmental return:

- the Murray Darling Basin Balanced Water Fund aims to restore threatened wetlands and ecosystems across the Southern Murray Darling Basin.
- the COMPASS social impact bond (SIB) seeks to improve outcomes for young Victorians transitioning from out-of-home care to independent adult living.
- the Living Learning SIB provides support to 15-21 year olds persistently not engaged in education, employment or training and who have a mental health condition to facilitate higher levels of engagement in secondary education.
- the Side by Side SIB aims to help students (prioritising Aboriginal students) in Years 1 to 4 who are chronically absent from school.

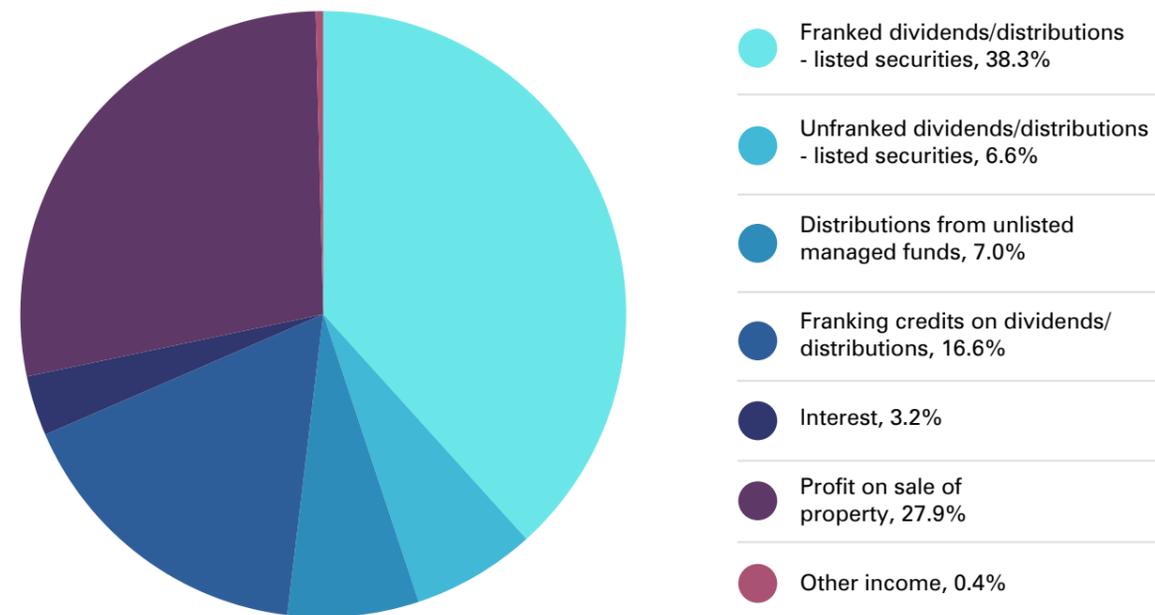
Investment management expenses

In addition to managing Australian shares internally, investment operations are undertaken internally to maximise control and minimise costs. During FY23, the total investment expenses amounted to 0.36% of the corpus, including direct investment costs incurred internally, investment consultant fees paid to Frontier and investment management fees paid to external managers of international shares, unlisted infrastructure funds and private debt.

Operating results

Revenue (excluding realised and unrealised gains on investments but including franking credits) of \$10.1m was earned on the corpus during FY23, down 29% on the \$14.2m earned in FY22. Capital Account revenue decreased by \$5.0m from \$8.1m in FY22 to \$3.1m in FY23 due to the off-market share buy-backs in FY22 offset by the realised gain on the sale of 27 Windsor Place. Income Account revenue increased by \$0.8m from \$6.1m in FY22 to \$6.9m in FY23.

Total revenue composition FY23



Operating expenses of \$1.2m were incurred during FY23 in administering the Trust to achieve its objectives and were slightly lower than those incurred in FY22 (\$1.3m).

An operating surplus of \$8.8m was generated in FY23, significantly lower than the \$12.9m generated in FY22 due to the franked dividends received from participating in the off-market share buy-backs in FY22. \$3.0m of the operating surplus was capital in nature and remains in the Capital Account (this relates principally to the realised gain on the sale of 27 Windsor Place). The operating surplus on the Income Account of \$5.8m enabled \$4.7m grants to be approved during FY23 and \$0.8m to be capitalised to the Capital Account. The balance on the Income Account of \$3.2m at 30 June 2023 is reserved for emergency granting and to maintain the Trust’s granting capacity should income levels decline in future years.

Helen Macpherson Smith Trust

Statement of financial position as at 30 June 2023

	2023	2022
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	10,620,664	5,599,676
Trade and other receivables	2,689,639	4,730,722
	13,310,303	10,330,398
NON-CURRENT ASSETS		
Investments in financial assets	145,707,570	126,852,168
Property, plant and equipment	18,445	2,446,332
	145,726,015	129,298,500
TOTAL ASSETS	159,036,318	139,628,898
CURRENT LIABILITIES		
Trade and other payables	75,028	61,641
Grants approved but unpaid	3,469,784	2,213,264
Employee benefits	84,070	78,250
	3,628,882	2,353,155
NON-CURRENT LIABILITIES		
Grants approved but unpaid	2,240,000	1,417,293
Employee benefits	954	176
	2,240,954	1,417,469
TOTAL LIABILITIES	5,869,836	3,770,624
NET ASSETS	153,166,482	135,858,274
ATTRIBUTABLE TO:		
CAPITAL ACCOUNT²		
Capital reserve	120,975,371	117,128,309
Investments revaluation reserve	28,988,485	15,822,070
	149,963,856	132,950,379
INCOME ACCOUNT		
Retained surplus	3,202,978	2,939,828
Investments revaluation reserve	(352)	(30,933)
	3,202,626	2,908,895
TOTAL ACCUMULATED FUNDS	153,166,482	135,859,274

² The Capital Account value, including the land and building at market value, as at 30 June 2022 is \$134,144,053.

Helen Macpherson Smith Trust

Financial Summary

Statement of surplus or deficit and other comprehensive income for the year ended 30 June 2023

	2023	2022
	\$	\$
REVENUE		
Franked dividends/distributions	3,855,925	8,817,013
Unfranked dividends/distributions	666,529	594,241
Managed fund distributions	709,734	875,947
Imputation credits	1,668,398	3,787,807
Interest income	325,093	61,823
Profit on sale of property	2,808,010	-
Other income	45,000	45,000
	10,078,689	14,181,831
EXPENSES		
Depreciation and amortisation	(43,645)	(61,701)
Employee benefits	(718,337)	(744,222)
Investment expenses	(130,358)	(112,879)
Other operating expenses	(247,974)	(277,438)
Loss on scrapping of plant and equipment	(20,634)	-
Trustees' commission	(84,579)	(98,096)
	(1,245,527)	(1,294,336)
OPERATING SURPLUS	8,833,162	12,887,495
Net grants approved during year	(4,701,491)	(4,200,000)
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES	4,131,671	8,687,495
Change in fair value of investments	13,176,537	(14,448,297)
SURPLUS/(DEFICIT) AFTER CHANGES TO THE FAIR VALUE OF FINANCIAL ASSETS	17,308,208	(5,760,802)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	17,308,208	(5,760,802)
Attributable to Capital Account	16,213,477	(6,357,557)
Attributable to Income Account	1,094,731	596,755
	17,308,208	(5,760,802)

People

Our Trustees

Helen Macpherson Smith Trust is governed by a Board of Trustees responsible for governance of the Trust's grant making, investment and finance functions.



Catherine Walter AM,
Chair



Alexandra Gartmann



Claire Higgins
(retired 2 March 2023)



Bruce Parncutt AO



Janice Robins



Andrew Sisson AO



Danielle Toon

Investment Committee

Andrew Sisson AO, Chair

Catherine Walter AM

Bruce Parncutt AO

Janice Robins

Debra Morgan (ex-officio member)

Glen Thomson (ex-officio member)

Our Team

Debra Morgan, Chief Executive Officer

Glen Thomson, Finance Executive

Nick Doherty, Executive Assistant and Office Manager

Katie Costello, Program Manager (August 2022 - January 2023)

Sharon Nathani, Program Manager (from January 2023)

Bridgette Hardy, Project Officer (to January 2023)

