

HELEN MACPHERSON SMITH TRUST
Annual Report 2012



HELEN MACPHERSON SMITH TRUST
is an independent perpetual philanthropic
trust established by Helen Macpherson
Schutt (*née Smith*) in 1951 for the benefit
of Victorian charitable institutions.

We approve grants to a wide variety of eligible
charities and a diverse range of projects
that seek to benefit the people of Victoria.



27



2	Our Founder and Her Legacy
3	Chairman's and Chief Executive's Report
6	Case Studies
16	2012 Grants
19	Investments & Grants: An historical perspective
20	Financial Summary
24	Investment Review

TRUSTEES

Darvell M Hutchinson AM
Chairman

Frances H Awcock AM

The Hon C Roderick Kemp

Winsome M McP McCaughey

Dr Philip J Moors

Keith B Smith

STAFF

Andrew D Brookes
Chief Executive

Anthony H B Baird
Investments Executive

Darren J McConnell
Finance Executive
UNTIL AUGUST 2012

Lin Bender AM
Grants Manager
FROM AUGUST 2012

Sarah C Bartak
*Grants Program Officer
& Communications Officer*
UNTIL MAY 2012

Pamela J Beech
*Executive Assistant &
Office Administrator*
UNTIL FEBRUARY 2012

Dianne Street
Accountant/Administrator

Michelle Springall
*Executive Assistant,
Administrator and
Communications Officer*
FROM JULY 2012

INVESTMENT COMMITTEE

Darvell M Hutchinson AM
Chairman

The Hon C Roderick Kemp

Dr Philip J Moors

Thomas P V Cameron

Richard P Sinclair

Anthony H B Baird

Andrew D Brookes

Darren J McConnell
UNTIL AUGUST 2012

CONSULTANT

William S Couche
Grants Consultant
UNTIL AUGUST 2012

BANKERS

National Australia Bank

LEGAL ADVISERS

Freehills

AUDITORS

BDO

CONTACT INFORMATION

27 Windsor Place
Melbourne Vic 3000
Australia

T (+61 3) 8370 2699
E info@hmstrust.org.au

www.hmstrust.org.au

Guidelines and forms for
grant applications are
available on our website.

Our Founder and Her Legacy

The net worth of the Helen Macpherson Smith Trust's funds at 30 June 2012 stood at \$84 million.

Grants totalling \$5.5 million were approved in the year bringing aggregate grants to \$96.4 million since the Trust was established.

The life of Helen Schutt was not one that made headlines. She lived comfortably and quietly, first in Melbourne, then in Europe, secure in the financial and social legacy of her family.

Helen was particularly fortunate in her forebears: on both sides they were hard working and energetic Scottish immigrants. On the Macpherson side they were good judges of land and excellent farmers while the Smiths were entrepreneurs with a talent in business, particularly as timber merchants. Helen was born Helen Macpherson Smith in Scotland in 1874 to her Scottish father, Robert Smith, and her Australian mother of Scottish descent, Jane Priscilla Macpherson.

Helen attended school in Scotland, Europe and Australia.

In 1901, aged 27, Helen married William John Schutt. He was 33 years old, a barrister, raconteur, Essendon footballer and later to become a Justice of the Victorian Supreme Court. Of the 22 years of their married life in Melbourne, little is known. They had no children and Helen's name rarely appeared in the social pages of newspapers or magazines.

It is through the reporting of William's life, especially after his retirement from the bench, that we learn something of Helen's life in Europe, where she lived from early in 1924 until her death in 1951.

In Europe, Helen travelled widely, living mainly in both Switzerland and the south of France. She and William made extensive trips together in Europe, their activities widely reported in the press.

William Schutt died in 1933, aged 65, after an accident on board ship while returning to

Australia from one of his many visits abroad to travel with Helen.

In April 1951, while living at the Hotel Majestic in Cannes on the French Riviera, Helen contracted pneumonia and died.

Helen's story could have ended there but for the fact that on her death she left £275,000 (\$550,000), being the majority of her considerable wealth, to establish a philanthropic trust to benefit Victorian charities.

Despite this generous benefaction, Helen was buried in a pauper's grave in the Saint Pierre cemetery in Marseilles. Later, acting on instructions from solicitors, her body was exhumed and her remains cremated in accordance with her wishes. Helen's ashes were cast to the winds in the Marseilles cemetery. No tombstone or monument existed in honour of her lasting legacy to society, until the Trustees unveiled a monument beside her parents' graves in the Smith family plot in the Melbourne General Cemetery on St Andrew's Day 2001, to commemorate the 50th Anniversary of the Trust.

The capital value of the Helen Macpherson Smith Trust at 30 June 2012 was \$79.8m, and in the year to June 2012 the Trustees approved grants of \$5.5m to fund a range of Victorian charities across most sectors of community life. The grants made are detailed in this Report.

As a perpetual legacy, Helen's Trust will continue indefinitely. Her forebears — both Macphersons and Smiths — were strong, energetic and resourceful. Many family members contributed much to the advancement of Australian colonial life. It is fitting that the financial legacy of Helen and her family continues to leave a lasting mark on Australia and its people.

Chairman's and Chief Executive's Report

It is always a rewarding, and somewhat humbling, experience to report on the philanthropic activities of the Helen Macpherson Smith Trust.

Over the past year the Trust continued its active role across the community, providing over \$5 million in grants to more than 90 organisations. Indeed, the Trust has accomplished much since the death of our benefactor Helen M. Schutt (née Smith) 61 years ago, in providing financial support to a wide range of organisations across Victoria.

Over the years, recipients have included organisations working in the areas of community health, those assisting disadvantaged people in society, for education and vocational training, for the arts and cultural activities, and for general community welfare.

In making grants, the Trustees aim to support projects that add value to the community at large, that are innovative, have positive flow-on effects that have a strong developmental focus and are based on a sound strategy. The organisations funded met all of these key criteria, especially in terms of achieving positive outcomes on a range of different levels.

Several of the grant recipient organisations are highlighted later in this report, where we report in detail on their specific projects and the progress made during the latest year. While some recipients received one-off funding for their projects, the Trust is assisting a number of organisations undertaking longer-term, or ongoing, programs who are being supported as part of a multi-year funding commitment.

Making the Money

The past year was once again extremely difficult in terms of the broader economic and investment conditions prevailing across global financial markets. The period was characterised by ongoing volatility on equities markets, while lower interest rates also impacted returns on cash holdings.

The Trust's gross income at \$7.0 million was nearly \$1 million lower than in 2011 — the difference being mainly due to no share buybacks being conducted during the year.

The Trust's corpus reduced from \$94 million to \$84 million compared with 2011, while the return achieved on funds employed declined from 8.9%

to 8.3% — still a relatively strong return considering the negative returns experienced by many other organisations over the same period. The return included options income of \$580,000 in 2012, up from \$235,000 in 2011.

Managing the Money

The Trust's operating costs increased during the year, totalling \$1.5 million compared with \$1.3 million in 2011. Reflecting the reduced revenue in the period, the ratio of costs-to-revenue increased from 15% to 21%. We plan to see this lower.

A key milestone during the past year was the purchase of an office building in the Melbourne central business district for use by the Trust. The building, located in Windsor Place, was purchased in October 2011 and refurbished prior to occupancy in March 2012. After 60 years, mostly in rented premises, it was felt time for the Trust to have its own offices. As well as being an asset of the Trust, the building provides a professional and comfortable working environment for the organisation's staff to direct and administer our ongoing philanthropic activities.

Trustees

The efforts of the Trust in working across the community would not be possible without our six Trustees, and we recognise their untiring efforts, wise counsel, input and guidance of the Trust's affairs.

Staff

Our team of highly dedicated staff continued to provide excellent support to the Trust and its activities.

Tony Baird has continued to manage the Trust's investment operations effectively in difficult market conditions, and Dianne Street has kept the Trust's financial records accurately. The Trust also welcomes the appointment of Michelle Springall, who joined in July as Executive Assistant, Administrator and Communications Officer.

Pamela Beech — who was an Executive Assistant and Office Administrator — left the Trust in February after nine years. We thank Pamela for looking after the Trust's administrative roles over those years. Sarah Bartak, Grants and Communications Officer, also left the Trust after six years. We greatly appreciate the contributions she made

Trustees



Darvell M Hutchinson AM
Chairman of Trustees



Frances H Awcock AM
Trustee



The Hon C Rod Kemp
Trustee



Winsome M McP McCaughey
Trustee



Dr Philip J Moors
Trustee



Keith B Smith
Trustee

over a number of years to our grant making role, especially to grants made in the arts area and to improving the professionalism of the Trust's communications.

The role of Bill Couche, who kindly acted as a consultant on the grants front, concluded after the end of the year following the appointment of Lin Bender as Grants Manager. Lin brings great experience to the Trust from her wide background in the not-for-profit sector.

The Finance Executive, Darren McConnell left the Trust in August after seven years to pursue career opportunities. His support to the Trustees and his introduction of robust accounting and office procedures has been greatly appreciated.

Our two volunteers, Carol Nugent and Anthea Robinson, have completed their assignments, leaving behind organised filing systems and reports on the grants made under the Macpherson Smith Community Alliance (a partnership with the Victorian Government). We sincerely thank Carol and Anthea for their dedicated volunteering.

Giving the Money

As detailed more generally above, the Trust awarded grants of \$5.5 million during the year to 91 organisations.

In August 2011 the Trustees reviewed the Trust's grantmaking strategy. To attempt to increase the effectiveness of the Trust's grant making, funding is now targeted into the following areas:

- Rural and Regional Victoria;
- Employment and Vocational Training;
- Land Stewardship, and
- Work is being conducted on initiatives in the arts and medical research.

A tighter grant making focus should improve the impact of the Trust in terms of funding to priority areas.

In these areas of interest, the Trust allocates funds to Small Grants (one-off grants of \$25,000 and under) and to Impact Grants. Impact Grants are taken by expressions of interest and the Trustees are keen to enhance the impact of these grants by partnering with other organisations and ensuring that leverage is achieved via other funders and in-kind support.

Some of the major grants provided by the Trust include:

- > \$215,600 over two years to the Sacred Heart Mission to lead a partnership with the Inner South Community Health Service, MIND Australia and VincentCare Victoria to undertake a two year project in the area of long-term homelessness and trauma. The *Development of an innovative trauma informed service framework for people who experience long-term homelessness* project reflects best practise models of service delivery and responds in a more effective and targeted way to the needs of people who are affected by long-term homelessness and trauma. The longer term aim is to end the recurring episodes of homelessness in their lives.

- > \$300,000 to St Vincent's Institute of Medical Research in support of the development of a new Biobank. The Helen Macpherson Smith Biobank coordinates and stores new and existing biological samples for use in research. With access to these samples researchers will be able to maximise opportunities for research on human disease including diagnosis, prevention and therapy.

- > \$210,000 to Kildonan Child and Family Services for a three year project to develop a model, in association with Lend Lease and the Shire of Melton, which targets individuals and families living in the growth areas of Melbourne. Focusing on new housing developments, the model supports developing communities to establish sustainable place-making foundations and creates a developmental approach to planning housing and community infrastructure in growth areas.

- > \$201,000 over three years to Western Chances for their Program Management project. Many talented and motivated young people in Melbourne's West face financial, social and cultural barriers that prevent them from fulfilling their potential because they cannot participate fully in education, take up job training opportunities or, pursue further studies. Western Chances provides merit-based tailor-made scholarships and opportunity programs to young people. The Trust's grant enables Western Chances to maintain and develop education and employment partnerships, to seek further scholarships for students and to build the strength and sustainability of the program.

Outlook

Economic and investment conditions remain difficult to predict, especially in the immediate aftermath of the large austerity measures announced recently in Europe and the United States, and with a possible restrained outlook ahead for the Asian region. These uncertainties continue to plague global investment markets and, for the near-term future at least, there is likely to be significant volatility in markets generally.

The Australian economy remains heavily dependent on the growth prospects of our major trading partners and, for this reason, it is difficult to make meaningful economic and financial forecasts with confidence.

Nevertheless, the Trust remains committed to its objectives and looks forward to achieving cautious growth so as to continue, and to maximise, our important grant making role in the State of Victoria.

Darvell M Hutchison AM
Chairman of Trustees

Andrew Brookes
Chief Executive

Staff



Andrew Brookes
Chief Executive



Anthony Baird
Investments Executive



Lin Bender AM
Grants Manager



Michelle Springall
*Executive Assistant,
Administrator and
Communications
Officer*



Dianne Street
*Accountant &
Administrator*

Case Studies

Helen Macpherson Smith Trust
Enabling Growth

6

7



+

6630005150



McAuley Community Services for Women, a ministry of the Sisters of Mercy, provides accommodation, support and advocacy for women and their children who are experiencing homelessness, resulting primarily from family violence or mental illness.

The organisation, formed in 2008, works collaboratively with governments and other organisations to advocate on behalf of, and plan services for, these women and their children.

Women who have been exposed to family violence, homelessness or mental health issues often experience great difficulty in finding employment because of a lack of self-confidence and access to appropriate resources and support.

The McAuley Works Employment program – developed with the support of the Helen Macpherson Smith Trust in 2011– piloted an intensive employment program that assists women to address the vocational and non-vocational barriers to employment. The flow-on effects of women being employed cannot be overstated and impacts their children, family and the wider community.

The phenomenal response to this program is testament to the huge gap in existing employment services and the confidence the sector has shown in McAuley Works. During the past year the program has assisted more than 100 women – more than double the number originally anticipated.

The second stage of the program is aimed at developing and trialling a new funding model that ensures the sustainability of the program in the long term. Ongoing income has been sought through partnerships with Job Services Australia and Registered Training Organisations, with the income model developed expected to generate 65% of the employment program’s funding. The remainder will be provided by other government avenues and community support.

\$91,782
Project:
McAuley Works

FURTHER INFORMATION
Sally Elford
Fundraising Director
McAuley Community
Services for Women
9261 2050

LEFT
McAuley Works helps women become financially independent by securing meaningful employment.



Mornington Peninsula Youth Enterprises (MPYE) aims to assist young people to develop self-esteem, pride and confidence and become valued members of the community.

MPYE maintains a strong and primary commitment to support young people who are the most disadvantaged, especially those who have been deprived of a stable family life and opportunities for education and training. MPYE receives referrals, support and involvement in schools, community organisations and Juvenile Justice.

The sale of plants is the organisation’s main source of income and provides for its operating costs, including wages and training costs of young people whose participation at MYPE is not government subsidised.

One of MPYE’s youth programs raises mangrove seedlings for Melbourne Water’s Westernport Bay Rehabilitation Program and the Westernport Environment Group.

The Helen Macpherson Smith Trust funded project is to provide the infrastructure for a controllable automatic watering nursery system that mimics the natural environmental mangrove growing conditions. The current system relies on wooden frames and poly sheeting, hand watering and physical movement and replacement of 40,000 seedlings bi-weekly to mimic tidal conditions.

Flooding of the beds in February 2012 resulted in a loss of 20,000 seedlings worth \$40,000; the new watering system would have prevented this loss.

The Trust has provided \$48,000 in funding for the watering system and related equipment to enable improved propagation which will add security to the program, both in terms of the process and consequent income, from the sale of seedlings.

\$48,000
Project:
Tidal Mangrove Seedling Watering System

FURTHER INFORMATION
Vanessa Singleton
Manager
Mornington Peninsula
Youth Enterprises
5977 2976

LEFT
First Year Trainees at work.



Anglicare Victoria is a child and welfare agency providing real and direct services that help vulnerable and marginalised people to build resilience and realise a new sense of future possibilities in which their lives can be good, they feel they belong, and that they can achieve.

The Trust has approved a grant of \$560,000 over two years to Anglicare for the TEACH (Transforming Educational Achievement for Children in Home-based care) program. This is a special program that reflects a clear need to improve educational outcomes for young people living in out-of-home care, so as not to perpetuate and institutionalise their disadvantage. Many of these children experience very poor educational outcomes.

The program, which started in July 2012, will employ two education specialists, who will be embedded into foster care teams in the out-of-home care in one region. Each specialist will provide direct support to up to 18 children, depending on the complexity of each person's needs and the number of different schools involved. A trial will involve young people of school age who have a case plan for them to remain in care for at least six months.

The education specialists will:

- > Assess the cognitive functioning, learning capacity and special educational needs of each child;
- > Assist each child's care team to develop the child's individual education plan;
- > Implement and oversee the plan;
- > Where relevant, directly deliver subject tutoring; and
- > Build the understanding and classroom management capacity of teachers and schools.

There is no doubt that this project will have a significant effect on the way Anglicare conducts its out-of-home care program and, if highly successful, has the potential to radically influence government policy and funding of out-of-home care programs.

The Trust is delighted to be involved in this important initiative.

\$560,000
over two years

Project:
TEACH

FURTHER INFORMATION
Dennis Sherwell
Grants Officer
Anglicare Victoria,
9412 6158

LEFT
Helping improve educational outcomes for children and young people in Out of Home Care.



AXIS Worx (formerly The Wool Factory), is an Australian Disability Enterprise providing supported employment opportunities within a commercial business model to individuals with disabilities. The factory is located in the Horsham region of Victoria.

AXIS Worx was faced with a major change in direction to secure the employment of 43 supported employees as a result of changes in the wool industry. Following extensive research into other potential business projects, it was determined that the processing of electronic waste (E-waste) would be an appropriate area into which to diversify.

The E-waste facility at AXIS Worx has also provided sister organisation, Community AXIS, with the opportunity to place job seekers from the Disability Employment Services program in an environment commensurate with their skills, and which provides them with training and confidence to enter the wider labour market in due course.

The funding sought was for the modification of a 337 square metre section of an existing sheep shed to provide an appropriate E-waste processing area and facilities. Horsham Rural City Council has projected that initially the facility could process up to 100 tonnes of E-waste per annum, and in the process will generate income for AXIS Worx.

The Trust has provided a grant of \$130,000 to enable the E-waste project to proceed.

\$130,000

Project:
E-Waste Facility Development

FURTHER INFORMATION
Bill Schmidt
Manager
AXIS Worx
5381 1622

LEFT
Staff at AXIS Worx enjoying E-waste processing in the new purpose-built facility.



Chamber Made Opera occupies a unique position among opera, new music and music theatre companies, providing contemporary chamber opera and music theatre of the highest quality to Victoria audiences.

Earlier this year, the Trust provided funding for a pilot access program involving two primary schools and a community centre, the Kensington Adventure Playground in Melbourne. The program involved Chamber Made Opera and professional music students from the Australian National Academy of Music working with children aged 9–14 to write short contemporary operas based on conversations and stories created with either their grandparents or a loved elder.

The pilot was based on a successful model developed with the London Philharmonic Orchestra.

The children created a puppet performance for their opera, which was performed in front of a live audience including their grandparents/elders, and then undertook a workshop with their elders on how to edit and upload a video of their concert to *YouTube*.

The project had multiple aims, including:

- > Introducing young people to opera and music-theatre as a powerful platform for storytelling and performance making;
- > Opening up opera to new audiences;
- > Helping to bridge the technological divide between generations; and
- > Building social inclusion, a sense of belonging and self-empowerment through storytelling.

Some of the children’s responses to the program were:

- “I am proud of myself because I learnt more songs that I didn’t know”*
- “I wasn’t scared and I SMILED”*
- “I made the fat suits and badges for the policemen”*
- “I was proud playing the drums”*
- “I’m proud of participating for the show and being the leader of the drum and gong part”*

\$13,600

Project:
Pilot Access Program

FURTHER INFORMATION
Tim Stitz
Executive Producer
Chamber Made Opera
9090 7095

LEFT
Playing with shadows –
The children of the Venny
with Chamber Made Opera.



La Trobe University is one of Victoria’s leading universities, and has five regional campuses. Its Centre for Sustainable Regional Communities is an active community development agent that supports partnership projects with regional and rural communities, which face a range of economic, environmental and social challenges.

The Trust has provided \$300,000 over three years towards a project aimed at re-establishing the productive capacity and ecological integrity of degraded lands found within the northern plains and foothills of central Victoria.

Land degradation persists across a wide area of rural and regional Australia, with 32,000 hectares of dryland cropping and grazing lands in North Central Victoria now degraded by salinity.

The R.E.N.E.W project will build on highly successfully community-based restorative models developed to rehabilitate the Kamarooka salt-land. The resultant outcomes and associated scientific evidence from the Kamarooka project have been acknowledged worldwide and open up the possibilities for land and soil reclamation on a much larger scale.

The R.E.N.E.W project aims to engage volunteers from across the North Central Victorian region to reconnect them with the land, and each other, by working productively to restore private and public land, demonstrating that motivated communities in catchment areas can have a positive impact in repairing degraded wasteland.

\$300,000

over three years
Project:
Regenerate, Environment, Nurture, Engage, Wellbeing (R.E.N.E.W)

FURTHER INFORMATION
Mark Clisby
Director Research
Services Division
La Trobe University
9479 1464

ABOVE
Northern United Forestry
Group’s rehabilitation
site at Kamarooka. The
NUFG are partners in
the Trust’s project.



Moonya Community Services provides a range of services to people with a disability in the South West Gippsland area of Victoria.

The organisation aims to fulfil the aspirations for life of people with a disability and one of its projects offered through the Gardening Service produces kindling – this provides additional and continual work for people with a disability. A benefit of the service is that it stops the waste product from going to landfill and reduces the requirement for trees to be cut down for kindling. The service employs around 18 people with disabilities and three support staff. Production capacity is currently around 100 tonnes with a target of 600 tonnes by 2014.

With production capacity having increased substantially already, Moonya’s Disability Enterprise had a strong need to purchase its own forklift to enable the more efficient transport of kindling bags and, importantly, to provide the ability to develop the business and employ more staff, thereby increasing employment for people with disabilities in the region.

As the business develops, there will also be a major benefit to the environment through increased recycling of forestry waste and reduced landfill.

The Trust was delighted to be a partner with Moonya in this important and beneficial project, and we congratulate the Moonya team for their fine work in the community.

\$25,000
Project:
Forklift Purchase for Disability Enterprise

FURTHER INFORMATION
Jodie Baker
Deputy CEO
Moonya Community Services
5672 4343

LEFT
The Trust funded forklift for Moonya Community Services has reduced manual handling and will increase production levels.



The Victorian Cooperative on Children’s Services for Ethnic Groups (VICSEG) works to assist recently settled migrant and refugee families around developmental opportunities for their children.

The New Futures training enterprise was established in 2002 to mainly train women to work in the care sector, primarily in child care. Today, New Futures training delivers vocational training across a range of care service areas to more than 800 students a year from a broad diversity of backgrounds.

The Trust has provided a three-year grant to VICSEG for the New Opportunities in Child Care project, which aims to assist individuals from culturally and linguistically diverse backgrounds with enrolment in courses, and with the technicalities of having their homes assessed for suitability for the provision of child care. In addition, the project aims to assist in finding suitable placements for individuals in family day care or other child care settings and ensure that the placement operates productively. It will assist with the implementation of all the requirements associated with establishing the credentials of an individual as a family day care sub-contractor.

The program is assisting with an annual minimum of 60 recently settled refugee and migrant women with additional learning needs through the Certificate III in Children’s Services course and into employment. The project also has the capacity to support the development of discrete family day care enterprises that service the child care needs of families, in particular refugee and migrant communities.

The project funding has been used to establish training hubs in the Brimbank, Hume and Wyndham districts of Melbourne.

\$174,000
over three years
Project:
New Opportunities in Family Day Care

FURTHER INFORMATION
Janet Elefsiniotis
Manager, Programs for Families, Children & Young People
VICSEG New Futures
9353 5820

LEFT
New Opportunities in Family Care training event at Broadmeadows Global Learning Centre

2012 Grants

Small Grants

Up to \$25,000

100 Story Building

www.pigeonsprojects.org
Developing pigeons
\$24,800

Alpha Autism Inc

www.alpha-autism.org.au
Fit Out
\$25,000

Anne McDonald Centre

www.anmemcdonaldcentre.org.au
Enhancing the Communication and Social Skills of Children with Autism Who Cannot Talk by Using iPads
\$16,000

Australian Ballet School

www.australianballetschool.com.au
Nutcracker – The Gift of a Dream: Set and Costume Refurbishment
\$25,000

Ballarat and District Aboriginal Cooperative

www.badac.net.au
Carisbrook Wind Farm Feasibility Study
\$25,000

Banyule Housing Support Group Inc

www.bhsg.org.au
School Retention and Support
\$9,200

Bendigo Science and Technology Museum Inc

www.discovery.asn.au
Renewing Discovery
\$20,000

Berry Street Inc

www.berrystreet.org.au
Latrobe Valley: Our Children – Our Future Scoping Study
\$25,000

Bone Marrow Donor Institute Limited

www.fightcancer.org.au
BMDI Rotary House
\$8,184

Central Highlands Legal Centre Inc

www.communitylaw.org.au/centralhighlands
“Listen to Me” – education kit for young people addressing issues relating to violence and bullying
\$3,232

Cerebral Palsy Support Network

www.cpsn.info
CPSN Support and Information Groups
\$25,000

Christian Emergency Food Centre Inc

www.cefc.org.au
Christmas Hamper Program
\$9,000

Cloverdale Care Inc

Karen (Burmese) Refugee Instant Interpretation
\$4,000

Country Awareness Network (Victoria) Incorporated

www.can.org.au
Getting There
\$5,000

Daylesford Community Brass Band Inc

New Instrument Fund
\$10,000

Dingley Village Community Advice Bureau Inc

www.dvcab.com.au
Children are our future
\$21,040

Elkhuwei Charitable Association for Community Development

Mental Health Education & Training for CALD Communities
\$23,760

Footscray Community Arts Centre Limited

www.footscrayarts.com
Ngargee Djilak – Indigenous dance and training program
\$25,000

Future Employment Opportunities Inc

www.feo.net.au
Getting Back On Track
\$25,000

Gasworks Arts Inc

www.gasworks.org.au
Circus Idol
\$18,000

Golden Memories Karaoke Inc

Taking Golden Memories Karaoke to Aged Care Facilities in East Gippsland
\$6,000

Good Shepherd Youth And Family Service

www.goodshepvic.org.au
Outlandish – Environmental Volunteering
\$19,000

Harm Reduction Victoria (HRV)

www.hrvic.org.au
Connecting outreach services and programs for people who use drugs
\$11,936

Helping Hoops Inc

www.helpinghoops.com.au
After School Southern Program
\$9,476

Humanitarian Crisis Hub

www.crisishub.org.au
Volunteer Support and Development Program
\$24,993

Interchange Central Gippsland Inc

www.icg.asn.au
Marketing Plan Implementation
\$24,000

Jewish Cultural Centre & National Library Kadimah

iprimus.com.au.kadimah
Electronic Screen for Video Entertainment at Wednesday Club Events
\$2,000

Laverton Community Centre & Neighbourhood House

www.lavertoncommunitycentre.com
LEARN. CREATE. CHANGE
\$15,330

LINK Community Transport Inc.

www.linkcommunitytransport.org.au
Public Transport Access
\$25,000

Lost Dogs' Home

www.dogsbhome.com
Ongoing Work of the Lost Dogs Home
\$10,000

Melbourne Bach Choir

www.mbc.asn.au
Western Melbourne Audience Access Project
\$2,000

Mission to Seafarers Victoria Inc (The)

www.missiontoseafarers.com.au
Ship Visiting Program
\$25,000

Monash University

www.monash.edu.au
A Victorian pilot project for Aboriginal Health Worker training in male health
\$13,773

MonashLink Community Health Service

www.monashlink.org.au
Betting On A Better Life: Responsible Gambling and Alternative Recreation Project
\$8,000

Moonya Community Services Incorporated

www.moonya.org.au
Forklift Purchase for Disability Enterprise
\$25,000

Mpower Inc

www.mpower.org.au
We want to learn
\$2,037

Multicultural Arts Victoria

www.multiculturalarts.com.au
Regional Expansion and Diversity Development (REDD) Project
\$25,000

Murray Human Services Incorporated

www.murrayhumanservices.org.au
Disability Clients Life and Work Skills Project
\$2,765

Museum of Chinese Australian History Inc.

www.chinesemuseum.com.au
To support the upgrade of floor covering for new children's Education and Learning Space
\$15,320

Odyssey House Victoria

www.odyssey.org.au
Art Therapy
\$19,327

Old Treasury Building

www.oldtreasurybuilding.org.au
The Old Treasury Building 150th Anniversary Exhibition Program
\$7,000

OneCare Geelong Ltd

www.onecaregeelong.org.au
Kitchen Upgrade
\$13,490

Onemda Association Inc

www.onemda@onemda.com.au
Interactive Activity Trail
\$24,200

Parent-Infant Research Institute

www.piri.org.au
Do stressful experiences in the NICU affect the preterm infant's brain development?
\$25,000

Prison Fellowship Of Australia – Victorian Council

www.prisonfellowship.org.au
Change on the Inside
\$17,500

Regional Information and Advocacy Council Inc

www.riac.org.au
ReconCYCLEation Program
\$25,000

RISE (Refugee, Survivors and Ex-Detainees)

www.riserefugee.org
RISE Educational Program
\$18,150

River Nile Learning Centre Inc

www.rnlc.org.au
Providing IT skills for young refugee women students
\$12,010

Royal Society For The Prevention Of Cruelty To Animals

www.rspcavic.org.au
Young at Heart – Fee Waiver Promotion
\$17,550

Sandybeach Community Co-operative Society Limited

www.sandybeach.org.au
Transition Gateway – Opening the Gates
\$25,000

Self Help Addiction Resource Centre Inc

www.sharc.org.au
Researching the effectiveness of an online sibling support project in rural Victoria
\$22,000

Special Olympics Australia – Victoria

www.specialolympics.com.au/vic
Community Sports Link
\$21,220

St John Ambulance Australia (Victoria) Inc

www.stjohnvic.com.au
Purchase of equipment for rural and regional Victoria
\$22,296

St Kilda Community Housing Ltd

www.stkch.org.au
Second Chance – employment & skills development for rooming house residents
\$5,801

Statewide Autistic Services Inc

www.sasi.org.au
Outdoor activity area/ gazebo
\$10,400

Stawell Intertwine Services Inc

www.intertwine.com.au
Heating/Cooling for Op Shop and Plant Nursery sites
\$16,851

Stroke Association of Victoria Inc

www.strokeassociation.com.au
Extension of Stroke Peer Support Groups (SPSG's) in the South West Region of Victoria
\$25,000

SYN

www.syn.org.au
SYN Studio Space Development – Studio 2
\$25,000

Taskforce Community Agency Inc

www.taskforce.org.au
Money4Jam – providing opportunity to disadvantaged youth
\$21,200

The Old Van Ltd

www.theoldvan.com
The Old Van on the Road – bringing theatre to regional and rural communities
\$16,000

The Wilderness Society Victoria Inc

www.wilderness.org.au
Growing the Central Victoria Biolinks project
\$25,000

UnitingCare – Cutting Edge

www.ucce.org.au
Time For Me (TFM) Youth Group
\$25,000

UnitingCare Ballarat Parish Mission

www.unitingcareballarat.com.au
Living Better with Less
\$25,000

Victorian Aboriginal Corporation for Languages

www.vaclang.org.au
Transcription and publication of the Journal & Language Collection of William Thomas, Assistant Protector of Aborigines at Port Phillip and Victoria, 1839 to 1867.
\$24,400

Wavecare Inc

www.wavecare.org.au
Glencare Bus Outings and Art Therapy Project
\$22,640

Weenthunga Health Network Inc

www.weenthunga.com.au
Planning strategies to contribute to improvements in health of Victoria's First Australians
\$13,400

Women's Health Loddon Mallee

www.whlm.org.au
Around the Table
\$11,660

Impact Grants

Above \$25,000. Grants in this stream can extend over a one, two or three-year period.

Anglicare Victoria

www.anglicarevic.org.au
TEACH (Transforming Educational Achievement for Children in Home-based care)
\$560,000

AXIS Worx

www.communityaxis.com.au
E-Waste Facility Development
\$130,000

Brotherhood of St Laurence

www.bsl.org.au
Understanding employer barriers and benefits in taking on disadvantaged job seekers
\$75,500

Castlemaine Community House

www.cch.org.au
Growing Abundance
\$240,289

Country Education Project Inc.

www.ccp.org.au
Developing Sustainable Digital Learning through a Strong Partnership
\$80,000

Dame Nellie Melba Opera Trust

www.melbaoperatrust.com.au
Repetiteur Chair
\$110,000

FareShare

www.fareshare.net.au
Rural Fresh Food
\$51,000

Kildonan Child & Family Services

www.kildonan.unitingcare.org.au
Sustainable Communities
\$210,000

La Trobe University

www.latrobe.edu.au
Building the Health of Regional Communities through Hands on Involvement in Landscape Repair
\$300,000

Macpherson Smith Rural Foundation

www.msrf.org.au
Strengthening the Foundation: Expansion of Operating Resources
\$625,000

McAuley Services for Women

www.mcauleycsu.org.au
McAuley Works – Building a Financially Sustainable Model
\$91,782

Meadow Heights Community Foundation

www.mhcf.com.au
Joblink 3064 (Phase 2)
\$100,000

Monash University

www.monash.edu.au
Young people transitioning from out-of-home care in Victoria: Examining interagency collaboration, leaving care plans and post-care support services for dual clients of child protection and youth justice.
\$93,835

Palliative Care Victoria

www.pallcarevic.asn.au
Strengthening Quality Palliative Care Through the Updating of the Victorian Palliative Care Volunteer Training Resource Kit
\$39,204

Polyglot Puppet Theatre

www.polyglottheatre.com.au
The Play Box Project: A creative play and installation project targeting disadvantaged young mothers and their babies in Gippsland.
\$110,000

Sacred Heart Mission

www.sacredheartmission.org
Development of an innovative trauma informed service framework for people who experience long-term homelessness
\$215,695

St Kilda Gatehouse Inc

www.stkildagatehouse.org
Navigating A New Path
\$70,184

St Vincent’s Institute of Medical Research

www.svi.edu.au
The Helen Macpherson Smith Biobank
\$300,000

The National Theatre

www.nationaltheatre.org.au
A Master Plan for the National Theatre
\$100,000

VICSEG New Futures

www.vicsegnewfutures.org.au
New Opportunities in Child Care
\$174,000

Western Chances

www.westernchances.org.au
Western Chances Program Management
\$201,000

Westside Circus Inc

www.westsidecircus.org.au
Tumbling Stories
\$100,000

FOR NOTING:

The list represents grants approved in the 2011–12 year and does not include a number of forward commitments for major grants made in previous years.

Investments & Grants

An historical perspective

On her death in 1951, the late Helen Macpherson Schutt (née Smith) left a bequest of £275,000 for the establishment of a charitable trust in perpetuity to benefit all Victorians.

The impact of this lasting legacy from Helen to the people of Victoria is exemplified in a summary of capital growth and grants over the now 61 years of the Trust’s operations.

The value of the investment corpus is approximately \$79.8 million, as reflected in the following table:

CORPUS INVESTMENT		
YEAR ENDED JUNE	BOOK VALUE	MARKET VALUE
1952	550	–
1965	1,049	–
1975	3,270	–
1985	8,748	–
1995	23,388	–
2000	41,046	49,700
2005	64,792	78,189
2006	69,230	90,947
2007	76,828	108,645
2008	83,138	96,889
2009	82,033	76,640
2010	86,318	83,842
2011	84,162	89,516
2012	78,322	79,809

GRANTS

Grants approved from the income earned on these investments have been:

FIVE YEARS ENDED	\$ 000's
1970	93
1975	379
1980	1,324
1985	3,382
1990	7,712
1995	11,676
2000	9,883
2005	20,484
2010	30,389
YEARS ENDED	\$ 000's
2006	4,649
2007	4,400
2008	5,725
2009	10,506
2010	5,109
2011	5,523
2012	5,536
TOTAL GRANTS	96,381

Financial Summary

Statement of comprehensive income for the year ended 30 June 2012

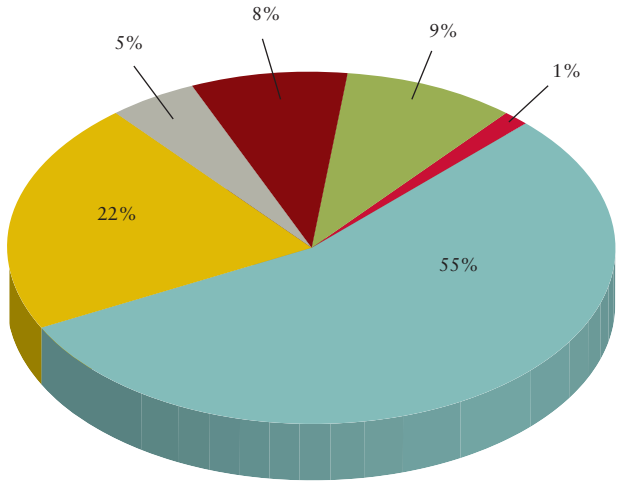
		2012	2011
		\$	\$
REVENUE	Income from investments	7, 016,005	7,963,878
EXPENSES		(1,563,342)	(1,277,404)
OPERATING SURPLUS		5,452,663	6,686,474
	Grants approved during year	(5,536,048)	(5,523,090)
SURPLUS/(DEFICIT) FOR YEAR		(83,385)	1,163,384
	Attributable to Capital Account	(52,064)	(12,500)
	Attributable to Income Account	(31,321)	1,175,884
		(83,385)	1,163,384

Note:

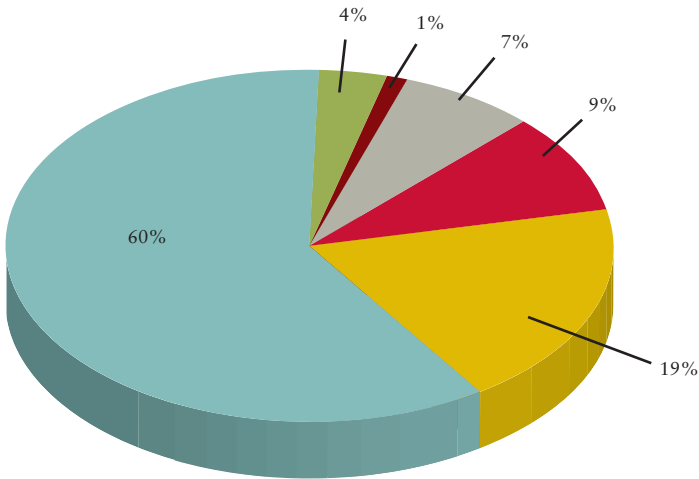
1. There were no share buybacks in the current year, but there were in the prior year.

2. Due to the early adoption of AASB 9, impairment losses are no longer recorded – they are now reflected in the mark to market adjustments on the investment portfolio. Another impact of the early adoption is that profit/losses on sale of investments are now recorded directly in accumulated funds. That is, when an investment is sold, the profit/loss is transferred from the reserve to retained surplus.

Income and Expenditure 2012



Income	
Franked dividends	3,863,944
Franking credits	1,499,289
Unfranked dividends	334,809
Call option premiums	580,240
Interest	657,246
Management fees and other	80,477
	7,016,005



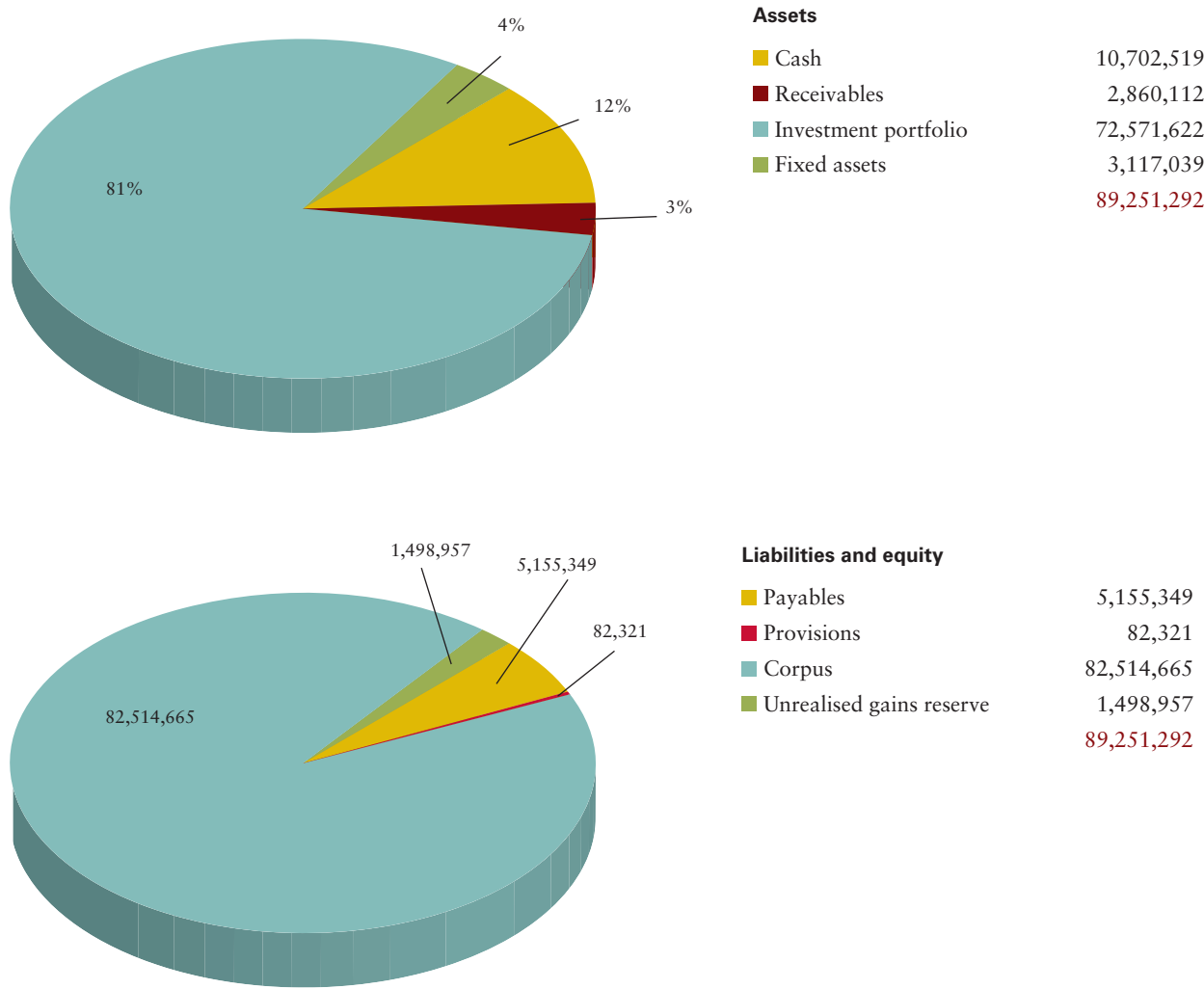
Expenses	
Occupancy	146,952
Investment, finance and grant expenses	295,658
Employment and trustee expenses	936,357
Depreciation and amortisation	55,613
Legal	19,291
Other	109,471

Financial Position 2012

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

		2012	2011
		\$	\$
ACCUMULATED FUNDS	Retained surplus	82,514,665	89,102,931
	Financial assets at fair value through other comprehensive income reserve	1,498,957	5,354,204
		84,013,622	94,556,135
REPRESENTED BY:			
CURRENT ASSETS	Cash and cash equivalents	10,702,519	13,296,712
	Trade and other receivables	2,860,112	3,987,149
		13,562,631	17,283,861
NON-CURRENT ASSETS	Other financial assets	72,571,622	81,831,189
	Property, plant and equipment	3,117,039	39,673
		75,688,661	81,870,862
TOTAL ASSETS		89,251,292	99,154,723
CURRENT LIABILITIES	Trade & other payables	5,155,349	4,551,033
	Provisions	70, 938	47,555
		5,226,287	4,598,588
NON-CURRENT LIABILITIES	Provisions	11,383	–
		11,383	–
TOTAL LIABILITIES		5,237,670	4,598,588
NET ASSETS		84,013,622	94,556,135
Attributable to Capital Account		79,809,032	89,516,453

Assets and Liabilities 2012



Investment Review

The twelve months ended 30th June 2012 were very challenging for investors. Most stock markets around the world fell over the year and interest rates were either cut or were already at historically low levels. Australian markets were no exception. The often-used benchmark for the Australian stock market is the S&P/ASX 200 index – and this fell by 11.1% over the year to a level not seen since the end of 2009. Indeed the market was no higher at the year-end than it had been in late 2004.

The market value of the Trust's investment portfolio at 30th June was \$79.8 million compared to \$89.5 million at the end of the 2011 year. During the year the Trust moved from rented premises into its own office building in the central business district of Melbourne and some \$3.1 million was spent on this acquisition and the necessary refurbishment. Some stock holdings were sold to raise the necessary cash – and the lower valuation of the investment portfolio at year end reflects both this and the overall weakness in the market.

While the Trust benchmarks its short term investment performance to the S&P/ASX 200 index, the Trust has, as its long term objective, the growth of its portfolio (including income received) at the rate of CPI plus 4%, but this was not possible in the difficult year just ended. The capital return, after adjusting for the property purchase, was -10.8%, which was slightly above the broader equity market. This lower capital value was offset, to some extent, by gross income of \$7 million, which represents an 8.8% return on the Trust's portfolio assets including the purchase of the office property. The total return for the year was therefore -2.0%.

Few changes were made in the Trust's actual stock holdings during the year, and the current strategic asset allocation continues to reflect the Investment Committee's view of how to achieve the longer term objective while maximising current income where possible. To this end, the Trust was active in the listed options market, earning \$0.58 million in premium income through the sale of call options on existing holdings of stock. At the year end, about 89% of the investment portfolio was invested in Australian equities, with the balance of 11% in cash or short term deposits.

While consideration has been given to investing offshore, there are several reasons why this was not done in 2012. Firstly, the Australian dollar has remained strong and investing in overseas assets would have been less profitable as a result. Second, Australian companies in general distribute a higher proportion of their profits by way of dividends to their shareholders. Thirdly, those dividends are often accompanied by substantial tax credits, which the Trust is entitled to reclaim in full. This benefit is not available on foreign sourced income. Fourthly, Australian interest rates have generally been higher than elsewhere, although the Reserve Bank of Australia did reduce its target cash rate steadily over the year from 4.75% in June 2011 to 3.50% in June 2012. These cuts did impact the returns available on the Trust's holdings of floating rate debt instruments and term deposits.

The Trust continues to investigate other forms of investment but has not diversified away from its historical asset allocation in Australian dollar denominated stocks, bonds and cash deposits.

The portfolio performance and valuations over the five year period ending 30 June 2012 were as follows:

Year	Portfolio \$ 000's	Performance	ASX 200 Index	Performance
2008	\$97,108	-10.6%	5215	-16.9%
2009	\$76,609	-21.1%	3956	-24.1%
2010	\$83,842	+9.4%	4302	+8.8%
2011	\$89,516	+6.8%	4608	+7.1%
2012	\$79,809	-10.8%	4095	-11.1%

The outlook for the current year is for domestic economic growth to slow down further, for company profits to plateau and for more cuts in domestic interest rates. With this background, the performance of the local stock market will be particularly uncertain this year and the annual income of the Trust will likely be broadly similar to, or somewhat lower, than last year's.

DESIGN

letterbox.net.au

COVER IMAGE

The HMST Office.

Image by Peter Clarke Photography

