



Helen Macpherson Smith Trust

2016 Annual Report



Our Story



2016 in Review



Grants



Financials

Contents



Our Story 1



2016 in Review.....10



Grants.....17



Financials.....35



Our Story

Our Vision	2
Helen Macpherson Smith Trust - Philanthropist	3
Our Team	4
A remarkable growth story	5
\$113,392,578 granted to date	7
Frances Awcock AM in conversation	8

Our Vision

Helen Macpherson Smith Trust is an independent philanthropic trust established by Helen Macpherson Schutt (née Smith) in 1951. Almost \$110 million has been distributed in grants since HMSTrust was established, with a wide range of Victorian charitable institutions and a diverse range of projects benefiting every year.

Our Vision

A strong, just and sustainable Victoria.

Our Mission

Help build fair, creative and resilient Victorian communities through initiatives that promote positive change.

Our Values

Respect. Integrity. Stewardship. Collaboration. Accountability.

Our Strategic Aims

Building. Enabling. Leading.

Helen Macpherson Smith - Philanthropist



Helen Macpherson Smith was a very private woman who left few insights into the type of person she was. Her close friends and relatives described her as thoughtful, kind and caring, and there would be little doubt that this spirit of generosity was central to her interest in philanthropy.

While the founding of the Helen Macpherson Smith Trust in 1951 remains her towering philanthropic achievement, she had been a generous supporter of many causes throughout her life. She was one of the first Life Members of the Lost Dogs Home and gave financial support to the Royal District Nursing Service for 28 years.

Helen Macpherson Smith was born in Scotland on 17 April 1874 and moved to Melbourne with her family when she was aged six months. Her extended family prospered in Australia; the Macphersons in grazing and the Smiths as timber merchants. Her grandfather, John Macpherson, was one of the pioneers of the Canberra district, but his property, 'Springbank', now lies largely under the waters of Lake Burley Griffin. Her uncle, John Macpherson, was briefly the Premier of Victoria in 1869.

In 1901, at the age of 27, Helen married barrister William John Schutt, but there were no children from the marriage. Schutt was a successful lawyer and was appointed to the bench of the Victorian Supreme Court in 1919. Helen left Australia for Europe in 1923 and never returned. William remained in Melbourne but made several trips to Europe over the following decade and travelled extensively with Helen. On a return voyage in 1933 he suffered a fatal fall and was given a ship's burial in the Red Sea.

After William's death Helen divided her time between Switzerland and southern France. She died from pneumonia on 19 April 1951, at the Hotel Majestic in Cannes, aged 77. Despite being a woman of means, inexplicably she was buried in a pauper's grave in Marseilles. Her body was later cremated and her ashes scattered to the winds of the Mediterranean coast, as was her wish. In 2001 an obelisk was erected in the family plot at the Melbourne General Cemetery as a permanent memorial.

On her passing Helen left £275,000, the majority of her wealth, to establish a perpetual philanthropic trust to benefit Victorian charitable institutions. Launched as the Helen M. Schutt Trust, the name was changed to the Helen Macpherson Smith Trust in 2001 to acknowledge the Macpherson and Smith families as the prime source of her legacy.

Wisely, Helen's will instructed her trustees to accumulate the major portion of HMSTrust's income for the first 21 years. By 1972, her original bequest had grown to \$3.9 million, providing a much stronger base from which larger and more effective grants could be made in the future.

In 2016, 65 years after her death, the value of HMSTrust's corpus is \$100 million and over \$113 million of grants have been approved. Though she lived a very private life, the legacy of Helen Macpherson Smith's spirit of generosity will echo through the State of Victoria forever.

Our Team

The HMSTrust management structure is centred around the Board of Trustees, who are responsible for overarching governance and decision-making across the Trust's three key areas of operations: grantmaking, investment, and finance and compliance. In addition to attendance at Trustees' Meetings, Trustees elect to sit on the Investment Committee and the Grants Advisory Committee.

Each area of operation is staffed with skilled professionals who are responsible for delivering on HMSTrust's vision, mission and strategic aims.



HMSTrust Trustees. L-R: Rod Kemp, Cathy Walter, Phil Moors, Fran Awcock, Keith Smith, Winsome McCaughey.

Trustees

Dr Philip Moors AO *Chairman*
Frances Awcock AM (*retired 17 November 2016*)
The Hon Rod Kemp
Winsome McCaughey AO
Keith Smith (*UK-based*)
Catherine Walter AM

For further details of our Trustees, visit the full [Trustees](#) page on our website.

Read the featured interview with [Fran Awcock](#)



HMSTrust staff. L-R: Peter Wetherall, Lin Bender, Lea-Anne Bradley, Michelle Springall, Sarah Bartak, Glen Thomson and our four-legged member of staff, Ryley

Staff

Lin Bender AM *Chief Executive*
Glen Thomson *Finance Executive*
Peter Wetherall *Investment Executive*
Lea-Anne Bradley *Grants Manager*
Sarah Bartak *Grants and Communications Officer*
Michelle Springall *Executive Assistant and Project Officer*

For further details of our staff, visit the full [Staff](#) page on our website.

Grants Advisory Committee

Dr Philip Moors AO *Committee Chairman*
Frances Awcock AM (*retired 17 November 2016*)
Winsome McCaughey AO
Keith Smith
Lin Bender AM

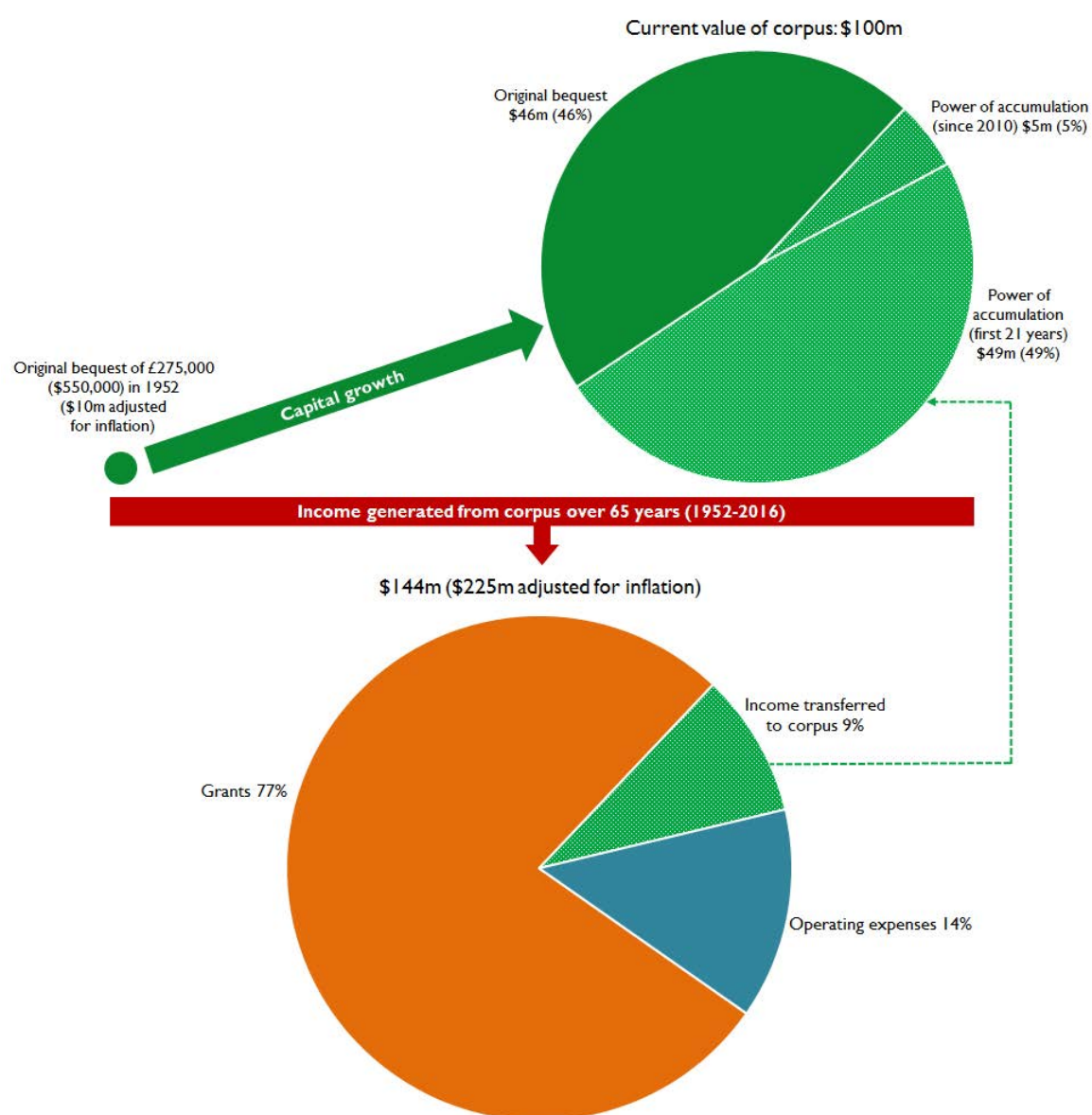
Investment Committee

Catherine Walter AM *Committee Chair*
Dr Philip Moors AO
The Hon Rod Kemp
Peter Wetherall
Lin Bender AM

A remarkable growth story...

“Compound interest is the eighth wonder of the world” - Albert Einstein

From an original bequest of £275,000 (\$550,000), \$144m income has been generated and a \$100m corpus invested for the future.



On her death in 1951, the late Helen Macpherson Schutt (née Smith) left a bequest of £275,000 (\$550,000) for the establishment of a charitable trust in perpetuity to benefit all Victorians.

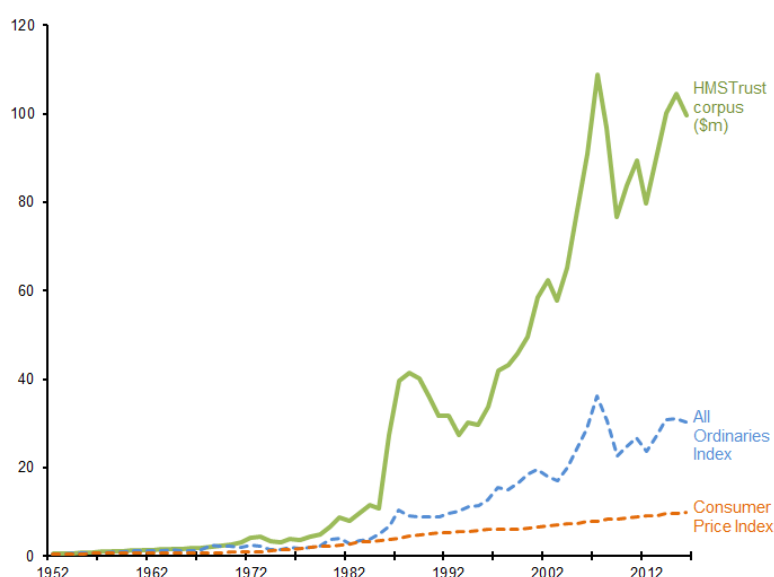
Remarkably, the invested assets of HMSTrust's corpus have grown from the initial benefaction of \$550,000 in 1951 to \$100m today. This exceptional investment performance did not happen by chance.





Firstly, Helen wisely instructed her trustees to re-invest two thirds of the income generated over the first 21 years of the Trust. One of the features of compounding is the substantial benefit gained from strong growth early in the life of a fund. This income from the first 21 years of the Trust now accounts for \$49m (or 49%) of the \$100m corpus. In 2009 the Supreme Court of Victoria approved an Administrative Scheme which again gave the Trustees limited power to accumulate income to corpus. This power of accumulation activated by the Trustees from FY11 now accounts for \$5m (or 5%) of the \$100m corpus.

Secondly, the Trustees made a decision to invest primarily in growth assets (such as Australian equities) which have generated good capital gains (7.2% compound annual growth rate) over the last 65 years. If the \$550,000 had only matched inflation it would be worth as little as \$10m instead of the \$46m it is today.



Finally, but very importantly, HMSTrust has invested astutely in the better performing companies. If the \$550,000 had simply matched the growth of the All Ordinaries Index over the 65 years the corpus would only be worth \$30m today.

At the same time the corpus has generated income of \$144m (or \$225m adjusted for inflation) over the 65 years which has been allocated as follows: \$113m (\$170m) in approved grants, operating expenses of \$21m (\$30m), transfers to corpus of \$6m (\$21m) with the remaining \$4m available for future granting.

\$99,609,498 invested for the future

YEAR ENDED JUNE	MARKET VALUE
	\$ 000's
1952	550*
1965	1,629*
1975	3,181
1985	10,932
1995	29,796
2000	49,645
2005	78,263
2010	83,889
2011	89,516
2012	79,809
2013	89,966
2014	100,217
2015	104,535
2016	99,609

* Figure represents book value (market value unknown)

It is truly a commendable achievement that the original \$550,000 bequest 65 years ago is now a \$100m corpus which has generated \$144m of income which has been used to benefit the state of Victoria.

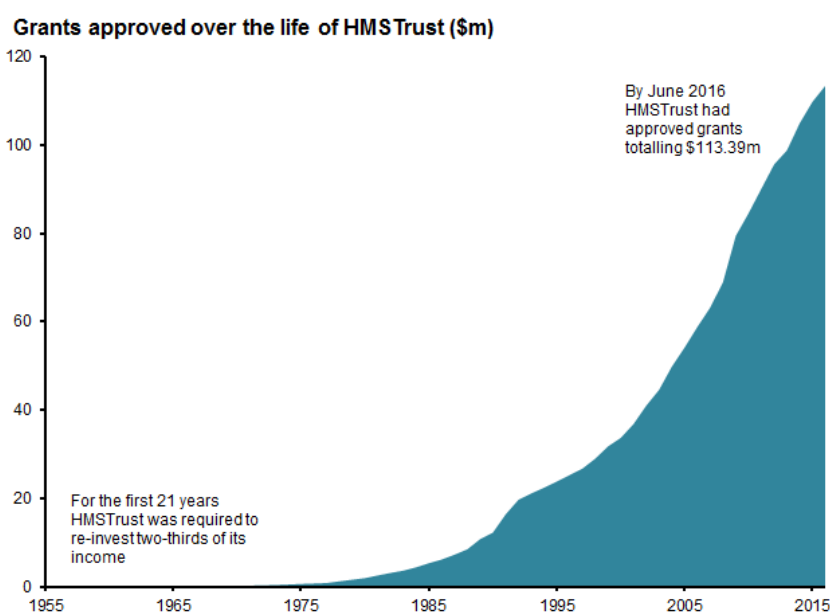
\$113,392,578 granted to date...

The astute investment and management of Helen's original bequest has enabled HMSTrust to approve average annual grants totalling more than \$5m over the past 15 years. By June 2016, 4,615 grants totalling \$113,392,578 had been approved by the Trustees. Adjusting for inflation, this has the equivalent buying power today of \$170m.

Helen's personal philanthropy has guided HMSTrust's grantmaking strategy from its earliest beginnings. Helen M. Schutt (Helen's married name) appears regularly in the listings of charitable donations made to various causes in *The Age* and *The Argus* newspapers from 1916 to 1944.

Helen's commitment to health, children, disadvantaged, regional Victoria and community renewal is reflected throughout HMSTrust's grantmaking history.

Helen Macpherson Smith's spirit of generosity has touched countless Victorians over the last six decades and will continue to do so in perpetuity. Hers is a truly amazing legacy.



Grants approved from the income earned on the corpus

FIVE YEARS ENDED	\$ 000s
1955	47
1960	52
1965	59
1970	93
1975	400
1980	1,324
1985	3,382
1990	6,917
1995	11,556
2000	9,870
2005	20,484
2010	30,388
2015	25,242

YEARS ENDED	\$ 000s
2013	3,159
2014	6,131
2015	4,893
2016	3,579
TOTAL GRANTS SINCE INCEPTION	113,393

Frances Awcock AM in conversation



Frances Awcock AM
Trustee, Helen Macpherson Smith Trust
2007 – 2016

Fran Awcock retired as a Trustee of HMSTrust in November 2016. In this conversation with Pam Kershaw, Fran recalls the highlights of her philanthropic work, and includes her 'top tips' for grantseekers and trustees. For the full interview, [click here](#).

More than 2600 grant applications crossed Fran Awcock's desk during her nine years as a Trustee of the Helen Macpherson Smith Trust (HMSTrust). They came from high profile organisations and small community groups, seeking anything from a few thousand dollars to more than a million. But Fran's decision-making focus always came back to one consideration: who were the individuals the grants would assist?

"Those individuals were my motivation and my inspiration, because I think that's the purpose of philanthropy. You have a community which consists of individual men, women and children, and that community is better off because of the money you have been able to put in. We know that governments can never do all that is expected of them. So we need people with generous hearts, we need people doing good works. Without philanthropy I think we'd be a morally bankrupt nation," she says.

Fran's first contact with HMSTrust came when she was Chief Executive Officer and State Librarian at the State Library of Victoria. She was overseeing the development of new library spaces, and met Darvell Hutchinson AM, then Chairman of HMSTrust. Following a \$300,000 grant from the Trust in 1998, the library's new genealogy centre was created in Helen Macpherson Smith's name.

In 2007, Fran was delighted to join Darvell and Keith Smith (London-based relative of Helen Macpherson Smith) as Trustee. Over the next few years, three more Trustees were appointed. "We were able to bring in new expertise and spread the responsibility, and develop more in-house skills in investment, finance and grant-making. We couldn't have found better people," Fran says, referring to Dr Philip Moors AO (former Director and CEO of the Royal Botanic Gardens Melbourne, and now HMSTrust Chairman); former Federal Cabinet Minister, the Hon Rod Kemp; and former Lord Mayor of Melbourne, Winsome McCaughey AO.

"The Trust's grant-making decisions have always benefited from Fran's compassion, insight and common sense. It has been a privilege for all Trustees to serve with her in delivering Helen's benefaction." Dr Philip Moors, Chairman

The most memorable grants

\$53 million has been granted during Fran's tenure, but a few grants stand out. Victoria's 2009 bushfires shocked the State, and HMSTrust decided to allocate \$2 million to bushfire recovery programs. Nearly \$1 million went to the Sustainable Gardening Australia Foundation for the establishment of five community gardens that could help rebuild communities in fire-ravaged areas. However it's the Macpherson Smith Rural Foundation (MSRF), which Fran singles out as "one of the best things I've ever been associated with". MSRF supports and encourages young country people who are destined to become future rural leaders, particularly through the scholarship program which is the foundation of MSRF's other programs.





Fran's most challenging area of work has been the grant-making choices between similar organisations carrying out similar work. "Many problems in society are deeply entrenched and common to many groups, so you have multiple organisations dealing with them. And that's the challenge for philanthropy. How can we help bring it all together so that our grants are more effective? Collaboration makes sense to me, and it is now a welcome trend in philanthropy."

"Although we will very much miss Fran's insightful and pragmatic contributions as a Trustee, I know that Fran will remain a close friend of the Trust." Lin Bender, Chief Executive.

Fran's top tips for grantseekers and trustees...

Tips to grantseekers:

- Understand the motives and background of the potential donor.
- Don't be afraid to ask for money.
- Demonstrate a strong commitment to your cause; put your heart and soul into your application.
- Write clearly, persuasively, and concisely; be objective, emphasise long term outcomes.
- Use plain English, avoid jargon and keep acronyms to a minimum.

Qualities of a good trustee:

- Confront your own biases: you may be asked to fund something which doesn't reflect your personal values.
- Listen to those who know more than you do.
- Find the best way to contribute your own knowledge and experience.
- Don't just be a decision maker: watch for new ideas and opportunities.
- Be objective but caring in your decision making.

For the full story on Fran's philanthropic life, [click here](#).



2016 in Review

Chairman's Report	11
CEO Report.....	13
HMSTrust Scholarships	15

Chairman's Report



This year has seen significant progress in all areas of operations, made possible by the outstanding contributions of my fellow Trustees and our dynamic staff.

As a perpetual trust operating in a current climate of economic uncertainty, we must balance our commitment to growing the corpus with our desire and obligation to distribute income as impactful grants. I commend the work of our Investment Executive, Peter Wetherall, and the Investment Committee in delivering solid investment results which enabled HMSTrust to achieve its grant making objectives. And, in broadening those objectives, soon after year-end the Trustees accepted the Committee's recommendation that a small proportion of the corpus can be applied to future social impact investments. The considerable financial and investment achievements for the year are dealt with in more detail in the reports of the Investment Executive and our Finance Executive, Glen Thomson.

We are also operating in a climate of social change, and so must adapt to maintain our relevance and impact. One fundamental change since Helen's death in 1951 is the trend for local charities to expand their operations interstate or to merge with interstate charities. Over time this trend has reduced the number of charitable institutions HMSTrust has been legally able to fund, because Helen's will required such charities to be 'situated in Victoria'. In response to this change, and thanks to the work of our Chief Executive, Lin Bender and Finance Executive, Glen Thomson, along with our legal team led by John Emerson, we obtained a Cy Près order from the Victorian Supreme Court in October 2015. As a result of the order, HMSTrust is now able to fund a Victorian-based charitable organisation, regardless of operations outside Victoria, for a charitable purpose within Victoria. This extension to our eligibility criteria is already having a positive impact on our grant-making.

Early in FY2016 we established the Grants Advisory Committee, comprising four Trustees plus our Chief Executive. The role of this Committee is to provide a forum for detailed discussions on grant applications and policy reviews for subsequent advice and recommendation to the Board of Trustees. The Committee is currently working with management on a Grants Policy review, which is planned to take effect in 2017. Grant-making staff have especially welcomed the opportunity for in-depth dialogue and analysis with the Committee.

We cannot underestimate the impact of information technology, and we are being continually challenged to increase our capabilities in this area. Our online application and reporting framework enables us to harvest valuable data that inform our strategic directions, and we welcome the opportunity to collaborate with the sector in developing a platform for shared data. Last year, we launched our first online Annual Report. Our investment in developing an Annual Report that is fully integrated with our website database has proved an outstanding success. We have saved significant annual costs in design, publishing and distribution, content is managed in-house and, based on traffic numbers for the 2015 'Annual Report', we have far exceeded the distribution of a printed Annual Report.

Earlier in the year, we undertook a Scholarship and Fellowship review, which identified 88 scholarship funds established by HMSTrust, for a total of \$8.3m, directly benefitting almost 600 scholars to date. This review has been the catalyst for connecting with a number of HMSTrust scholars, including at the dinner hosted by the Melbourne Business School to celebrate the 25th anniversary of the HMSTrust Fellowships for women.





Another highlight was the Shepparton Capacity Building Grant Forum, which was arranged to coincide with a visit to Melbourne by Keith Smith, our UK-based Trustee. All Trustees plus staff attended the Forum where we had the privilege to listen and learn from the 12 grantees who received a capacity-building grant. Building organisational capacity is one of our key objectives, as is strengthening rural and regional Victoria. Hearing first-hand from our grantees about the impact of our grantmaking was an exceptional occasion and an important learning that will help inform our grants review.

It is something of a challenge writing a Chairman's Report in November. It's relatively easy to draw a line in the sand for finance and investment, but just about everything else we do extends past 30 June. And sadly in November 2016, Fran Awcock AM retired as a Trustee after nine years of tireless commitment to HMSTrust. When she was appointed in May 2007, Fran was Helen's first female Trustee. This set a necessary precedent for a Trust with a female benefactress, and now quite properly we have equal numbers of women and men as Trustees.

Throughout her time as a Trustee, the individuals who would benefit from grants have been Fran's motivation and inspiration. She has always paid careful attention to the details of applications and the organisations' capabilities and has greatly enjoyed her many site visits to understand better grantees' needs and the progress being made through our grants. Fran's consistent compassion, insight and good common sense have consistently helped her fellow Trustees make the sometimes difficult decisions about who and what to fund. She certainly found the best way to contribute her own knowledge and experience – one of Fran's 'top tips' for the qualities of a trustee! I warmly thank Fran for her outstanding service to Helen's Trust and for the friendship and wise counsel she has brought to her colleagues. We have marked the occasion of Fran's retirement with an interview that is featured in this Annual Report.

Finally I express my sincere appreciation to my fellow Trustees for their time, energy and dedication during the past year in managing Helen's benefaction and advancing HMSTrust's mission of building fair, creative and resilient Victorian communities. And as Trustees we could have done little without the skills, commitment and plain hard work of all of our staff, led most ably by our Chief Executive, Lin Bender. We are indeed fortunate to have such a talented team supporting us – thank you all!

Philip Moors AO

Chairman of Trustees

CEO Report



FY2016 has very much been a year of consolidation following our previous year of transition.

In addition to business as usual, we have formalised three significant items of governance.

Following a lengthy legal process, HMSTrust obtained a Cy Près order in the Supreme Court on 15 October 2015. This important change extends the Trust's remit to include "charitable purposes in the State of Victoria". As a consequence, the Trustees have determined to widen the Trust's eligibility criteria to include Victorian-based charitable institutions that operate both inside and outside Victoria for a charitable purpose undertaken solely in Victoria. This extended remit maintains the Trust's commitment to Victoria, while responding to the growing trend of Victorian-based organisations extending their footprint over the Victorian border.

Another initiative that will broaden the remit of HMSTrust is impact investment. This evolving trend in philanthropy has far-reaching implications for testamentary trusts established in perpetuity. These implications were carefully considered by the Investment Committee over the past year, and in September 2016, the Trustees approved new guidelines for responsible investment that align with HMSTrust's vision and grant making strategy. Impact investment has been included as an asset class, within strict guidelines up to a limit of 2% of the corpus.

The third initiative was the seemingly mundane task of updating and consolidating existing policies into a fully revised policy handbook. There is always a danger in losing corporate memory as we continually embrace change, and it was agreed to include all references to relevant governing documents and background to Trustees' decisions. What began as a generous bequest of £275,000 in 1951 has evolved over a 65-year continuum of wise investment and grant making. Our policies have been shaped over time by changes in legislation, the economy and social need. This continually updated Policies Handbook will provide Trustees and staff, today and in the future, with a fully documented corporate memory of the Trust's history, and a clear legal framework for governing and managing HMSTrust.

Our grants for the year

In this, our third year since the introduction of the HMSTrust matrix, we received 116 applications, of which 66 were approved for a total of \$3,765,255 across our five programs. The increase in our approval rate by 41% following implementation of the matrix approach is testament to the success of our grants structure and strategy. This efficiency has enabled the Trust to work more strategically, build deeper relationships with our grantees, and further develop our data management capacity. A noticeable trend in our grants for the year is the steady increase in grants for capacity building initiatives, representing 39% of all grants approved for FY2016. Capacity building is one of our five key objectives and this increase highlights the influence of the matrix structure on our grantmaking. The full listing of our FY2016 grants, and a breakdown of grants across our programs, plus ten inspiring case studies are in the [Grants section](#) of this Annual Report.





The HMSTrust team

The excellent work undertaken throughout the year is a direct reflection of the skills and commitment of dynamic team. We all work in concert to deliver on our vision for a strong, just and sustainable Victoria, and the Trust's strategic aims of Building, Enabling, and Leading continue to guide and link our three areas of operations from investment and finance through to grantmaking.

Earlier in this report, I referred to the '65-year continuum of wise investment and grant making'. We operate in an ever-changing social landscape and to ensure that we remain relevant, we need to continuously evaluate and learn. This web-based Annual Report is just one of the many online changes that we initiated last year. Change is also inevitable within the Trust, and we were all saddened to farewell Fran Awcock after nine years as a committed Trustee. We will miss Fran's insightful contributions and her pragmatic approach to philanthropy, which are highlighted in the [interview with Fran](#) that is featured in this Annual Report.

As we work to complete the final stage of our grants review, I thank our Chairman, Philip Moors, for his support and astute leadership, and express my gratitude to our Trustees and staff for their inquiring minds and the courage of their convictions, which inevitably lead us to better outcomes.

Lin Bender AM

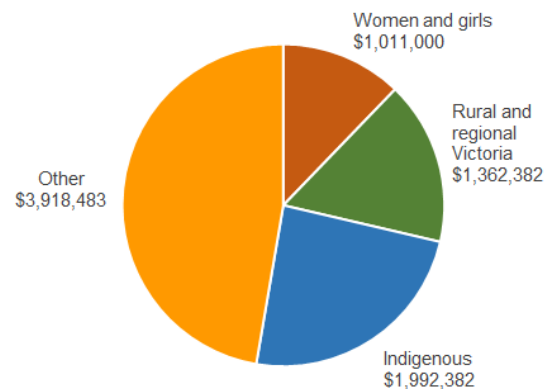
Chief Executive

HMSTrust Scholarships



Since 1968, HMSTrust has established 88 scholarship funds, of which 18 are perpetual, for a total of \$8.3m enabling 565 scholars and fellows to undertake accredited academic study of their choice.

In May 2016, we undertook a review of the Trust's scholarship grants history. Education and vocational pathways has always been an area of interest for HMSTrust, and we were aware that the Trust had approved a significant number of scholarship and fellowship grants over the past 48 years. What we didn't know was how many of the grants had established perpetual scholarship funds, how many were for a fixed period of time and how many beneficiaries had received a Helen Macpherson Smith Trust scholarship.



Women, Indigenous, and rural and regional Victorians are key target groups for the Trust, which is reflected in the proportion of scholarships targeting these specific beneficiaries. 12% of funding for scholarships and fellowships has been for women and girls, 16% for rural and regional young Victorians and 24% to Indigenous students.

As a direct outcome of the review, we have started to connect with our scholars. It is a joy to listen to their personal journeys and to gain insights into the impact that the scholarship has had on their lives and careers, and many have expressed an interest in staying connected with the Trust and the work that we do.

25 years of HMSTrust Fellowships at the Melbourne Business School.

In October this year, we celebrated the career highlights of our 45 Helen Macpherson Smith Fellows at MBS. It was a tremendous opportunity to meet many of these impressive women and to share their stories. A common



theme emerged which was captured in a quote from Claire Rogers (MBA 1995), former Head of Digital Banking ANZ and the first woman to lead World Vision Australia. Claire says of her Helen Macpherson Smith Fellowship: "The scholarship was a financial blessing, a confidence builder and the impetus for my employer to sit up and take notice... the scholarship enabled a great career that continues to delight and surprise me in new ways."

At the Melbourne Business School dinner for past recipients of the Helen Macpherson Smith Fellowship.





Indigenous Scholarships



Our four 2016 Indigenous scholarship recipients at Goulburn Valley Grammar School.

In addition to supporting six local Indigenous students with full secondary school scholarships at Geelong Grammar School and Goulburn Valley Grammar School, the Trust established the prestigious Hutchinson Indigenous Fellowship at the University of Melbourne. This perpetual fellowship provides an annual cash grant of \$45,000 to a Victorian Indigenous artist to undertake a project of their choice utilising the resources of the Victorian College of the Arts and the Grimwade Centre for Cultural Conservation.

Josh Muir—2016 Hutchinson Indigenous Fellow



Josh Muir in front of his work "Free".

At the age of 24, Josh Muir is already forging an award-winning career. 2016 has proved an extraordinary year for Josh with his acclaimed projection on the façade of the National Gallery of Victoria for White Night, a major commission for the Lorne Sculpture Biennale, a one-man show at Mars Gallery and an end-of-Fellowship show at the VCA. The Hutchinson Fellowship came at a critical time in Josh's life, and he writes: *"I thank the Helen Macpherson Smith Trust and the VCA for this opportunity. The funding level has allowed me to move to Melbourne and soak up new influences. It's an opportunity almost too good to believe."*

The 12-month residency has provided Josh with a base at the VCA, access to people that inspire him, and the ability to live independently in Melbourne. The Trust purchased one of Josh's works from his show at the Mars Gallery. Titled *'Free'*, the work features the magpie in full flight, which was the central image in his projected animation on the NGV façade. For Josh, the magpie represents family, a symbol of respect, trust and reflection.



Grants

How We Grant.....	18
Grants at a Glance.....	20
2016 Grants	22
Case Study: Banksia Gardens Community Services	26
Case Study: Berry Street.....	27
Case Study: The Centre	28
Case Study: Gallery Kaiela	29
Case Study: VCOSS	30
Case Study: Melbourne Writers Festival.....	31
Case Study: Federation University.....	32
Case Study: Victorian National Parks Association	33
Case Study: Hepatitis Victoria	34

How We Grant

HMSTrust's grants strategy reflects the legal parameters of the will, Helen's philanthropic preferences and the prime source of her legacy which was regional Victoria. Within these boundaries, the Trust's grants strategy is continuously evolving as it responds to changes in social needs, legislation and sector trends.

The HMSTrust matrix explained

Eligibility is a fundamental prerequisite for funding and an applicant must meet a set of funding criteria specific to HMSTrust.

FY2016 is the third year of the Trust's matrix-based structure, which has enabled the Trust to work more strategically, with greater efficiencies and to greater effect. The 5 x 5 matrix was developed to be an easy reference for grantseekers. The columns represent the Trust's five key objectives and the rows, the Trust's five programs.

Objectives: The proposed project is required to match at least three of HMSTrust's five key objectives.

Program and focus areas: The project must fall within one of HMSTrust's five program areas and is required to address at least one of the selected program's three focus areas, which define the Trust's areas of interest.

The colour-coded HMSTrust matrix has become a standard feature in all our online case studies. It is a simple device that highlights the objectives and program that a particular grant addresses.

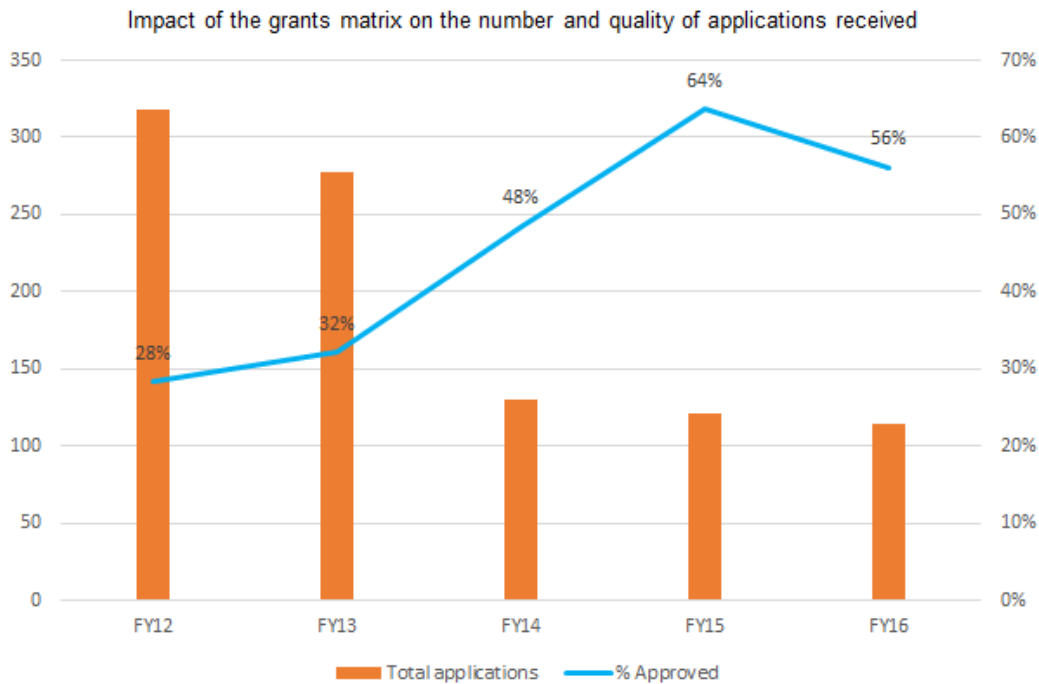


Impact of the HMSTrust matrix

An analysis of grants data over the last five years highlights the impact of the HMSTrust matrix on the quantity and quality of applications received. We have dramatically reduced the number of applications that do not match the Trust's areas of interest by 64% and effectively increased the approval rate from 28% in FY2012 to 56% in FY2016.

A direct impact of this initiative is that our Grants staff are now able to undertake more thorough due diligence, increase their engagement with grantees and develop greater knowledge and understanding of the broader social sector. The increase in efficiency has also enabled us to allocate more resources into data management and reporting. This data is informing our current grants review, which will take effect from early 2017.

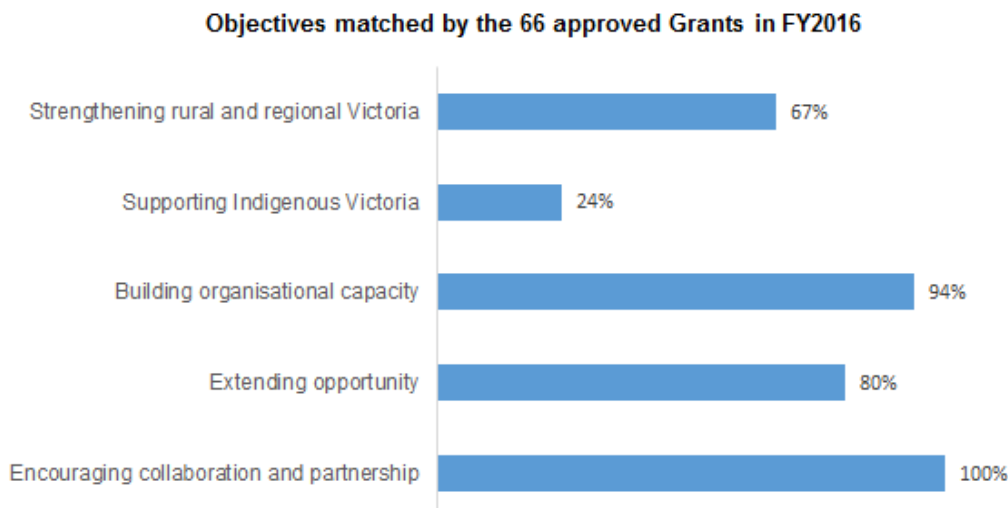




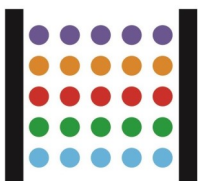
Matching the Trust's objectives

The requirement for applicants to match at least three of the Trust's key objectives has been a major influence on the type and quality of applications received. Of the 66 approved grants, 67% of the projects provided direct benefits to rural and regional Victoria; 24% targeted Indigenous communities; 94% identified projects that built organisational capacity; 80% supported projects that reduced inequality for disadvantaged communities; and 100% of the projects were based on significant collaborations and partnerships.

The impact from many of these grants will not be apparent for some time, in particular for capacity building projects. However, there are a few exceptions such as the \$30,000 grant to Gallery Kaiela in Shepparton featured as a [case study](#) in this Annual Report. This capacity building grant enabled the Gallery to develop a ten-year strategic plan with Social Ventures Australia. The Gallery has subsequently secured, for the first time, four-year operational funding from the State Government and three-year funding from the Federal Government.



Grants at a Glance



Total grants: \$3,765,255 across our five Program areas

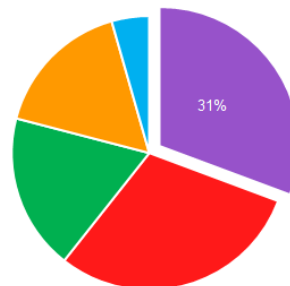
Education and Vocational Pathways

Education and vocational initiatives that help individuals improve their circumstances.

Focus areas:

- Engaging and retaining children and youth in education
- Transitioning unemployed people and their communities into meaningful work
- Enabling migrants and refugees to transition into Victoria's culturally diverse community

Education and Vocational Pathways
22 grants: \$1,177,700



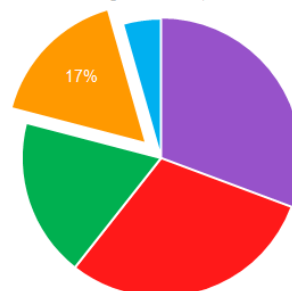
Regional Resilience

Projects and programs that deliver benefits to rural and regional communities.

Focus areas:

- Social enterprise
- Cross-sector and cross-community collaboration
- Long-term social cohesion

Regional Resilience
14 grants: \$616,723



**in addition to the 14 Regional Resilience grants, 30 grants under the other four program areas supported activities in regional Victoria.*

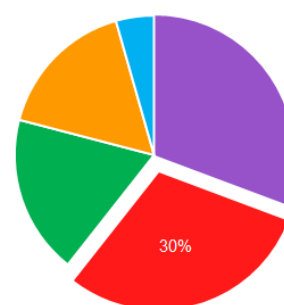
Culture and Heritage

Creative initiatives that give voice to communities by attracting local participation, encouraging public engagement and developing a sense of place.

Focus areas:

- Strengthening collective capacity
- Building collaborative cultural networks
- Fostering creativity to enrich lives

Culture and Heritage
19 grants: \$1,117,542





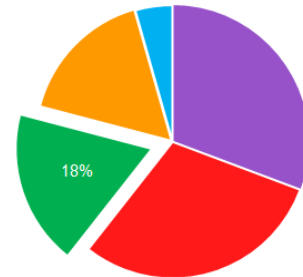
Land and Environmental Stewardship

Initiatives that deliver responsible conservation of Victoria's natural environments through cooperative projects and sustainable practices.

Focus areas:

- Conserving biodiversity at all landscape scales
- Protecting and managing Victoria's water systems
- Nurturing landscapes as sustainable environmental systems

Land and Environmental Stewardship
10 grants: \$688,333



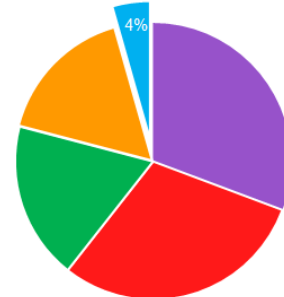
Health Advancement

Major multi-year grants that lead to better health outcomes and quality of life.

Focus areas:

- Translational research
- Improved access to health services
- Learning opportunities

Health Advancement
1 grant: \$164,957



2016 Grants



Education and Vocational Pathways

Australian Centre for Contemporary Art

\$17,392

Regional GO Program

www.accaonline.org.au

Banksia Gardens Community Services

\$90,000

BGCS-OUP partnership for Project REAL (Re-engagement in Education And Learning)

www.banksiagardens.org.au

Berry Street Inc

\$155,000

Making a long term social impact through education - the Berry Street Education Model

www.berrystreet.org.au

Castlemaine Community House

\$30,000

School Kitchen Garden Project

www.cch.org.au

Centre for Non Violence

\$30,000

A community approach to violence prevention: Central Victorian schools creating cultures of wellbeing

www.solvingthejigsaw.org.au

Centre of Excellence for Aboriginal Health in East Gippsland

\$28,500

East Gippsland Aboriginal Health Careers: supporting Koorie students to access health training and employment

Ganbina

\$35,000

Ganbina Education Program scholarships and includes support for two additional Goulburn Valley Grammar School HMST Scholars

www.ganbina.com.au

Goulburn Valley Grammar School

\$171,916

HMSTrust Indigenous Scholarship extension to support two additional students

www.gvgs.vic.gov.au

Haven Home Safe

\$120,000

Sidney Myer Haven Program (SMHP) Social Curriculum Coordinator

www.havenhomesafe.org.au

Homeless of Melbourne // HoMie Street Store

\$35,000

HoMie Vocational Training and Employment Program (Development of Business Plan)

www.homelessofmelbourne.org

Inner Melbourne VET Cluster Inc

\$90,000

Youth2Industry Mentorship Program: IMVC's Mentorship Program for Melbourne Youth with Disability (name change from STRIVE)

www.imvc.com.au

Melton South Community Centre

\$3,600

Health Cooking for Kids

www.meltonsouth.org.au

Preston Reservoir Adult Community Education (PRACE)

\$63,378

Information and communications technology (ICT) infrastructure revitalisation project

www.prace.vic.edu.au

Shakti Migrant & Refugee Women's Support Group Melbourne Inc.

\$10,000

Seeding the Development of Women's Empowerment Second Chance Life Skills Program

www.shaktiaustralia.org.au

SisterWorks Incorporated

\$30,000

SisterWorks Creative Enterprises: Connecting the best Australian practices with a multicultural experience

www.sisterworks.org.au

The Centre: Connecting Community in North & West Melb

\$26,500

Funding the Future...sustainable funding strategy ensuring viability of Global Homework Program (GHP) (called Home Away from Homework Club)

www.centre.org.au

The Social Studio

\$30,000

The Social Studio: Strategic Priorities for long term sustainability program

www.thesocialstudio.org

University of Melbourne

\$29,830

Improving the academic and social skills of maltreated children in the early primary school years

www.unimelb.edu.au

VICSEG New Futures

\$90,000

Learning Together: Parent and Child English Literacy Program

www.vicsegnewfutures.org.au

Wesley Mission Victoria

\$30,000

Wesley Australian Disability Enterprise (ADE) - A Pilot for Supported Transition into Open Employment

www.wesley.org.au



Westside Circus Inc
\$30,000
Altitude Project Shepparton
www.westsidecircus.org.au



Regional Resilience

Bendigo Baptist Community Care Inc
\$14,730
Make A Difference Change Our World

Foundation 61 Inc (F61)
\$12,155
Storage Freezer
www.foundation61.org.au

Gallery Kaiela Inc
\$30,000
Dunguladja -- Strong Foundations
<https://www.facebook.com/GalleryKaielaIncorporated>

Interchange Loddon-Mallee Region Inc
\$27,696
National Disability Insurance Scheme (NDIS) Advocacy Project
www.interchangelm.org.au

Melbourne Business School
\$110,000
Walking in two worlds -- building the organisational capability and capacity of Algabonyah
www.mbs.edu

Moe Life Skills Community Centre
\$30,000
Moe Community Hub
www.moelifeskills.vic.edu.au

Playgroup Victoria Inc
\$89,640
Transition playgroups in rural/regional Victoria. Empowering parents, enhancing 0-4 years development and engaging communities
www.playgroup.org.au/

St John Ambulance Australia (Victoria) Inc
\$20,547
Medical Assistance Team equipment
<https://www.stjohnvic.com.au/>

Urban Seed
\$30,000
Norlane Community Development Spin Off project
www.urbanseed.org

Victoria University
\$29,030
Building economic and social resilience of bushfire in nature-based tourism communities in regional Victoria
www.vu.edu.au

Victorian Council of Social Service
\$90,000
Community Service Health Check Project
www.vcross.org.au/

Violet Town Bush Nursing Centre Inc
\$19,590
Violet Town Community Wetlands Project
www.hrh.org.au/violet-town

Warramunda Village Inc
\$23,335
New telephone system
www.warramunda.com.au/

Women's Legal Service Vic
\$90,000
Link virtual outreach - legal assistance for women from newly arrived migrant communities fleeing violence
www.womenslegal.org.au



Culture and Heritage

Ararat City Band Inc
\$22,106
Ararat City Band Youth Development Program

Ballarat Foundation Limited
\$2,200
Ballarat Through My Eyes photography Competition
www.ballaratfoundation.org.au

Ballarat Mechanics' Institute
\$150,000
Ballarat Mechanics' Institute: Restoration of Sturt Street Facade
www.ballaratbmi.com.au

Banksia Gardens Community Services
\$30,000
Zone 2 Broadmeadows/Hume - A Banksia Gardens Community Services and Outer Urban Projects Collaborative Pilot
www.banksiagardens.org.au

Big West Festival
\$70,000
Mobile Art Spaces: A 3-year mobile arts residency program in Melbourne's outer western suburbs.
www.bigwest.com.au

Castlemaine State Festival
\$90,000
The ASCEND Program nurtures creative pathways for central Victorian children and young adults
www.castlemainefestival.com.au





Djerriwarh Employment & Education Services

\$90,000

"Dreaming Big" - the Melton Festival for Healthy Living, Family & Community Program 2016-18

www.djerriwarh.org.au

Ilbjerri Aboriginal & Torres Strait Islander Theatre Co-op

\$30,000

TANDERRUM

www.ilbjerri.com.au

La Mama

\$21,000

Birdcage Thursdays

www.lamama.com.au

Lorne Sculpture Exhibition Inc

\$30,000

Major Project Commissions

www.lornesculpture.com

Melbourne Fringe

\$7,500

OPTIMUS: Small-to-medium organisations data management initiative

www.melbournefringe.com.au

Melbourne Recital Centre

\$90,000

Melbourne Recital Centre Digital Broadcast Pilot

www.melbournerecital.com.au

Melbourne Writers Festival Inc

\$30,000

Multicultural Literary Programming Initiative (pilot)

www.mwf.com.au

Mission to Seafarers Victoria Inc

\$30,000

Mission to Seafarers Victoria "Early Origins"

www.missiontoseafarers.com.au

Queen Victoria Women's Centre Trust

\$19,736

QVWC Archive Discovery and Upgrade

www.qvwc.org.au

Regional Arts Victoria

\$90,000

The Arts and Education Access Program

www.rav.net.au

TarraWarra Museum of Art

\$30,000

Encounters: scoping educational resources for TarraWarra Museum of Art, galleries, museums in the Yarra Ranges

www.twma.com.au

The Wheeler Centre: Books Writing Ideas

\$85,000

The Wheeler Centre's Mobile Performance Space for Regional & Rural Audiences & Collaborations

www.wheelercentre.com

Victoria University

\$200,000

Footscray Accelerator for Creative Enterprises (FACE)

www.vu.edu.au



Land and Environmental Stewardship

Bass Coast Landcare Network

\$26,400

Bass Coast Arc -- community access to public space

www.basscoastlandcare.org.au

Environment Victoria

\$29,933

Aquaprint -- a community vision for water reform in Victoria

www.environmentvictoria.org.au

Federation University Australia

\$30,000

State Wide Integrated Flora and Fauna Teams (SWIFFT): visualising Victoria's biodiversity

www.federation.edu.au

Monash University

\$30,000

Collaborative Inquiry into Natural Resource Management Governance in Victoria

www.monash.edu

Penguin Foundation Ltd

\$63,000

Launching Phillip Island as an Ark for endangered species

www.penguinfoundation.org.au

Port Phillip EcoCentre Inc

\$185,100

Port Phillip Baykeeper: Be the RE-Generation (A Baykeeper youth volunteering program)

www.ecocentre.com

Project Platypus Association

\$89,050

Grampians to Pyrenees Biolink (Upper Wimmera Catchment)

www.platypus.org.au

Trust For Nature (Victoria)

\$18,000

Conservation Action Plan Coach Training

www.trustfornature.org.au/

Victorian National Parks Association

\$186,850

Communities Listening for Nature

www.vnpa.org.au

Wathaurong Aboriginal Co-operative

\$30,000

Wurdi Youang business plan for natural and cultural heritage resource management

www.wathaurong.org.au





Health Advancement

Health Advancement is only available for Social Impact Grants (\$91,000—\$200,000). The grant to Hepatitis Victoria was one of a total of six grants approved at this level across our five programs.

Hepatitis Victoria

\$164,957

HepReady

www.hepvic.org.au

Note: This list represents grants approved in FY2016 and excludes withdrawn and amended grants.

Banksia Gardens Community Services

Project

Project REAL (Re-Engagement in Education And Learning)

Date

2016

Program

Education and Vocational Pathways

Amount

\$90,000



TRUST OBJECTIVES

Building organisational capacity

Extending opportunity

Collaboration and partnership

PROJECT OBJECTIVES

Develop a solid therapeutic engagement framework utilising performance arts and new trend sports as key tools

Provide young people disengaged from the mainstream school system with an opportunity to complete their education and reach their full potential

Outer Urban Projects, The Gateway School, 11 primary schools, Good Samaritan PS, Dianella Community Health, Brotherhood of St Laurence, Berry Street Education Program

An innovative community-led initiative deals with the emerging problem of school absenteeism at a young age

"The grant was absolutely instrumental in the Project REAL journey. Not only was HMSTrust the first philanthropic organisation to financially support our proposal, they also provided us with resources, advice and contacts that allowed us to make this project a reality." Jaime de Loma-Orsorio Ricon, Deputy CEO, BGCS



Image Project REAL operates from two donated portable classrooms in the grounds of Banksia Gardens Community Services.

Project REAL responds to the alarming increase in the number of young people in the Hume region disengaging from education before they are even into their teens. Leveraging an earlier HMTrust grant, Banksia Gardens Community Services is working with Outer Urban Projects and other supporting organisations to trial a new therapeutic re-engagement education model.

In the 2015 academic year, more than 25 children aged 9-12yrs in the Hume region spent extended periods of time away from school, either as a result of absenteeism, suspension or expulsions. Without adequate supervision, many of these at risk students engage in highly problematic and challenging behaviours. The core aim is to provide them with an alternate education setting and connect them to health and other services as needed before ultimately re-engaging them with mainstream education.

- The previous HMSTrust grant to Banksia Gardens initiated partnership activities, enabling leverage of further funding and partnerships.
- The two organisations, together with the Gateway School and Dianella Community Health, will work collaboratively with 11 local primary schools to engage those students that are identified as highest risk.
- Outer Urban Projects will play a key role in reconnecting students to schooling through their arts engagement programs.
- The Gateway School is establishing a specific program for secondary students under 15.
- A capacity building, specialist support and peer review component to support local schools will be included. Berry Street Childhood Institute will deliver the Berry Street Education Model, a Trauma Informed Positive Education module, to teachers.
- Curriculum development and teacher training commenced in Term 4 of 2016 with students commencing at the start of the 2017 school year.
- Brotherhood of St Laurence will join the project to implement and undertake a rigorous evaluation framework to assist with ongoing sustainability.

Project

The Berry Street Education Model

Date

2016

Program

Education and Vocational Pathways

Amount

\$155,000 over two years



TRUST OBJECTIVES

Rural and regional Victoria

Building organisational capacity

Extending opportunity

Collaboration and partnership

PROJECT OBJECTIVES

Enabling children in Morwell to thrive; assisting rural and regional teachers trained in the Victorian Berry Street Education Model to increase their students' educational achievements

Increasing the schools' capacity to better engage and educate their students; Alumni program will reinforce and continue learnings and skills development of teachers

Addressing disadvantaged children's rights to receive education that meets their needs, increases academic attainment, and enhances wellbeing

Three Morwell primary schools, Mt Ridley College, Open Universities Australia, University of Melbourne, teachers in the BSEM Learning Community, philanthropic trusts and foundations, Komosion web developer

Using the science of neurophysiology of trauma to engage disadvantaged school students

"Extending the reach and application of the Berry Street Education Model into mainstream schools will give so many more struggling students the opportunity to engage with and achieve in their education." Marg Hamley, Director, Berry Street Childhood Institute



The Berry Street Education Model is a proven holistic program that is unique in combining the latest advances in positive psychology, welfare and wellbeing science with best practice education techniques for students struggling to engage with learning.

- Children in the Latrobe Valley are among Victoria's most vulnerable. Data shows there are significantly higher levels of developmentally vulnerable and at risk children in the Valley compared to other communities.
- This project builds on the outcomes of an earlier 2012 HMSTrust grant which sought to reduce the number of vulnerable and at risk children in the Latrobe Valley.
- The Berry Street Education Model (the Model) was implemented in 2016 to a cluster of three mainstream Morwell primary schools which are amalgamating into one school in 2017, resulting in a whole-of-school learning approach. 80 teachers will be trained, benefitting 1,000 children.
- The Model is delivered through intensive teacher training, consultations and mentoring.. It was piloted over 3 years in the Berry Street School with severely traumatised students, delivering positive academic results with students gaining 1.8 years of academic growth, year on year.
- In 2015, 277 teachers across Victoria (impacting 3,960 students) undertook the Model's training. This number will rise each year as the Model expands.
- The Berry Street Education Model Learning Community will be developed to provide additional ongoing support to the growing cohort of alumni, enabling the sharing of resources, reinforcing learning and further developing practice.
- University of Melbourne's Graduate School of Education has an ongoing role in evaluating the Model's effectiveness in mainstream schools.

berrystreet.org.au

Berry Street Childhood Institute

The Centre: Connecting Community in North & West Melbourne Inc

Project

Funding the Future

Date

2016

Program

Education and Vocational Pathways

Amount

\$26,500



TRUST OBJECTIVES

PROJECT OBJECTIVES

Building organisational capacity

Develop in-house skills and knowledge to implement and manage an ongoing funding model

Extending opportunity

Ensure continued and improved access to homework support for disadvantaged school students

Collaboration and partnership

North Melbourne and Hobsons Bay Libraries, North Melbourne Primary School, University High School, Centre for Multicultural Youth

Enabling the sustainability of a small but highly effective homework club

"The Funding the Future grant has enabled the training of a team of staff and volunteers to the point where, after consultation, research and design, we have launched an integrated, multi-source fundraising strategy to sustain our Home Away from Homework Program into the future." Frances McMillan, Coordinator, Foundations Skills Program.



Image The kids at Home Away from Homework Club thank the community for donations to the fundraising campaign

Short-term employment of a skilled fundraiser to develop in-house skills and increase organisational capacity to build sustainability of the Home Away from Homework Club.

The Home Away From Homework Club is an inclusive and holistic program which provides learning support and tutoring to 60 disadvantaged primary and secondary students in Melbourne's inner north, helping them both socially and academically to participate in school in a more meaningful way. The best practice, benchmark program features an experienced teacher as the coordinator and a dedicated team of 30 volunteers, delivering tutor support to the students, in partnership with the North Melbourne Library and the Altona North Community Library.

- A professional fundraiser was employed to collaborate with staff and volunteers to develop and establish a sustainable, integrated funding strategy.
- The fundraiser worked with the Centre's team in a series of training sessions to up-skill employees plus volunteers, resulting in increased organisational capacity.
- A comprehensive review was undertaken and a new marketing strategy developed with input from the homework students, which included creating a new identity and logo and the preparation of marketing materials and press releases.
- A video was produced to assist with crowdfunding and for publicity purposes.
- The fundraising campaign was successfully launched in September 2016.

www.centre.org.au

Gallery Kaiela (Kaiela Arts)

Project
Dunguladja – Strong Foundations
Date
2016

Program
Regional Resilience
Amount
\$30,000



TRUST OBJECTIVES

Rural and regional Victoria

Supporting Indigenous Victoria

Building organisational capacity

Extending opportunity

Collaboration and partnership

PROJECT OBJECTIVES

Gallery Kaiela is the only Aboriginal Art Gallery/Studio in the Goulburn Murray

Supporting and empowering local Aboriginal artists at all stages of their professional careers.

Building capacity and capabilities within Gallery Kaiela towards a sustainable future

Supporting the basic rights of Aboriginal people to be included and respected as active participants in the social, cultural, economic and educational life of Victoria

Social Ventures Australia, Melbourne Business School, Shepparton Art Museum

From little things, big things grow:
Uncovering potential and creating
opportunities with strategic
planning

“We now have a secure foundation of operational funding from which to develop, grow and achieve our goals as we develop our capacity and capabilities over the next four years – moving towards our co-location with the new Shepparton Art Museum.” Angie Russi, Manager, Gallery Kaiela



Image Weaving Up. Photo: Angie Russi

A \$30,000 grant from HMSTrust to develop a ten year strategic plan and marketing audit led to Gallery Kaiela successfully securing four year operational funding from the State Government and three year funding from the Federal Government.

Following a period of extensive community consultation, Gallery Kaiela worked with Social Ventures Australia, and Dr Jody Evans of Melbourne Business School, to develop a comprehensive strategic plan and undertake a market audit leading to new brand and market positioning.

- The resulting comprehensive 10-year plan enabled Gallery Kaiela to successfully secure, for the first time, multi-year organisational and industry support funding from both State and Federal Government totalling \$600,000.
- The plan detailed strategic initiatives and implementation steps with key success indicators for Gallery Kaiela, as well as the financial requirements for a sustainable future.
- Gallery Kaiela is now able to easily share strategic information about the enterprise to current and potential partners.
- The process of developing the strategic plan, provided the Board and staff of Gallery Kaiela with valuable learnings.

Gallery Kaiela

Victorian Council of Social Service (VCOSS)

Project

Community Service Health Check Project

Date

2016

Program

Regional Resilience

Amount

\$90,000 over two years



TRUST OBJECTIVES

Rural and regional Victoria

Building organisational capacity

Collaboration and partnership

PROJECT OBJECTIVES

Work with up to 60 community organisations in the Loddon Mallee, Grampians, Hume, Barwon-South West and Gippsland regions

Enable organisations to objectively assess their governance and financial management practices

Australian Institute of Management, local government, Department of Health and Human Services and VCOSS members including Neighbourhood House networks and Volunteering Victoria

Online governance and financial management resources for regional community service organisations

“This will be a powerful tool that allows board members to assess their organisation’s financial and governance health, and be immediately assisted to make improvements. It’s going to drive healthier organisations and better outcomes across the community sector.”
Emma King, CEO, Victorian Council of Social Service



Image VCOSS team members test the governance health check self-assessment tool.

VCOSS aims to build the capabilities and capacity of community organisations through targeted online tools. Better governance and financial management for Victoria’s regional organisations will lead to stronger strategy development and help organisations evolve and respond to the rapidly changing community sector environment.

- This project builds on the successful outcomes of a 2015 pilot program funded by HMSTrust, which developed self-assessment tools for organisations to identify areas for improvement in governance and financial management.
- *The Governance and Financial Management Health Check* pilot provided evidence of the strong need for capacity building efforts for regional community service organisations.
- The health check assessment tools that were developed from the pilot will be used as the basis for an online tool to be developed over 24 months.
- Using the online tool, which will be embedded in the VCOSS website, will result in a report that will link the organisation with pre-existing resources and support.
- Successful development of the online resource will become the backbone of VCOSS’ sector capacity building activities. The aim is that additional modules addressing other topics can be added in the future so that community services organisations will be able to assess their capability and address weaknesses in a range of further areas such as communications and human resources.

vcoss.org.au

Project
Multicultural Literary Programming Initiative
Date
2016

Program
Culture and Heritage
Amount
\$30,000



TRUST OBJECTIVES

PROJECT OBJECTIVES

Building organisational capacity

Pioneer a new approach to culturally diverse collaborative work and shared capacity-building in literature sector; Develop new audiences

Extending opportunity

Identify and reduce barriers to attendance/participation by CALD communities

Collaboration and partnership

Emerging Writers Festival, Wheeler Centre resident organisations, local councils and libraries, other literary, arts organisations and CALD community organisations

A strategic shared initiative enables greater cultural diversity at literature events

"We've developed new ongoing partnerships and successfully delivered a series of public programs which increase access by culturally diverse audiences to literary events through this initiative."
Michael Webster, Chair, Melbourne Writers Festival



Image Author Monique Toohey at the MWF event 'Muslim Feminism' © MWF/Victoria University

A collaborative capacity-building pilot, this joint initiative between Melbourne Writers Festival and the Emerging Writers Festival aims to develop broader cultural diversity in strategic programming, audience and participant development.

This project was a first for the literature sector in Victoria, responding to research findings which highlighted the lack of cultural and linguistic diversity amongst audiences, participating Australian writers and works explored at literary festivals and events.

- In a newly created role, a Multicultural Program Coordinator was appointed to work with both Melbourne Writers Festival (MWF) and the Emerging Writers Festival (EWF), maximising impact at a critical point in each organisation's annual programming cycle.
- The aim was to initiate and develop programming which showcases the work of Australian writers from culturally and linguistically diverse (CALD) backgrounds, and to increase the access of CALD audiences to reading, writing and literary programming.
- New partnerships were developed with community groups including community, arts and literature organisations, and local councils to deliver targeted promotion and engagement activities across both EWF and MWF festivals in 2016.
- A suite of resources to support diversity and accessibility strategies was developed for shared use and development in 2017 and beyond by the two organisations.
- Outcomes and recommendations are expected to contribute to broader accessibility initiatives within both organisations and others resident at The Wheeler Centre.

mwf.com.au

Project

State Wide Integrated Flora and Fauna Teams (SWIFFT): visualising Victoria's biodiversity

Date

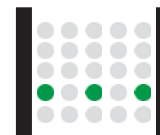
2016

Program

Land and Environmental Stewardship

Amount

\$30,000



TRUST OBJECTIVES

Rural and regional Victoria

Actively involve all rural and regional areas of Victoria and harness the strength of knowledge sharing between scientists and the community

Building organisational capacity

Establish an adaptable knowledge management system that will significantly build capacity to share information regarding biodiversity conservation and threatened species

Collaboration and partnership

Department of Environment, Land, Water and Planning, 21 municipalities, 10 Catchment Management Authorities and approximately 20 community groups

Encouraging community participation is pivotal to the success of biodiversity conservation strategies

"The combination of knowledge sharing networks, citizen science and technology is a powerful mechanism for generating information to support education, planning, decision making and on-ground action for biodiversity conservation." Assoc Prof Helen Thompson, Director, CeRDI, FedUni.



Image Lead researcher Dr Birgita Hansen radio tracking birds for the Latham's Snipe project which features on the SWIFFT and VVB websites.

New knowledge-sharing approaches can engage diverse sectors of society and facilitate opportunities for collaboration and partnership. This project sees the expansion of SWIFFT, the Statewide Integrated Flora and Fauna Teams, a freely accessible biodiversity and threatened species network and initiative for community, conservation, education and government. The result will be an interoperable knowledge management portal which will feed into a broader information system, Visualising Victoria's Biodiversity.

This powerful collaboration between educational, scientific, farming, conservation, indigenous, private and public sectors will create a valued biodiversity resource. SWIFFT is a project of the Centre for eResearch and Digital Innovation (CeRDI), a global leader in web-based spatial information systems at Federation University Australia.

- SWIFFT takes a whole-of-Victoria focus to source, collate and make available threatened species information through its website and video conferences.
- The key goal is to engage with other biodiversity stakeholders from across the community to share knowledge and enhance biodiversity planning.
- A new website will be designed to complement existing CeRDI portals.
- Geospatial biodiversity information will be made freely available on the Visualising Victoria's Biodiversity portal, allowing users to query all data simultaneously using an interactive mapping tool.
- Information will be drawn from DELWP, Atlas of Living Australia, BirdLife Australia and the Victorian Biodiversity Atlas.
- The website will also be designed to display and link to other relevant resources that cannot be spatially represented.

www.swifft.net.au

www.vvb.org.au

Victorian National Parks Association

Project

Communities Listening for Nature

Date

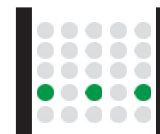
2016

Program

Land and Environmental Stewardship

Amount

\$186,850 over two years



TRUST OBJECTIVES

Rural and regional Victoria

Building organisational capacity

Collaboration and partnership

PROJECT OBJECTIVES

Empowering local community groups, land managers and scientists across 6-8 rural and regional areas; gathering real data in relation to local concerns; increasing the profile of local community groups

Strengthening partnerships and relationships; developing staff and volunteer skills to collect and use data using new technologies; increasing organisation reputation and profile

Museum Victoria, Friends of Bunyip State Park, Friends of Kurth Kiln, Wombat Forestcare, Parks Victoria, Department of Environment, Land, Water and Planning, other local land managers and community groups

A citizen science project empowers community volunteers to inform local biodiversity challenges

"I'm inspired by what a group of community volunteers, scientists and land managers can achieve when they put their heads together. These bird calls will help us understand so much more about what birds are up to in our local landscapes and across Victoria." Christine Connelly, NatureWatch Coordinator



Image Volunteers collecting data. Photo courtesy: It's a Wildlife photography

Communities Listening for Nature is a community-based science project delivered in partnership with Museum Victoria to help build critical knowledge of Victoria's bird species. It uses recent advances in acoustic recording and automated sound recognition to improve detection of regional bird populations for conservation and land management.

Until recently, traditional survey methods have required volunteers to count all the birds they see and hear in a specific location for a known amount of time, a process which relies heavily on the availability of experts who are able to identify species correctly in a short time period. The development of new technologies to record animals and birds in their natural environments enables citizen scientists to collect sound data at many sites simultaneously and for longer periods than traditional observational methods allow.

- Community volunteers will be trained and equipped to undertake acoustic monitoring of birds using new equipment
- Specially designed software will scan the field recordings and match to a sound template, dramatically reducing the time it takes to identify if a species of interest is present.
- The acoustic data collected will be permanently stored in Museum Victoria's publicly available sound library, as well as uploaded to the Atlas of Living Australia.
- The data collected will be used to investigate locally relevant questions such as whether a threatened species is present in an area, how a key fire-response species is responding to planned burning, and whether there is a difference in bird diversity in particular vegetation types.
- The permanent digital records will help researchers, land managers and government bodies address conservation and management issues in Victoria now and into the future.
- Once the project is established, other animal groups that vocalise, such as frogs and some mammals, may be included.

Project
HEPReady
Date
2016

Program
Health Advancement
Amount
\$164,957 over two years



TRUST OBJECTIVES

PROJECT OBJECTIVES

Rural and regional Victoria

Provide online and face-to-face education and training on viral hepatitis for health professionals in rural and regional Victoria

Building organisational capacity

Develop a training package for health workers to drive systemic change in the way viral hepatitis is perceived and treated state-wide

Extending opportunity

Reduce the number of people living with hepatitis B and hepatitis C especially in at risk communities: ATSI, CALD (particularly refugees and migrants) and in Custodial Settings

Collaboration and partnership

Collaboration with extensive networks in the health and community services sector to improve their capacity to respond to viral hepatitis

Debunking the myths while enabling best practice management and treatment of hepatitis, the ‘silent killer’

“HEPReady will educate the very many people who daily come into contact with those living with and at risk of viral hepatitis, so that they can better respond to and ultimately reduce risky behaviour and increase testing and treatment of these silent killer” Melanie Eagle, CEO, Hepatitis Victoria



Image Hepatitis Victoria trainer Aurora Tang presents HEPReady training

HEPReady aims to up-skill health and community professionals in Victoria with accurate and timely information on viral hepatitis, and, in the long-term, reduce the rates of infection and impact on lives.

Almost 500,000 Australians live with chronic hepatitis B or C, known as the ‘silent killer’. While it is a condition 17 times more prevalent than HIV/AIDS, only 5% of people receive treatment or management for the virus. The delay in diagnosis and low treatment rates means 1,000 Australians die every year of viral hepatitis and over four Victorians die weekly. Viral hepatitis is also the leading cause of liver cancer, currently the fastest growing cause of cancer death in Australia.

- Over five years, HEPReady will educate 10,000 workforce professionals who come into contact with those living with or at risk of viral hepatitis, potentially reaching the entire population of people living with viral hepatitis in Victoria.
- HEPReady is a tailored training and accreditation package for Victorian health and community workers to enable them to appropriately identify and respond to individuals who are living with (or at the risk of) viral hepatitis leading to timely identification, testing and treatment.
- The program aims to encourage a systematic change in the way the Victorian healthcare workforce diagnoses, works with and treats viral hepatitis.
- Developed as a fee-for-service Workforce Development social enterprise project, the tailored course provides both face-to-face and online learning, including ‘lived experience’ of viral hepatitis.

hepvic.org.au



Financials

Investment Review	36
Finance Review	39
2016 Financial Summary	41

Investment Review



The Investment activities at the Helen Macpherson Smith Trust are guided by the organisation's strategic objectives of Build, Enable, and Lead.

Building

Within this context "Build" means strengthening HMSTrust's investment capabilities.

During FY2016 unlisted infrastructure was included as a new asset class in the strategic asset allocation. The stable cash flow and steady growth of assets such as airports, pipelines, toll roads, and electricity distribution networks are ideal for a long-term investor like HMSTrust. Furthermore, analysis from our external investment adviser, Frontier Advisors, showed that by adding this asset class we materially lowered the volatility of our overall portfolio while having little impact on its long-term expected return. We subsequently made a \$10m commitment to Utilities Trust of Australia (UTA) which has a well-diversified portfolio of unlisted infrastructure assets, predominantly in Australia. Half this commitment was drawn in January when a consortium including UTA was successful in buying Transgrid from the NSW government. In the first six months our investment in UTA has delivered a pleasing return of 9.8%.

HMSTrust is one of few trusts which manages its investments internally. The advantages of this are greater control over the investment process and lower costs. This year the cost of the investment operation was 0.30% of average assets under management, including fees paid to external managers for international shares and unlisted infrastructure.

Enabling

The purpose of the investment operation is to "enable" HMSTrust to fulfil its granting mission. This is reflected in two investment objectives. The first is to generate an operating surplus of at least \$4.1m (\$4.0m in 2014, indexed for inflation). This year the operating surplus generated was \$0.4m above the target despite falling interest rates and a substantial 78% cut in BHP Billiton's final dividend.

The second investment objective is for the total return of the Capital Account (corpus) to match or exceed the return on the strategic asset allocation over rolling five year periods. The latter measure is the return that would have been achieved if each asset class was held at its strategic weighting and the return of each asset class equalled its specific benchmark index return. This objective has not yet been in place for five years, but in FY2016 the total return (meaning both capital growth and income) of the Capital Account was -1.2% compared with 1.1% for the strategic asset allocation. The main reasons for the under-performance were underweight exposures to bonds and property which performed strongly on the back of unprecedented central bank monetary policy. Towards the end of the year it was estimated that around a third of developed market government bonds were trading at negative yields. Our Australian shares portfolio also under-performed its benchmark by 1.4%, mainly because of a high exposure to banks. The bank sector under-performed because of demands by the regulator (APRA) to hold more capital as protection against financial shocks. This has the effect of lowering their return on equity and pressuring dividend payments.





We chose to hold our bank positions because they underpin the income generation of the portfolio which is one of our primary objectives. The strategic asset allocation and actual asset allocation at June 2016 is shown in the table below. The main changes over the year were the introduction of unlisted infrastructure, a reduction in the exposure to Australian and international shares, and an increase in cash.

Asset Class	Strategic weight	Min.	Max.	30 June 2016 weight
Australian shares	65%	40%	80%	60%
International shares	15%	0%	30%	17%
Australian property	5%	0%	20%	3%
Growth Assets	87.5%			82.3%
Unlisted infrastructure	5%	0%	20%	5%
Hybrids	0%	0%	5%	4%
Australian bonds	5%	0%	25%	0%
International bonds	0%	0%	10%	0%
Cash	5%	0%	50%	11%
Defensive Assets	12.5%			17.7%
Note: Unlisted infrastructure is classified 50% growth and 50% defensive				

The investment objective for the Income Account is to generate an interest rate greater than the 90 day bank bill swap rate. In FY2016 this was again achieved comfortably with the portfolio earning an average rate of 3.86% compared with 2.18% for the benchmark.

Leading

HMSTrust has a strategic objective to provide leadership in philanthropy. During the year the Investment Committee spent considerable time discussing the topical issue of impact investment. Impact investing is a broad term, but in essence it means making investments with the explicit objective of generating both a financial return and a measurable social or environmental impact. In practice this covers a spectrum ranging from “ethical investment” to direct investment in social enterprises and it spans the full range of asset classes.

The Investment Committee has recommended (and the Trustees subsequently approved after year end) changes to the Investment Policy Statement that allow participation in impact investment within strict guidelines. As a will-based trust in perpetuity, the Investment Committee rightly places a high priority on preserving the value of the corpus in real terms, and this objective underpins our approach to impact investing.

HMSTrust’s policy includes principles-based screening of our internally managed investments to ensure we do not invest in companies whose activities are regarded as contrary to HMSTrust’s mission and values and its granting strategy. We also have the ability to make direct impact investments which have strong capital preservation characteristics and social or environmental impacts aligned with our granting strategy. In total, such investments will be limited to no more than 2% of the corpus.

Social impact investing is a much-discussed topic in philanthropic circles but the range of investment opportunities that meet our criteria has been limited to date. As with all investments, our approach will be patient and disciplined and it may well be some time before we make our first direct impact investment.





Outlook

The investment outlook continues to look challenging, particularly as it appears we are now close to the end of a period of extraordinary central bank monetary policy which has pushed bond yields to record lows (and negative yields in many places). The US central bank is expected to raise its official interest rate in coming months, and while others are unlikely to follow any time soon, there is a diminishing prospect of yet more quantitative easing from the Japanese or European central banks. While inflation remains low, it is rising in the US, and any upward surprise here is a significant risk for markets as it would lead to a higher interest rate profile than is currently expected.

Given dividend cuts from BHP and others last year, combined with current low interest rates, it will be difficult to achieve our income objective in the coming year. However, rather than increase portfolio risk to generate higher returns we will draw on existing reserves of unapplied income to make good any shortfall so that there will be no negative impact on HMSTrust's granting capacity.

Peter Wetherall

Investment Executive

Finance Review



The Helen Macpherson Smith Trust is a perpetual charitable trust whose principal activity is to hold Helen's residuary estate (corpus) in trust, to invest the corpus to maintain and grow its real value, to earn income from the corpus and to distribute that income to charitable institutions and purposes situated in Victoria.

Governance

The governing rules of HMSTrust consist of Helen's Will executed in 1936 (and varied by the Supreme Court of Victoria in 1992 and 2015) and the 2009 Administrative Scheme.

HMSTrust is regulated by the Australian Charities and Not-for-profits Commission (ACNC) and is governed by a Board of Trustees which meets regularly throughout the year to consider the three core activities of HMSTrust: internal investment management, grant making and finance and compliance.

HMSTrust has implemented a risk management plan (which is reviewed by the Board of Trustees on an annual basis) and maintains comprehensive insurance policies. The assets of HMSTrust are held in the name of the custodian trustee, HMS Nominees Ltd.

In accordance with the terms of Helen's Will, HMSTrust maintains both a Capital Account (representing HMSTrust's corpus) and an Income Account (representing the unapplied income available for granting). The Trustees have the power to accumulate and retain up to 15% of the operating surplus of HMSTrust each financial year in the Capital Account.

HMSTrust undertakes a comprehensive annual budget process with approval by the Board of Trustees in May each year. Quarterly actual results are reported against budget and revised forecasts for the year are prepared regularly.

Since HMSTrust is not a reporting entity, special purpose annual financial statements are prepared to satisfy its reporting obligations under its governing rules and the ACNC Act. These annual financial statements are audited by an external auditor (BDO). The key financial summary presented here is an extract of the audited annual financial statements which are available for download from the ACNC website.

Operating results for the year

Revenue (excluding realised and unrealised gains on investments) of \$5.9m was earned on the corpus during the 2016 financial year. This was 26% lower than the \$8.0m earned in the previous financial year which included \$2.0m (only \$0.2m in the 2016 financial year) revenue from off-market share buy-backs and capital distributions which are taken to the Capital Account.

Operating expenses of \$1.3m were incurred during the year in administering HMSTrust to achieve its objectives. Operating expenses were 7% lower than the previous financial year due to a reduction in legal expenses following the successful outcome of the Cy-Près application in October 2015.

The operating surplus on the Income Account of \$4.5m allowed for a total of \$3.6m in grants to be approved during the 2016 financial year. This resulted in a \$0.9m surplus on the Income Account from which \$0.6m was transferred to the Capital Account through the Trustees' exercise of the power of accumulation.



Unapplied income in the Income Account increased from \$3.9m at 30 June 2015 to \$4.2m at 30 June 2016. This unapplied income will be used to maintain HMSTrust's granting capacity during this period of low income returns.

The value of the Capital Account reduced by 4.7% from \$104.5m to \$99.6m due to the poor performance of the markets (the corpus is invested predominantly in the ASX200 and MSCI World-ex Australia which were down 4.1% over the year).

Glen Thomson

Finance Executive

Helen Macpherson Smith Trust

Financial Summary

Statement of surplus or deficit and other comprehensive income for the year ended 30 June 2016

		2016 \$	2015 \$
REVENUE			
	Franked dividends	2,844,437	4,226,022
	Unfranked dividends	523,150	476,799
	Managed fund distributions	767,498	933,999
	Imputation credits	1,252,513	1,811,152
	Interest income	431,106	446,290
	Other income	105,000	87,669
		5,923,704	7,981,931
EXPENSES			
	Employee and trustee benefits	(910,737)	(887,418)
	Depreciation and amortisation	(102,136)	(98,508)
	Legal expenses	(52,528)	(123,154)
	Other operating expenses	(228,392)	(278,824)
		(1,293,793)	(1,387,904)
OPERATING SURPLUS		4,629,911	6,594,027
	Net grants approved during year ¹	(3,579,171)	(4,892,706)
SURPLUS FOR THE YEAR		1,050,740	1,701,321
	Other comprehensive income		
	Change in fair value of investments	(5,632,051)	1,804,522
TOTAL COMPREHENSIVE (LOSS) / INCOME		(4,581,311)	3,505,843
	Attributable to Capital Account	(5,575,485)	3,618,325
	Attributable to Income Account	994,174	(112,482)
		(4,581,311)	3,505,843

¹ Net of withdrawn grants amounting to \$186,084 (2015: \$176,686).

Helen Macpherson Smith Trust

Statement of financial position as at 30 June 2016

		2016 \$	2015 \$
CURRENT ASSETS	Cash and cash equivalents	14,204,947	9,988,524
	Trade and other receivables	2,636,692	3,550,763
		16,841,639	13,539,287
NON-CURRENT ASSETS	Investments in financial assets	88,782,109	97,826,406
	Property plant and equipment	2,546,367	2,602,399
	Intangibles	31,285	46,427
		91,359,761	100,475,232
TOTAL ASSETS		108,201,400	114,014,519
CURRENT LIABILITIES	Trade and other payables	58,788	61,510
	Grants approved but unpaid	4,236,023	5,480,052
	Employee benefits	35,118	32,566
		4,329,929	5,574,128
NON-CURRENT LIABILITIES	Employee benefits	18,382	5,991
		18,382	5,991
TOTAL LIABILITIES		4,348,311	5,580,119
NET ASSETS		103,853,089	108,434,400
ATTRIBUTABLE TO:			
CAPITAL ACCOUNT	Capital profits reserve	89,750,517	88,116,650
	Investments revaluation reserve	9,858,981	16,418,333
		99,609,498	104,534,983
INCOME ACCOUNT	Retained surplus	4,199,860	3,770,183
	Investments revaluation reserve	43,731	129,234
		4,243,591	3,899,417
TOTAL ACCUMULATED FUNDS		103,853,089	108,434,400