Helen Macpherson Smith Trust

# Annual Report 2024

# Honoring our founder

For over 70 years, the Helen Macpherson Smith Trust has been making grants to benefit the Victorian community, thanks to the vision and generosity of its founder, the late Helen Macpherson Schutt (née Smith).

Helen was an extraordinary woman who broke with tradition. At a time when philanthropy by Australian women was largely focused on volunteer work, and major financial donations were typically made by men, Helen took a different approach.

She was an early life member of The Lost Dogs' Home, with her name appearing in donor lists from 1914 to 1935. She also supported several key organizations, including the Victorian Mission to Seamen, the RSPCA, the Royal District Nursing Service, the Royal Children's Hospital, and the Royal Victorian Institute for the Blind.

When Helen passed away in 1951, she bequeathed £275,000 ($550,000) to establish a charitable trust to benefit Victorian charities in perpetuity. With few restrictions placed on her gift, she allowed the Trustees to have discretion in selecting which charities to support.

Thanks to her foresight, the Trust has distributed $146.5 million to charitable causes across Victoria.

# From the Chair and Chief Executive Officer

At Helen Macpherson Smith Trust, we work to honour our rich history and founder's values while pursuing meaningful change. In 2023/24, we focused on reinforcing our commitment as a Trust to strengthening support for those within our areas of focus.

More than a year after committing our 2022 strategy and decision-making framework, the Trust has been able to confidently translate the framework into action, based on the core principles of trust-based philanthropy and collaboration with granting partners.

The benefits of trust-based philanthropy continue to resonate. The Trustees and team have emphasised deep listening, and allowed those working in the field to explain where support is needed and why. The partnerships we enjoy with those we fund remain fundamental to the Trust's impact.

In the 2023/24 financial year, the Trust dedicated $4.7 million across 13 grants. It brings the lifetime total of funds donated by the Trust since 1951 to $146.5 million, across almost 5,000 grants. In 2023/24, just over 50 per cent of the grants went to rural and regional Victoria. Community support accounted for 41 per cent of the grants, while 51 per cent went to educational support.

The Trust continued to offer fewer, larger grants in our areas of focus. Of note was the $1.5m, five-year commitment to the Foundation for Rural and Regional Renewal. Funding in partnership with three Victorian funders, the grant will support three Victorian communities to strengthen their capacity and resilience through a model of 'time, trust and tenacity'. You can read more about this grant and others later in this report.

Alongside our strategic grants, the Trust supported organisations close to the heart of our founder, Helen Macpherson Schutt (née Smith). We offered meaningful assistance to the Lost Dogs' Home and the RSPCA, the Royal Children's Hospital Foundation, Mission to Seafarers Victoria and more.

Having last year made the decision to leave our office at Windsor Place the Trust has now settled in a purpose-ready space at 90 Collins Street. The new premises has allowed us to realise our ambition of inviting not-for-profit partners to share hot desks and facilities, and to hold events. Such partnerships, community-led collaboration and deep relationships are central to our work.

In April, 90 Collins Street also provided the perfect space for us to gather for a strategy reflection and to invite experts from our focus areas to join us for a full day of dialogue and listening, so we could better understand their challenges, their ambitions and their needs. It was a powerful day, with strong connections made, and extremely informative for the Trust.

We were pleased to host a Trustee dinner in April in the historic surrounds of the State Library of Victoria, where we paid a warm and heartfelt tribute to our two most recent previous chairs, Dr Philip Moors AO and Catherine Walter AM, recognising their tireless work and success in leading the Trust. The acknowledgement of Phil and Cathy's endeavours extended to the dedication of two grants in their honour.

Following the retirement of Cathy Walter and Danielle Toon from the Board in late 2023, we have since welcomed two new Trustees, Natasha Bowness and John Daley, who are already contributing energy and expertise.

This year, the Trust enhanced its digital presence with a redesigned website and refreshed branding. We are pleased to showcase our new look, which thoughtfully balances our legacy with our contemporary aspirations.

Investment performance was strong for the second year in a row, with the corpus earning a total return of 13.3% for the year ending 30 June 2024. Over the 10 years then ended, the corpus earned a total return of 9.5% pa, outperforming its CPI + 5.5% objective of 8.2% pa by 1.3% pa. The corpus finished the year at an all-time high of $164m.

With our corpus continuing to grow above expectations, and the demonstrated impact of our granting recipients, in all, it was a successful year with strong momentum. Through our grants and relationships, we hope our work has made a positive difference to the lives of Victorians.

Bruce Parncutt AO, Chair & Debra Morgan, CEO


Trustees past and present celebrating at the State Library of Victoria.

# Our Purpose

## OUR VISION

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

Helen Macpherson Smith Trust acknowledges the traditional owners of the land on which we work, the Wurundjeri people of the Kulin Nation, and pays respect to elders past, present and emerging. As a mark of respect, the Trust's vision is also presented in Woi Wurrung language.

## OUR VALUES

The Trust's values reflect the importance of its legacy, a desire to continue learning, and the value of partnering with others.

### Respect & Integrity

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

### Stewardship

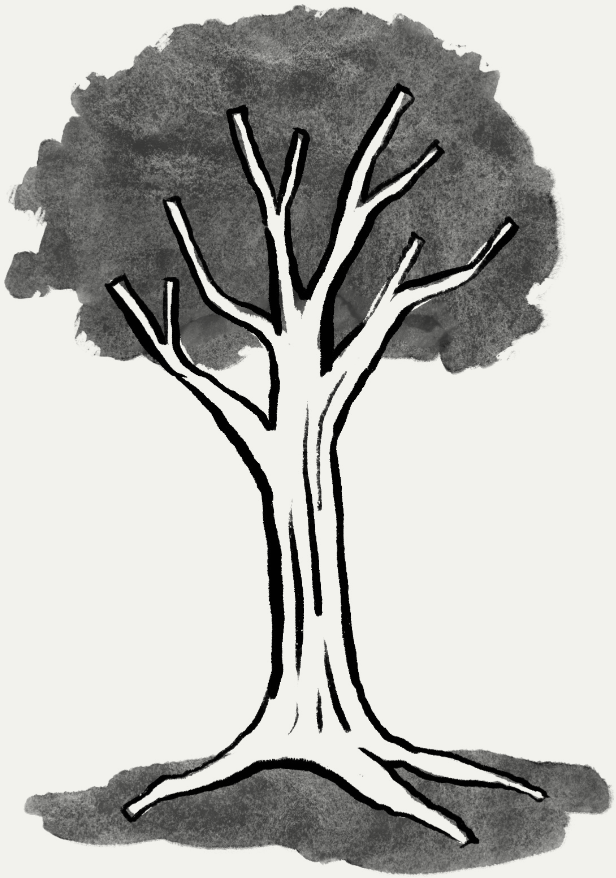
Prioritising, with care and diligence, long-term over short-term priorities, and acknowledging the legacy of the Trust is reflected through the work of our partners.

### Collaboration

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

### Learning

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



## OUR APPROACH

The Trust's grant-making approach is founded on the principles of trust-based philanthropy, focusing on fostering strong relationships between donors, not-for-profits, and communities to rebalance power and decision-making. Through our strategic approach, the Trust is working towards:

- Developing signature grant opportunities through deep engagement with communities and stakeholders.
- Bringing our skills, networks, partners and funding to collaborations that respect the expertise of others and amplify impact.
- Using influence and connections to help organisations beyond the grant.
- Acknowledging we don't have all the answers and seeking to understand systems and social contexts.
- Being transparent about our processes and responsive to grantees.
- Using data to inform rather than determine, and seeing mistakes as opportunities to learn.

# Our areas of focus

## COMMUNITY

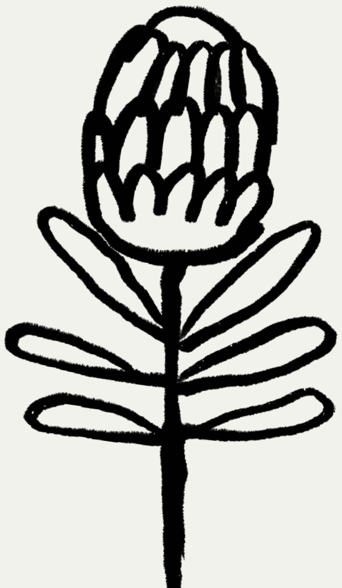
### Supporting communities to build connection, capability and capacity.

Emerging evidence suggests community networks and structures facilitate collaboration, communication, sharing and learning. Well-connected systems, such as cohesive community networks, have the ability to recover from disturbances more quickly than those that are disconnected.

With ongoing challenges associated with natural disasters, the pandemic and economic pressures, there is an ever-increasing need for communities to be adaptive and resilient.

Broad community participation enables collective action and sustainable, positive change. Diverse forms of community participation tend to be more resilient, as they are able to compensate when parts of the system are lost or fail. Within a community, connectivity between different social groups increases information sharing and building trust and reciprocity.

The Trust supports organisations working to build community connection, capability and capacity. In partnership with other funders, the Trust supports communities using a range of approaches to identify and realise their own goals and priorities. The Trust prioritises communities that have identified and are working towards their own goals and priorities.



# Our areas of focus

EDUCATION

## Improving educational outcomes for Victoria's children.

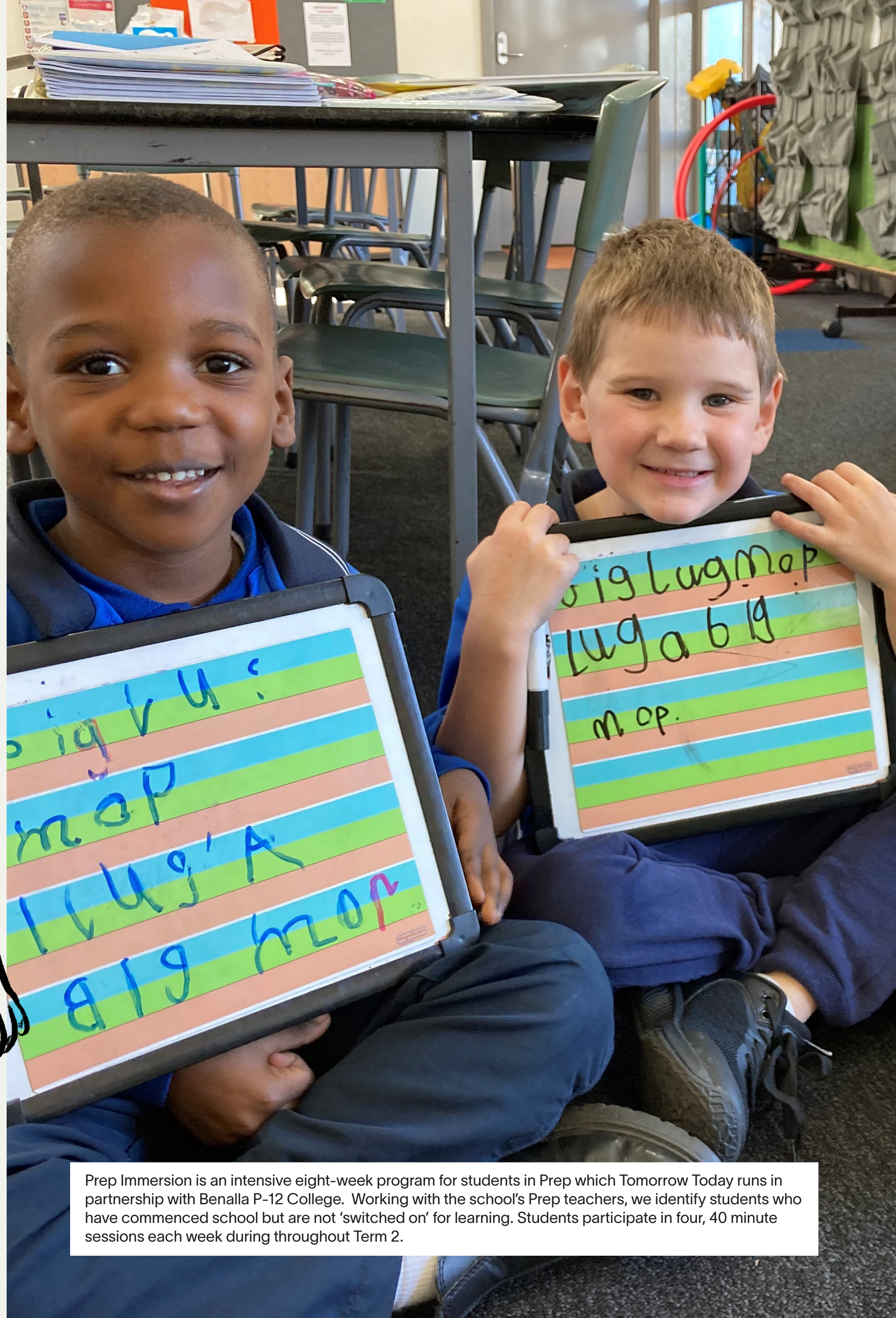
Children and young people with higher levels of socio-economic disadvantage and vulnerability (for example, those from rural and regional geographic locations, First Nations backgrounds, culturally and linguistically diverse backgrounds and students with disability) often have poorer educational outcomes.

Children and young people experiencing disadvantage and vulnerability often have complex needs and require additional, holistic support to ensure the best possible educational outcomes.

Schools, early learning services, families, communities and other child and family support services are deeply interconnected systems. When working together, they can better support complex needs and thus reduce educational disadvantage and ultimately improve educational outcomes.

The Trust supports organisations that work in partnership with early learning and school education providers to improve educational outcomes for children and young people experiencing disadvantage.

This includes organisations working with children, young people, families, educators, educational leaders, education providers, systems and community organisations. It also includes those working to improve access, participation, engagement, quality, opportunities, pathways and overall learning outcomes.



Prep Immersion is an intensive eight-week program for students in Prep which Tomorrow Today runs in partnership with Benalla P-12 College. Working with the school's Prep teachers, we identify students who have commenced school but are not 'switched on' for learning. Students participate in four, 40 minute sessions each week during throughout Term 2.

# 2024 Grants

## COMMUNITY

### First Step

$450,000 over three years

Delivering a Whole Person, Whole System Model

A new model to extend First Step's workforce in order to enhance the integrated care model and undertake strategic engagement with government.

firststep.org.au

### Foundation for Rural & Regional Renewal

$1,500,000 over five years

Investing in Rural Community Futures Victoria

A five-year program working closely with grassroots not-for-profits in three communities in regional Victoria, aimed at strengthening organisations and communities.

frrr.org.au

## EDUCATION

### Our Place

$750,000 over three years

Implementation of the Our Place approach at Morwell Park Primary School.

Employing a set of evidence-based strategies to support the education, health and development of children and families at Morwell Park Primary School.

ourplace.org.au

### SNAICC - Secretariat of National Aboriginal and Islander Child Care Inc

$750,000 over three years

SNAICC Victorian Early Years Support Project

Support for the Victorian Early Years support program, which aims to increase Aboriginal children's access to high quality, responsive and culturally safe learning services.

snaicc.org.au

### Tomorrow Today Education Foundation

$900,000 over three years

Education Benalla Project

Continuation of a whole of community partnership approach to improving outcomes for students in Benalla.

tomorrowtoday.com.au

# 2024 Grants

## DISCRETIONARY GRANTS

### Giant Steps Melbourne Limited

$100,000

Giant Steps Melbourne Re-development

The fit-out of five purpose-built classrooms as part of the redevelopment of Giant Steps Melbourne, a specialist school for children with autism (ASD) in Victoria.

giantsteps.net.au

### Royal Botanic Gardens Foundation Victoria

$100,000

How-To Garden - Cranbourne Gardens

A reimagined How-To Garden in Cranbourne that will enable the delivery of practical, hands-on learning activities to a range of visitors, and will feature edible Australian plants, a new shelter for group-based learning activities, and improved interpretation for self-guided learning.

rbg.vic.gov.au

## LEGACY GIFTS

Helen was a dedicated philanthropist throughout her life, supporting a variety of charitable causes. She was among the first life members of The Lost Dogs' Home, with her name listed as a donor from 1914 to 1935.

Records from the Victorian Missions to Seamen (now Mission to Seafarers) reveal that she was an honorary member of the Ladies' Harbour Lights Guild, making donations as early as 1911 and continuing until at least 1927. Helen was also a life member of the Royal Society for the Prevention of Cruelty to Animals and a consistent donor to the Royal District Nursing Service.

In 1919, during Melbourne's worst-ever influenza epidemic, Helen contributed funds to the Melbourne District Nursing Society.

In her Will, Helen named these organisations as potential beneficiaries for the Trustees to consider supporting. In 2023/24, the Trustees honoured her legacy by committing grants to the following named beneficiaries.

### Bolton Clarke

$30,000

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

Purchase ankle doppler machines and toe cuffs to support nurses to identify wounds that may not be receiving enough blood to heal.

boltonclarke.com.au

### The Lost Dogs Home

$30,000

Shelter Medicine fund

Professional development for veterinary staff, positioning The Lost Dogs' Home at the forefront of exceptional animal welfare care.

dogshome.com

### Mission to Seafarers Victoria Inc

$30,000

Welfare services for seafarers

Extend seafarer welfare services to include the crews of cruise ships. These crews not only have the pressure of long periods at sea, long working hours, limited contact with family but also the need to meet the demands of their passengers.

missiontoseafarers.com.au

### The Royal Children's Hospital Foundation

$30,000

Paediatric, Infant and Perinatal Emergency Retrieval (PIPER)

Purchase equipment necessary for transferring critically ill infants and children from regional Victoria to metro hospitals, where they can receive lifesaving specialist care.

rchfoundation.org.au

### Royal Society for the Prevention of Cruelty to Animals

$30,000

The 'Forever Homes' Project'

Provide in-person consultations and operate a pet behaviour helpline to equip pet owners with the tools required to effectively manage behavioural issues to lessen the risk of a return to shelters.

rspcavic.org

### Vision Australia Limited

$30,000

Client Support in Victoria

Support for clients who are between National Disability Insurance Scheme (NDIS) plans and are awaiting approval for the next iteration, or for those who may not meet eligibility requirements for NDIS/Aged Care funding, for example refugees/non-Australian citizens.

visionaustralia.org

COMMUNITY

# First Step

Delivering a Whole Person, Whole System Model

$450,000 over three years

A Royal Commission into Victoria's Mental Health System, which began in 2019 and handed down its findings in 2021, was difficult reading. Then state premier Daniel Andrews had declared the system "broken" and Chief Commissioner Penny Armytage agreed, saying Victoria's system to treat those suffering mental health issues had "catastrophically failed to live up to expectations."

As the state government has wrestled with how to respond to the recommendations, First Step's integrated care model has been recognised as a way forward, with Helen Macpherson Smith Trust committing $450,000 towards First Step's "Delivering a Whole Person, Whole System Model". The Trust's support is helping First Step document evidence and data proving the effectiveness of its work, as well as guaranteeing staffing levels to ensure operational and financial stability, grow community engagement and funding relationships, and lead cultural reform through education and innovations.

The grant showcases the Trust's belief in listening to experts, allowing the thought leaders at First Step to inform us regarding where they need support and how they can best utilise our resources for long-term success.

Founded in 2000, First Step has long been recognised as a leader in potential mental health treatment system change, being chosen to drive the Victorian Department of Health's Integrated Care Pilot in 2019/20.

Its model offers a welcoming, hope-filled environment for people seeking support for alcohol and other drug use, as well as mental distress. A multi-disciplinary team of doctors, nurses, psychologists and other mental health clinicians, lawyers, care coordinators, counsellors and psycho-social workers are available on site. This collaborative team enables people to feel safe and supported as they maximise their agency, resilience and connection.

The independent impact evaluation of First Step that HMST has committed to funding is seen as an essential development to guide the wider future of mental health care, proving the effectiveness, humanity and long-term benefits of First Step's integrated model. "Delivering a Whole Person, Whole System Model" seeks to tackle the systematic barriers to support that currently exist, created by a treatment sector that First Step believes is underfunded siloed and stigmatised.

The project's goals are ambitious but ones that the Helen Macpherson Smith Trust support. The hope is to create genuine, integrated pathways out of mental distress and addiction so that people can enjoy better mental and physical health and participate in society and the workplace. This can lead to safer, healthier communities, reduced crime and less pressure on families, hospitals, prisons and the welfare system.

Mikey Daly, First Step Government Relations Advisor, with Biscuit.

"A crucial element of the 'Delivering a Whole Person, Whole System Model' was the recruitment of an experienced Government Relations Advisor to pursue avenues for sustainability, and also to advocate on a state and federal level for the recognition and uptake of our unique model.

This appointment has highlighted just how much we did not know about the inner workings of government, and how to get a project from initial inspiration to government funded reality.

Within weeks we've had productive meetings with government departments and minister's offices to progress First Step's plans for improving service delivery for people with co-occurring needs including drug use. We are optimistic about real outcomes for First Step, our clients and others in the community who need multi-disciplinary services."

- Patrick Lawrence, Chief Executive Officer.

COMMUNITY

# Foundation for Rural & Regional Renewal

Investing in Rural Community Futures Victoria

$1,500,000 over five years

Ferdi Hepworth (William Buckland Foundation Lead Equity Trustees), Louise Kuramoto (Executive Officer, The Jack Brockhoff Foundation), Debra Morgan (Chief Executive Officer, Helen Macpherson Smith Trust), Natalie Egleton (Chief Executive Officer, Foundation for Rural & Regional Renewal) and Sarah Hardy (Chief Executive Officer, The Ross Trust). Photo: Stephen McKenzie

The challenges faced by Victoria's rural and regional towns are multifaceted and persistent. Environmental threats, such as droughts and natural disasters, pose significant risks, while social issues like housing shortages, unemployment, mental health struggles, and limited access to specialised care contribute to compounding pressures.

This is why Helen Macpherson Smith Trust has offered financial and practical support to a long-range, ambitious program developed by the Foundation for Rural & Regional Renewal (FRRR). The Trust has committed $1.5 million in support, over five years, to assist three Victorian communities.

The Trust's core strategy has always included supporting communities and education, even as grants have transitioned to larger, longer-term support to achieve the most meaningful impact.

FRRR's program, "Investing in Rural Community Futures Victoria" (IRCF), works through a model of trust, time and tenacity, which connects with HMST's values, and trust-based approach. The Trustees believe in listening to communities, social leaders and others who understand what rural and regional towns need, and in providing them the support they need.

The Trust knows the IRCF program works because its effectiveness has already been proven over five years in several New South Wales rural communities, achieving significant outcomes across social and economic benchmarks. These measures include First Nations collaboration, youth engagement, financial growth, cultural, heath and employment impacts, as well as the development of local not-for-profit ecosystems to develop local expertise, confidence and strategy for success.

The Trust is working alongside the Jack Brockhoff Foundation, the William Buckland Foundation and The Ross Trust to bring the program to Victoria, with a five-year, $5 million collective investment to develop local not-for-profit leaders, strengthen support systems and to develop local capacity-building projects.

Aged care, health, youth engagement and other social issues have been tackled collaboratively and with long-term purpose, guided by FRRR's on the ground expertise. Systems and structures, teamwork, strategy and investing in people can all make a dramatic difference for communities, activating local networks and supports, offering flexibility in meeting evolving needs, bringing locals and established experts together.

"The tenacity of remote, rural and regional people to keep their communities vibrant and sustainable motivates us to continue to strive for our shared vision for a more vibrant, resilient and sustainable remote, rural and regional Australia."

- Natalie Egleton, CEO

OUR GRANTING PARTNERS

EDUCATION

# Our Place

Implementation of the Our Place approach at Morwell Park Primary School

$750,000 over three years

Primary schools are about so much more than children learning to count and spell. A local school is a meeting point, a melting pot and a community hub, all rolled into one, with the common theme of enrolled students.

Our Place is an initiative that seeks to explore this reality and build on it, to enhance the lives of children and their families. By bringing partners together from many elements of family health, support and welfare, the Our Place approach can help a child's development and ability to engage in learning and social opportunities, while also supporting the family to more confidently engage with their child's schooling and their own learning. Community thrives with a sense of connection, pride and belonging, and so the idea of family-centred practices and systems all interacting from within a school hub has enormous potential.

Our Place was created by the Colman Education Foundation in 2012, with a pilot project at Doveton College, which was then expanded, at the request of the state government, to 10 schools. Refined and empowered, Our Place has been introduced to Morwell Central Primary School, and is now being introduced to Morwell Park Primary School, with both schools located in a town that includes rates of childhood development vulnerability up to four times the state or national benchmarks. Helen Macpherson Smith Trust has previously supported Our Place, with a three-year grant to ensure rigorous program evaluation. Now, the Trust has committed to implement the Our Place approach in Morwell with a $750,000 commitment over three years. The Trust's grant is contributing to core operational costs and staff, allowing this systems change work to take place.

While there are many services designed to help children and families in Morwell, coordinating those services has not always been effective. The Trust believes the Our Place approach can make a significant and tangible difference by building the concept of the primary school as a hub for all partners and wider family needs.

The Trust's ambition, along with the Colman Education Foundation and other funding partners, is to increase the number of Morwell children and families engaging in the school community and education, as well as continuing to prove the wider case for the Our Place program model, to prove it is sustainable and capable of being adopted by government as a way forward for improved outcomes in primary school children's education and wider family and community support across Victoria.

Morwell students participating in the Our Place initiative.

"Together with our many partners, we are demonstrating that schools can be powerful platforms to support children and families, starting from birth. Bringing together the services and supports in a school setting can unlock the full value of the considerable existing investment in the system. Placing children and families at the heart of a collaborative local service system leads to increased and more effective use of these services and supports, and ultimately improved education achievement and life opportunities."

- Sean Cory, Chief Executive Officer, Our Place

EDUCATION

# SNAICC - Secretariat of National Aboriginal and Islander Child Care Inc

(Aboriginal and Torres Strait Islander Corporation)

SNAICC Victorian Early Years Support Project

$750,000 over three years

For Indigenous families and communities to flourish, today's Indigenous children need support, guidance, and encouragement to attend school. Together with family support and cultural understanding, assistance is crucial if our First Nations communities are to thrive and prosper.

It is with this belief that Helen Macpherson Smith Trust is backing a multi-year project to empower, educate and create brilliant Early Learning leaders. Led by SNAICC – the "Victorian Early Years Support Project" has been co-designed with 14 existing Aboriginal Community Controlled Organisation (ACCO) Early Years Centres in Victoria, and is introducing more specialised Aboriginal support and advocacy to help these centres provide high quality, responsive and culturally safe early learning for First Nations young people beginning their journey in school and life.

It's vital and necessary work. First Nations disadvantage is inherent within the early learning sector, with many Indigenous families not trusting centres because of bad experiences or a wider mistrust of institutions. Across the entire sector, only 36.9 per cent of Indigenous children have access to at least one Indigenous early care worker and even they are localised resources because less than three per cent of paid workers in the wider sector are Indigenous. Early learning centres may not consider cultural or disadvantage issues that are already preventing First Nations children, and their families, from having the opportunity to thrive.

The program offers leadership support, networking, practice sharing, ACCO visits, and assistance with compliance and registration, along with integrated health and family supports. Documenting, collating and sharing learnings and models of care will support the development of the evidence base through the three years of the project, alongside representation of the voice of Indigenous communities and early year ACCO centres in regional and state forums. The aim is that more ACCO Early Learning and Care spaces will be available and used by Indigenous children, and for more Aboriginal staff to be employed in the sector.

SNAICC's aim is that, in 12 months, 95 per cent of Aboriginal children will be enrolled before the school year begins, and by 2031, 55 per cent of Aboriginal children will be assessed as developmentally on track in the Australian Early Development Census. Closing the education gap now can have material benefits, including reducing the likelihood of these children coming into contact with intervention services over their lifetime.

Helen Macpherson Smith Trust has committed a total of $750,000 over three years to the Victorian Early Years Support Project.

Children taking part in activities at one of the ACCO Early Years Centres in Victoria.

"SNAICC's Early Years Support team goes above and beyond for ACCO early childhood and education services in communities. They do more than just support services, they work alongside them to ensure that they have everything they need to operate as successfully as they can so that Aboriginal and Torres Strait Islander children get the best early education experience where their culture and identity is nurtured and celebrated."

- Fran Whitty, Director Corporate Services, SNAICC

OUR GRANTING PARTNERS

EDUCATION

# Tomorrow Today Education Foundation

Education Benalla Project

$900,000 over three years

Life in the bush has always been difficult and is not getting easier. In 2007 and then again in 2021, the town and immediate region of Benalla was ranked by the Jesuit Social Services "Dropping Off The Edge" report as being among the top five per cent most disadvantaged local government areas in the state, as well as one of the ten most persistently disadvantaged locations in Victoria. However, far from buckling under the weight of that struggle, the Benalla community has come together to find a better future.

Tomorrow Today was established by Benalla locals for that purpose, creating a stronger, more resilient and prosperous community, and central to that mission was the creation of the Education Benalla Program (EBP), working across family, school and community to actively drive better education outcomes for Benalla children as a key driver for future growth and wellbeing.

EBP continues to deliver programs and interventions designed to ensure Benalla students thrive, and has become a local employer of choice, enjoying broad community support, strong community partnerships, an enthusiastic volunteer cohort and a desire to see Benalla have a better future.

Helen Macpherson Smith Trust has committed a grant of $900,000 over three years.

There is considerable work to be done. In 2021, seven out of the ten Benalla schools were below the national average for socio-educational advantage and of the almost 2000 students attending those schools, 39 per cent were in the bottom social-educational quartile. This translates as struggling students who are considered more likely to miss school, to leave school early or not be on time, to struggle academically, and be less likely to go to university. The national average for reading, writing and numeracy, as measured by NAPLAN, is also less likely to be met by students in this profile, affecting their future development and employment potential. Beyond school, children from disadvantaged families are more likely to suffer from abuse, disconnection, parental job loss and other challenges.

The EBP has two principles. It aims for school readiness for early year students (aged 0-8), as an established predictor of a child's educational success and life chances, and looks to build post-school pathways (students aged 11-plus) to guide maturing students into work experience and other employment-minded initiatives.

The Education Benalla Program has shown strong results, from improved community engagement to Benalla children catching up to the state average of being "on track" at school. There is also evidence of wider child vulnerability being reduced.

HMST is pleased to be able to support such committed and passionate work by local community not-for-profit leaders as Benalla's community strives to rise above historical disadvantage.


Tomorrow Today's Full Impact Squad was the recipient of Community Group of the Year award at Benalla's Australia Day Ceremony in 2024. Throughout the year the Squad undertook a number of activities raising funds for and awareness of issues important to them. The Full Impact Project was created to increase aspiration and agency of Benalla's young people.

"The Education Benalla Program (EBP) is a whole-of-community approach to addressing persistent disadvantage in the Benalla community. Since its inception in 2010, the EBP has grown from a single program (Hands on Learning) to delivering more than 20 programs to ensure Benalla's children and young people have equal access to education and supportive learning environments and are connected to their community. We work with families, preschools, schools and an extensive network of government, business and community partners to implement the EBP. Ongoing funding allows Tomorrow Today to continue to grow and adapt the EBP to provide consistent support to meet the changing needs of our children, young people and families. We are extremely grateful for the faith that our philanthropic partners, like the Helen Macpherson Smith Trust, place in us. Without this funding the scope and impact of our work would not be anywhere near as far-reaching."

- Jodie Fleming, Executive Officer, Tomorrow Today Foundation.

DISCRETIONARY GRANT

# Giant Steps Melbourne

Giant Steps Melbourne Re-development

$100,000

Giant Steps is an organisation doing remarkable work in one of the most difficult areas of education. Originally established in Sydney, Giant Steps Melbourne has been operating in Kew since 2016, providing school and post-school programs for children and adults living with autism spectrum disorder (ASD).

Students living with severe autism face complex challenges, greatly hampering their opportunities to access quality education, which is why the work of Giant Steps is so important. The organisation combines music, occupational and speech therapy at all levels, providing holistic support, alongside education.

Originally catering for 11 Melbourne families, the organisation now caters for students from Foundation (Prep) to Year 12, following the Victorian Curriculum school program. This includes the Victorian Pathways Certificate, extending the work into post school years.

Notably, Giant Steps does not charge for its services. Catering for children from all socio-economic backgrounds, it costs more than $100,000 per student per year to provide the level of support required. Government funding covers part of the costs, while families raise the balance through the support of donors and fundraising events.

In the late 1980s, three babies in 100,000 might be diagnosed with ASD, however today, three in 100 babies and children are diagnosed with autism. The result is an ever-increasing demand for Giant Steps' assistance, leading to the organisation working to expand its Kew site, increasing the size of the school itself, as well as extending car parking and the playground. Two Federal Government grants pledged $13.9 million to the project, however the Covid pandemic shutdown, and then delays and cost increases within the wider construction industry, left a gap in the overall cost.

Helen Macpherson Smith Trust provided a grant of $100,000 to undertake the fit out of five new classrooms, including desks, chairs and lockers. The grant is made in honour of the Trust's former Chair, Catherine Walter AM, who stepped down at the end of 2023.

Trust CEO Debra Morgan said, "Honouring Cathy with this grant is the perfect way to again thank her for her valuable contribution to the work of the Trust. She left the Trust well positioned to advance Helen's legacy of supporting Victorian communities under our revised strategy."

The Trust's support means Giant Steps remains on track with the expansion, enabling the organisation to plan for an additional 54 students, and their families, as well as employing additional teachers, educators and allied health professionals. Giant Steps is also working to expand its Community College Program, extend its Mental Health Clinic to meet demand, introduce a Siblings Program for students' families, and build capacity across its staff and teaching workforce. The vision is to make the Giant Steps campus a place for research and development of best practice programs for children with autism, provide training for teachers and other professionals and to share the facility with community groups outside of school hours.

Artist render of the new development and playground.

"The Giant Steps Melbourne development project nearly doubles our cohort numbers, allowing us to offer individualised educational programs and extensive support services to our community of children and adults with high support needs autism."

- Davina Bate, Principal, Giant Steps Melbourne

OUR GRANTING PARTNERS

DISCRETIONARY GRANT

# Royal Botanic Gardens Foundation Victoria

How-To Garden – Cranbourne Gardens

$100,000

Royal Botanic Gardens are always wonderful to see, but it is usually frowned upon when visitors attempt to eat the flowers. At Royal Botanic Gardens Cranbourne, Helen Macpherson Smith Trust is supporting a project that changes all that, redeveloping a unique "How-To" garden that is designed to feature Australian plants that can be food-producing, inspiring veggie patches that showcase Australian flavours.

Located at the northern end of the Australian Garden, the How-To Garden aims to provide a practical demonstration of how we can grow, prepare and enjoy native food plants. The project seeks to encourage visitors to better understand where food comes from and how to grow their own native food sources, including native vegetables, fruits and herbs, as well as being educated on water sensitive plants and gardens, and how pesticides and chemicals can impact mainstream food production. It also introduces visitors to information regarding the importance of soil health on food quality.

Royal Botanic Gardens Cranborune was opened to the public in 1989, specialising in the appreciation, utilisation and conservation of the plants and ecosystems of Victoria and south-eastern mainland Australia.

The How-To Garden project reimagines the existing garden, pushing it beyond the existing working produce garden with a strong bush food focus, to a deliberately designed educational space to engage and inspire visitors, sharing knowledge with the community. A particular focus is on allowing Royal Botanic Gardens Victoria staff to have a space for workshops, aimed at students from pre-primary, primary and tertiary levels.

The grant is made in honour of former Helen Macpherson Smith Trust Chair,  Dr Philip Moors AO, and has been generously matched by Dr Moors, bringing the total contribution to $200,000.

Children enjoying Royal Botanic Gardens Cranbourne.

"The new and improved How-to Garden at Royal Botanic Gardens Cranbourne will create an invaluable space for hands-on learning activities with school groups and Gardens visitors. Specially themed gardens and gathering spaces will support inspiring programs exploring use of Australian plants as produce at home, and for ornamental and cultural use.   Thanks to the support of the Helen Macpherson Smith Trust and retired Gardens Director and Chief Executive Dr Phil Moors AO, we look forward to visitors from all walks of life engaging with nature, getting their hands dirty and connecting to the environment."

- Chris Russell, Director and Chief Executive, Royal Botanic Gardens Victoria

# 2024 Grants

13 grants approved

$4.7M granted

## By geography

15% Metropolitan

51% Rural/Regional

34% Statewide

## By focus area

41% Community

51% Education

4% Discretionary

4% Legacy Gifts

## Since inception (1951)

4965 grants approved

$146.5M granted

# Investment and finance

Helen Macpherson Smith Trust is a perpetual charitable trust whose principal activities are to hold Helen's residuary estate (corpus) in trust, to invest the corpus to grow its real value, to earn income from the corpus and to distribute that income to charitable institutions situated in Victoria and charitable purposes in Victoria. The corpus has grown from an initial bequest of £275,000 ($550,000) in 1951 to $164m as at 30 June 2024. More information on this remarkable story of growth is available here on the website.

## INVESTMENT OBJECTIVE

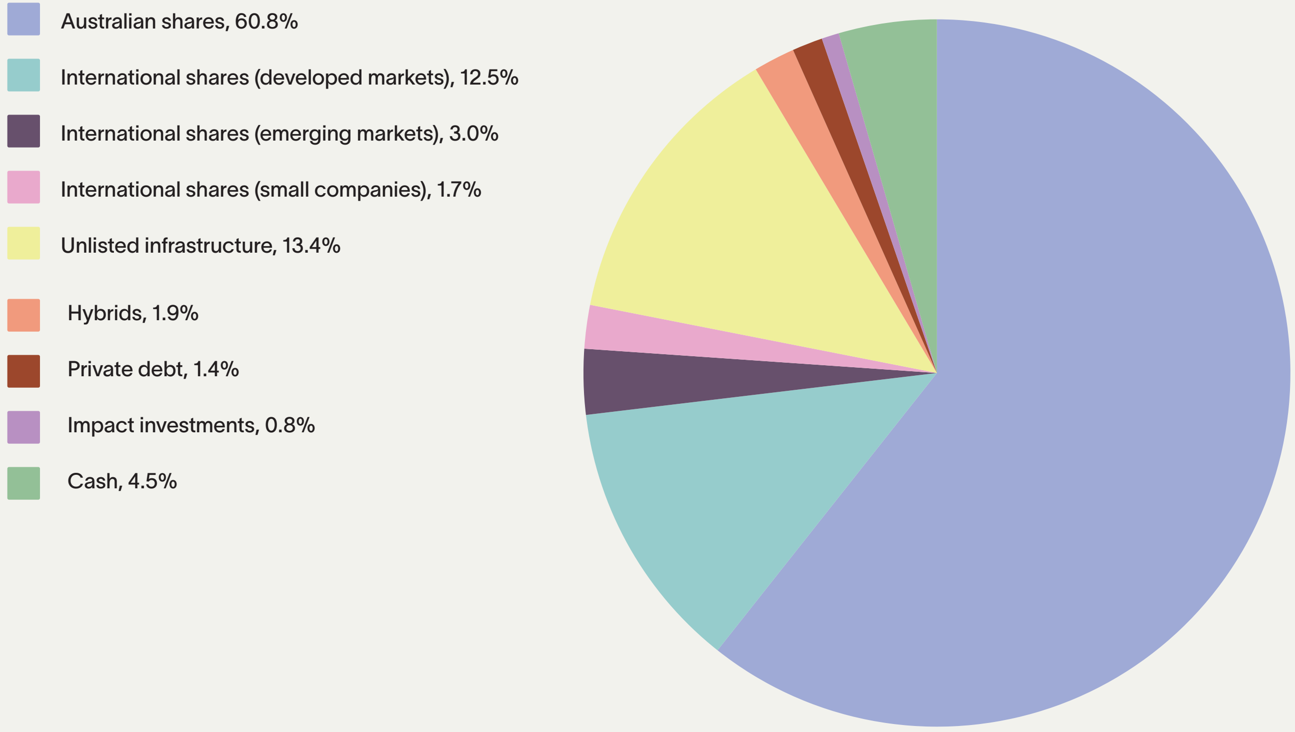
The objectives of the Trust's investment mission are twofold: firstly, to achieve long-term appreciation of the value of the corpus, ahead of inflation, and secondly to generate sufficient income to fund the annual grant giving program and operating expenses. The Trust prioritises long-term growth in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

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

## ASSET ALLOCATION

The Trust operates in perpetuity and cannot grant out of capital. These two features allow the corpus to have a high allocation to growth assets (86.4% as at 30 June 2024). The Trust maintains a high allocation to Australian shares (60.8% as at 30 June 2024) due to the attractiveness of refundable franking credits.

*Corpus asset allocation - 30 June 2024*



## INVESTMENT PERFORMANCE

For the second year in a row, the corpus performed strongly, generating a total return (including franking credits) of 13.3% for FY24, outperforming our long-term objective of 9.3% (CPI+5.5% p.a.) by 4.0%.

The main contributors to this strong result came from listed markets, with international developed markets shares returning 21.1% and Australian shares returning 14.8%. Total returns were also assisted by our allocation to alternative debt, with hybrids returning 9.7% and private debt 9.4%. Unlisted infrastructure returned a subdued 5.5%, mainly due to increased discount rates.

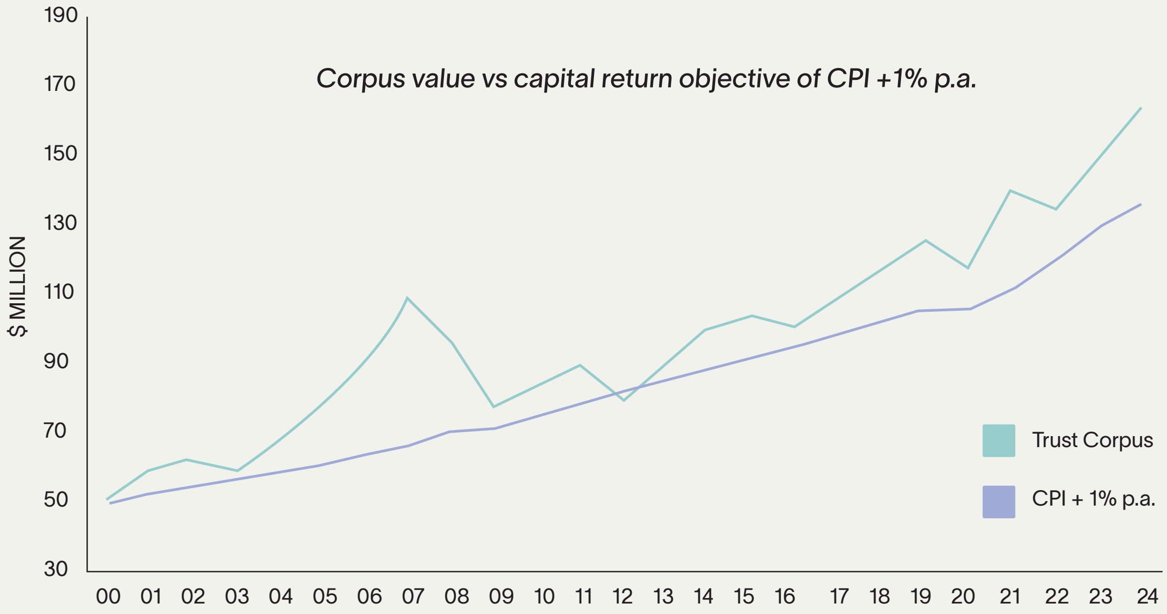
| As at 30 June 2024 | 1 year | 3 years | 5 years | 10 years | 11 years |
|---|---|---|---|---|---|
| Corpus: total return % pa (including franking, net of fees | 13.3% | 9.7% | 9.5% | 9.5% | 10.3% |
| Objective: CPI + 5.5% p.a. | 9.3% | 10.8% | 9.4% | 8.2% | 8.3% |
| Over/(under) performance | 4.0% | -1.2% | 0.1% | 1.3% | 2.0% |

Note: 11 years is the longest time period available for total returns, with formal performance measurement commencing from 30 June 2013.

It is pleasing to note, over the past 11 years the total return on the corpus was 10.3% p.a., outperformed its objective by 2.0% p.a. The total return objective of CPI+5.5% p.a. could be considered ambitious, albeit appropriate for a fund in perpetuity.

Excluding income returns, the value of the corpus continues to outpace inflation over the longer-term. The chart to the right shows how the value of the corpus (which excludes income earned) has changed since 2000 and compares that with the increase in CPI + 1% p.a. (our capital return objective).

The corpus finished the year at $164m, which is an all-time year-end high.




Note: contributions to the corpus from income are included in both ‘Trust Corpus’ and ‘CPI + 1%’ lines above.

## RESPONSIBLE INVESTMENT

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

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

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

The Trust is invested in two unlisted infrastructure funds: the Utilities Trust of Australian (UTA) and the IFM International Wholesale Infrastructure Fund. The managers of both funds are signatories with the UN Principles for Responsible Investment and have responsible investment strategies and climate change policies (net zero by 2050) which embed Environmental, Social and Governance (ESG) factors into their respective investment processes. UTA maintained its 5-star rating in the 2024 GRESB Infrastructure Assessment (GRESB is an organisation that produces internationally-recognised benchmarks to track ESG performance. A 5-star rating is the highest rating that can be achieved and is awarded to the top 20% of fund participants in recognition of their industry leadership).

During FY24, the Trust made a $500,000 commitment to the Arc social impact bond and increased its commitment to the Community Capital Credit Fund (CCCF) by USD1,400,000. CCCF is a fund of funds that invests in global private debt with the added goal of supporting the growth of social purpose charities which have the potential and capability to create meaningful and measurable social impact in Australian communities. Management fees earned by CCCF (net of operating costs) are granted to early-stage social purpose charities to grow and scale their impact across Australian communities. Each of the underlying managers of CCCF are UN Principles of Responsible Investors signatories with ESG fully integrated into their investment processes. CCCF is negatively screened at the underlying manager level with the following exclusions applied: fossil fuel explorers/miners/energy generators, gambling, tobacco, alcohol, pornography, live animal exports, nuclear and controversial weapons.

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

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

## INVESTMENT MANAGEMENT EXPENSES

In addition to managing Australian shares internally, investment operations are undertaken internally to maximise control and minimise costs. During FY24, the total investment expenses amounted to 0.36% of the corpus, including direct investment costs incurred internally, investment consultant fees paid to Frontier Advisors and investment management fees paid to external managers of international shares, unlisted infrastructure funds and private debt.

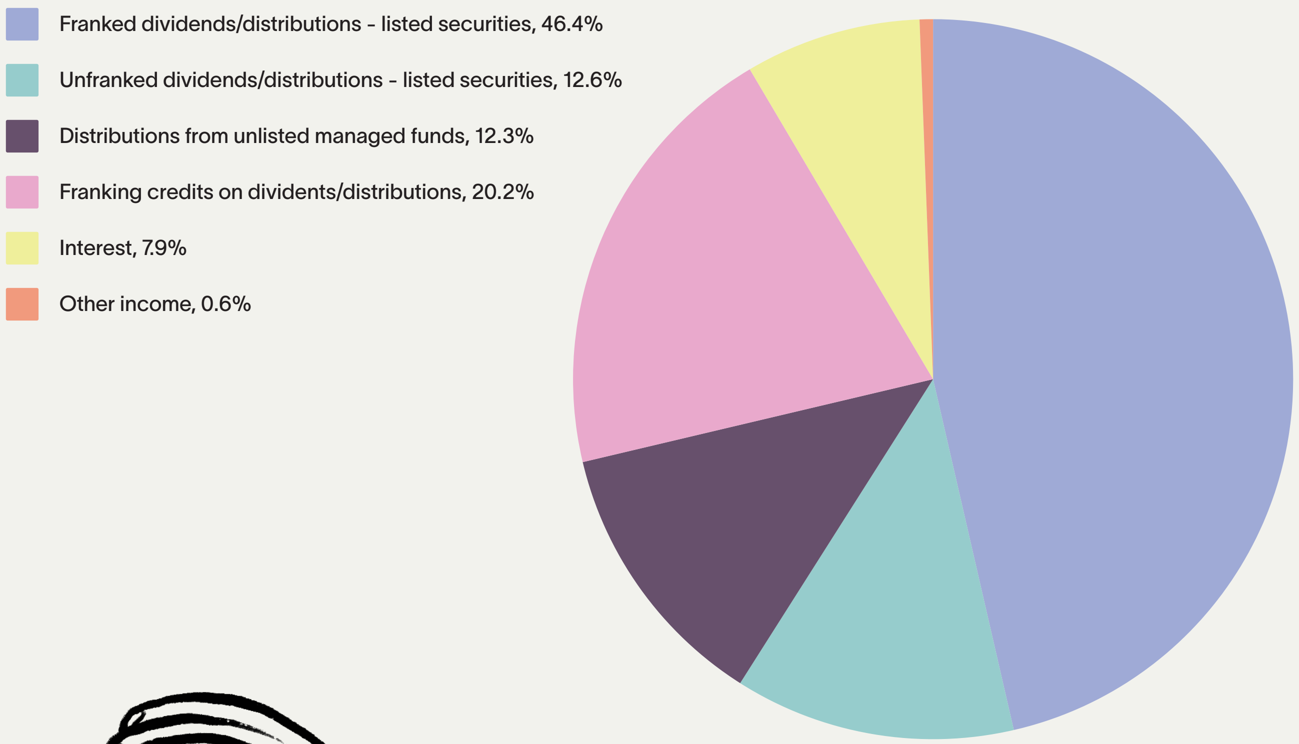
## OPERATING RESULTS

Revenue (excluding realised and unrealised gains on investments but including franking credits) of $7.3m was earned on the corpus during FY24, down 27% on the $10.0m earned in FY23. Capital Account revenue decreased by $2.6m from $3.1m in FY23 to $0.5m in FY24 due to the realised gain on the sale of 27 Windsor Place ($2.8m) included in FY23. Income Account revenue decreased by $0.1m from $6.9m in FY23 to $6.8m in FY24.

Operating expenses of $1.4m were incurred during FY24 in administering the Trust to achieve its objectives. These were higher than the $1.2m incurred in FY23 due to the Trust now leasing office space following the sale of 27 Windsor Place during FY23.

An operating surplus of $5.9m was generated in FY24 which is lower than the $8.8m generated in FY23 due to the realised gain on the sale of 27 Windsor Place included in FY23. $0.5m of the operating surplus was capital in nature and remains in the Capital Account. The operating surplus on the Income Account of $5.4m enabled $4.7m grants to be approved during FY24 and $0.7m to be capitalised to the Capital Account. The balance on the Income Account of $3.2m at 30 June 2024 is reserved for emergency granting and to maintain the Trust's granting capacity should income levels decline in future years.

*Total revenue composition FY24*



# Financial summary

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

| | | 2024 $ | 2023 $ |
|---|---|---|---|
| **CURRENT ASSETS** | Cash and cash equivalents | 12,300,401 | 10,620,664 |
| | Trade and other receivables | 2,867,839 | 2,689,639 |
| | | **15,168,240** | **13,310,303** |
| **NON-CURRENT ASSETS** | Investments in financial assets | 158,861,482 | 145,707,570 |
| | Plant and equipment | 127,275 | 18,445 |
| | Right of use asset | 511,781 | - |
| | Intangibles | 34,049 | - |
| | | **159,534,587** | **145,726,015** |
| **TOTAL ASSETS** | | **174,702,827** | **159,036,318** |
| **CURRENT LIABILITIES** | Trade and other payables | 78,955 | 75,028 |
| | Grants approved but unpaid | 3,712,183 | 3,469,784 |
| | Lease liability | 113,032 | - |
| | Employee benefits | 84,305 | 84,070 |
| | | **3,988,475** | **3,628,882** |
| **NON-CURRENT LIABILITIES** | Grants approved but unpaid | 3,370,000 | 2,240,000 |
| | Lease liability | 414,282 | - |
| | Employee benefits | 5,006 | 954 |
| | | **3,789,288** | **2,240,954** |
| **TOTAL LIABILITIES** | | **7,777,763** | **5,869,836** |
| **NET ASSETS** | | **166,925,064** | **153,166,482** |

| | | 2024 $ | 2023 $ |
|---|---|---|---|
| **ATTRIBUTABLE TO:** | | | |
| **CAPITAL ACCOUNT** | Capital reserve | 123,521,885 | 120,975,371 |
| | Investments revaluation reserve | 40,163,865 | 28,988,485 |
| | | **163,685,750** | **149,963,856** |
| **INCOME ACCOUNT** | Retained surplus | 3,185,289 | 3,202,978 |
| | Investments revaluation reserve | 54,025 | (352) |
| | | **3,239,314** | **3,202,626** |
| **TOTAL ACCUMULATED FUNDS** | | **166,925,064** | **153,166,482** |

# Financial summary

## STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

| | | 2024<br>$ | 2023<br>$ |
|---|---|---|---|
| **REVENUE** | Franked dividends/distributions | 3,394,320 | 3,855,925 |
| | Unfranked dividends/distributions | 913,796 | 666,529 |
| | Managed fund distributions | 901,451 | 709,734 |
| | Imputation credits | 1,477,360 | 1,668,398 |
| | Interest income | 581,243 | 325,093 |
| | Profit on sale of property | - | 2,808,010 |
| | Other income | 45,000 | 45,000 |
| | | **7,313,170** | **10,078,689** |
| **EXPENSES** | Audit fees | (32,739) | (30,726) |
| | Depreciation and amortisation | (99,922) | (43,645) |
| | Employee benefits | (745,330) | (718,337) |
| | Finance costs | (16,308) | - |
| | Investment expenses | (162,623) | (130,358) |
| | Loss on scrapping of plant and equipment | - | (20,634) |
| | Other operating expenses | (290,375) | (217,248) |
| | Trustees' commission | (58,579) | (84,579) |
| | | **(1,405,876)** | **(1,245,527)** |
| **OPERATING SURPLUS** | | **5,907,294** | **8,833,162** |
| Net grants approved during year | | (4,730,000) | (4,701,491) |
| **SURPLUS FROM OPERATING ACTIVITIES** | | **1,177,294** | **4,131,671** |
| Change in fair value of investments | | 12,581,288 | 13,176,537 |
| **SURPLUS AFTER CHANGES TO THE FAIR VALUE OF FINANCIAL ASSETS** | | **13,758,582** | **17,308,208** |
| | Other comprehensive income | - | - |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **13,758,582** | **17,308,208** |
| | Attributable to Capital Account | 13,021,894 | 16,213,477 |
| | Attributable to Income Account | 736,688 | 1,094,731 |
| | | **13,758,582** | **17,308,208** |

# Our people

## TRUSTEES

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

**Bruce Parncutt AO**

Chair
Appointed Chair November 2023

**Alexandra Gartmann**

**Natasha Bowness**

Appointed April 2024

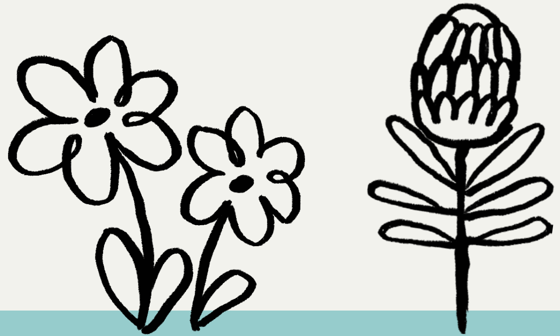
**Janice Robins**

**John Daley AM**

Appointed November 2023

**Andrew Sisson AO**

Danielle Toon - Retired August 2023
Catherine Walter AM - Retired November 2023



## INVESTMENT COMMITTEE

Andrew Sisson AO, Chair
Catherine Walter AM - Retired November 2023
Bruce Parncutt AO
Janice Robins
Debra Morgan (ex-officio member)
Glen Thomson (ex-officio member)

## STAFF

Debra Morgan, Chief Executive Officer
Glen Thomson, Finance Executive
Nick Doherty, Executive Assistant and Office Manager
Karyn McLeod, Program Manager (until January 2024)
Sharon Nathani, Program Manager

Helen
Macpherson
Smith
Trust

hmstrust.org.au