



# Annual Report

Financial Year 2023-2024



NSW Biodiversity Conservation Trust

## Acknowledgement of Country

The NSW Biodiversity Conservation Trust acknowledges the Traditional Custodians of NSW and recognises their ongoing connection to land, waters, biodiversity, and culture.

Aboriginal cultural values are connected to Country and are found in waterways, mountains, wetlands, floodplains, hills, sandhills, rock outcrops and within the biodiversity of these geological features.

These cultural values are often present on privately-owned land and are associated with ongoing cultural practices and learning.

We pay our respects to Elders past and present and commit to genuinely collaborate and partner with Aboriginal people in private land conservation.

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Cover photo: NSW Biodiversity Conservation Trust Regional Manager Leith Hawkins and property owner Peter Lloyd explore koala habitat on *Wallamara*, at Enmore, near Armidale. Credit: Nviro Media

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# Letter of submission

The Hon Penny Sharpe MLC

Minister for Climate Change, Minister for Energy,  
Minister for the Environment, and Minister for Heritage  
52 Martin Place  
Sydney NSW 2000

Subject: NSW Biodiversity Conservation Trust Annual Report 2023-2024

Dear Minister Sharpe,

We are pleased to submit the NSW Biodiversity Conservation Trust *Annual Report Financial Year 2023-2024* for your presentation to the NSW Parliament.

This report provides a summary of our operations and performance for the period 1 July 2023 to 30 June 2024. It also documents the agency's management and accountability standards, sustainability standards and financial performance with audited financial statements, as required by legislation.

The report was prepared in accordance with the provisions of the *Government Sector Finance Act 2018 (NSW)*<sup>1</sup>, the *Government Sector Audit Act 1983 (NSW)*<sup>2</sup>, and regulations under those Acts and *NSW Treasury Direction TD23-11*<sup>3</sup> and *Treasury Policy Guidance TPG23-10*<sup>4</sup>.

Yours sincerely,



**The Hon. Niall Blair**  
Chairperson of the Board of the NSW  
Biodiversity Conservation Trust



**Mr David Black**  
Chairperson of the NSW  
Biodiversity Conservation Trust  
Audit and Risk Committee

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<sup>1</sup> <https://legislation.nsw.gov.au/view/html/inforce/current/act-2018-055>

<sup>2</sup> <https://legislation.nsw.gov.au/view/html/inforce/current/act-1983-152>

<sup>3</sup> [www.treasury.nsw.gov.au/sites/default/files/2024-07/2024-td24-21\\_amendment\\_to\\_td23-11\\_annual\\_reporting\\_requirements\\_0.pdf#:~:text=The%20object%20of%20this%20Direction,7.3%20of%20the%20GSF%20Act](http://www.treasury.nsw.gov.au/sites/default/files/2024-07/2024-td24-21_amendment_to_td23-11_annual_reporting_requirements_0.pdf#:~:text=The%20object%20of%20this%20Direction,7.3%20of%20the%20GSF%20Act)

<sup>4</sup> [www.treasury.nsw.gov.au/sites/default/files/2024-07/tpg23-10\\_annual\\_reporting\\_requirements.pdf](http://www.treasury.nsw.gov.au/sites/default/files/2024-07/tpg23-10_annual_reporting_requirements.pdf)

## A message from the Board Chair



**NSW Biodiversity  
Conservation Trust Board  
Chair, the Hon. Niall Blair.**

**I am pleased to present the NSW Biodiversity Conservation Trust's annual report for the 2023-2024 financial year.**

**In 2023-2024, the NSW Biodiversity Conservation Trust continued to expand the protected areas network, with 250,400 hectares of land and 147 threatened species protected via agreements with 489 private landholders since 2017.**

**Support for private land conservation continues to grow and our landholders play a central role in the protection, restoration and management of precious habitats on their land, supported through the investment and prioritisation of private land conservation by the NSW Government.**

**In May 2024, two new Board members, Ms Fiona Simson and Professor Leslie 'Phil' Duncan were welcomed to the Board and Dr David Freudenberger was reappointed.**

**These members bring a wealth of expertise and knowledge to our organisation.**

**I thank outgoing Board member, Ms Káren Zirkler, for her contribution to the work of the NSW Biodiversity Conservation Trust over the past four years.**

**Following Machinery of Government changes, the NSW Biodiversity Conservation Trust is now part of the NSW Department of Climate Change, Energy, the Environment and Water. This has been a seamless transition and business continues as usual.**

**I thank our landholders, partners and stakeholders, as well as NSW Biodiversity Conservation Trust staff members and Board and Committee members for their ongoing dedication to protecting and enhancing biodiversity in NSW.**

## A message from the Chief Executive Officer



**NSW Biodiversity Conservation Trust CEO, Dr Erin Giuliani.**

Throughout the 2023-2024 financial year, the NSW Biodiversity Conservation Trust continued to deliver on its core purpose to partner with landholders to enhance and conserve biodiversity on private land.

Key highlights include the launch of the Upper Hunter Conservation Tender, our first Cultural Biodiversity Conservation offer, the pilot of our Biodiversity Opportunities workshops, the launch of our online conservation course and the continuation of the Conservation Champions program.

The NSW Biodiversity Conservation Trust's Ecological Monitoring Module was accredited by the internationally renowned Accounting for Nature® Framework.

This achievement is a testament to the robustness of our programs and the dedication and innovation of our people.

With the support of our generous donors, we have plans to restore habitat for unique and threatened species, such as the superb parrot and koala populations in the Riverina.

We also partnered with Landcare NSW to deliver the Private Land Conservation Matters program, which supports conservation-minded landholders to learn, carry out and extend the use of best practice in conservation management.

I was pleased the NSW Biodiversity Conservation Trust also approved the registration of our 200,000th hectare in the protected areas network, representing the achievement of our four-year business plan target one year ahead of schedule. This was a significant milestone for the NSW Biodiversity Conservation Trust.

With the dedicated conservation efforts of landholders, funding from the NSW Government, and the strength of our programs, I am optimistic about the future of private land conservation in NSW.

I thank our Minister, committed staff and Board for their efforts and support.



Matt O'Connell tightens the conservation agreement sign to David Sloane's fenced conservation area, protected following the Restoring Murray Woodlands Biodiversity and Carbon conservation tender. Credit: Vince Bucello, Midstate Video Productions

## Overview

### Aims and objectives

#### Our vision

The NSW Biodiversity Conservation Trust's vision is for vibrant private land conservation areas protecting the unique and diverse plants and animals of NSW.

#### Our purpose

We partner with landholders to enhance and conserve biodiversity.

#### Our culture

- **People:** We respect and collaborate with our colleagues, our landholders, and our stakeholders.
- **Purpose:** We focus on our role to protect and enhance biodiversity.
- **Public value:** We are effective and accountable.

## Management and structure

### Our leadership

The NSW Biodiversity Conservation Trust was established under Part 10 of the *Biodiversity Conservation Act 2016 (NSW)*. Under the Act, the affairs of the NSW Biodiversity Conservation Trust are managed by a Board and led by a Chief Executive Officer and an executive leadership team.

### Our structure and workforce

The NSW Biodiversity Conservation Trust has four branches and a workforce of 175.

Staff work in seven (7) regions across NSW and are local advocates for the native vegetation and species of the areas in which they work and live.

Partnerships and Investment branch

The Partnerships and Investment branch identifies and develops strategic partnerships with private sector and non-government entities to accelerate private land conservation in NSW. It identifies and attracts opportunities to:

- scale conservation co-investments
- support and collaborate with Traditional Custodians on cultural land management
- attract additional investment for conservation in NSW
- innovate using the agency's Revolving Fund to purchase properties with significant conservation values and on-sell with an in-perpetuity conservation agreement registered on title.

Programs branch

The Programs branch underpins private land conservation in NSW, driving high value conservation outcomes guided by NSW Government legislation, policy and programs. Programs branch staff support the design of our conservation and education programs underpinned by scientific and ecological expertise.

Regional Delivery branch

Regional Delivery branch staff members work to support landholders and local partners across seven (7) regions in NSW. They are local advocates for, and experts in, conservation of habitats and species across the areas in which they work and live, understand local conditions and have the networks to support property owners protect, restore and manage native vegetation and biodiversity on their land.

Strategy and Finance branch

The Strategy and Finance branch delivers business enabling services to the whole business to ensure forward-focussed continuity of service delivery. The services include finance, planning and performance, governance, audit, risk, personnel support, and communications.



**Table 1: NSW Biodiversity Conservation Trust Board and executive team**

Our Board	Our Executive
<ul style="list-style-type: none"> <li>• <b>Board Chair, the Hon. Niall Blair</b></li> <li>• <b>Board Deputy Chair, Christine Covington</b></li> <li>• <b>Programs and Delivery Committee Chair, Dr David Freudenberger</b></li> <li>• <b>Public Fund Management Committee Chair, John Pierce AO</b></li> <li>• <b>Professor Leslie (Phil) Duncan</b></li> <li>• <b>Tim King</b></li> <li>• <b>John Maher</b></li> <li>• <b>Fiona Simson</b></li> <li>• <b>Dr Jane Weatherley</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Chief Executive Officer, Dr Erin Giuliani</b> Qualifications: Doctor of Philosophy (PhD) History, The University of Queensland (jointly with King’s College, London), Bachelor of Arts (History), with First Class Honours, The University of Queensland. Graduate Australian Institute Company Directors (AICD).</li> <li>• <b>Director Programs, Mick O’Flynn</b> Qualifications: Master Environmental Studies, UNSW; Master Science, Imperial College, London; Bachelor of Civil Engineering, University of Melbourne.</li> <li>• <b>Director Regional Delivery, Alan Goodwin</b> Qualifications: Diploma of Engineering; Graduate, Australian Rural Leadership Foundation.</li> <li>• <b>Director Strategy and Finance, Emily McCosker</b> Qualifications: Foundations of Directorship, Australian Institute of Company Directors; Graduate Certificate United States Studies, University of Sydney; Master of International Development, UNSW; Bachelor of Arts, with Honours, Political Science and Government, University of Sydney.</li> <li>• <b>Co-director Partnerships and Investment, Holly Park</b> Qualifications: Master of Environmental Science and Law, Sydney University; Bachelor of Science and Bachelor of Laws (Honours), University of Wollongong.</li> <li>• <b>Co-director Partnerships and Investment, Kate Smillie</b> Qualifications: Bachelor of Laws (Honours), Southern Cross University; Graduate Certificate Environmental Science, UNE.</li> </ul>
<p><b>Audit and Risk Committee</b></p> <p>Provides independent assurance to the Board on issues of governance, financial management, risk management, conformance, internal and external audit activity, and external accountability. It approves annual Financial Statements.</p> <p>In 2023-2024, the committee consisted of an independent chair and member, one (1) voting Board members and one (1) non-voting Board member.</p> <ul style="list-style-type: none"> <li>• <b>Independent Chair, David Black</b></li> <li>• <b>Independent member, Virginia Malley, appointed 21 February 2023 to 31 December 2023</b></li> <li>• <b>Independent member, Julie Orr</b></li> </ul> <p><b>Programs and Delivery Committee</b></p> <p>Provides advice to the Board on agency recommendations regarding program design, planning, delivery, and performance. It is also responsible for ensuring Board-delegated program related administrative powers and</p>	

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functions are endorsed for Board approval prior to being exercised or incurring costs.

At the conclusion of 2023-2024, the committee consisted of four (4) Board members in total.

### **Public Fund Management Committee**

Responsible for managing the NSW Biodiversity Conservation Trust's Public Fund, including maintaining a not-for-profit status; ensuring specified assets are held in the public fund; and assets held are used only for their principal purpose.

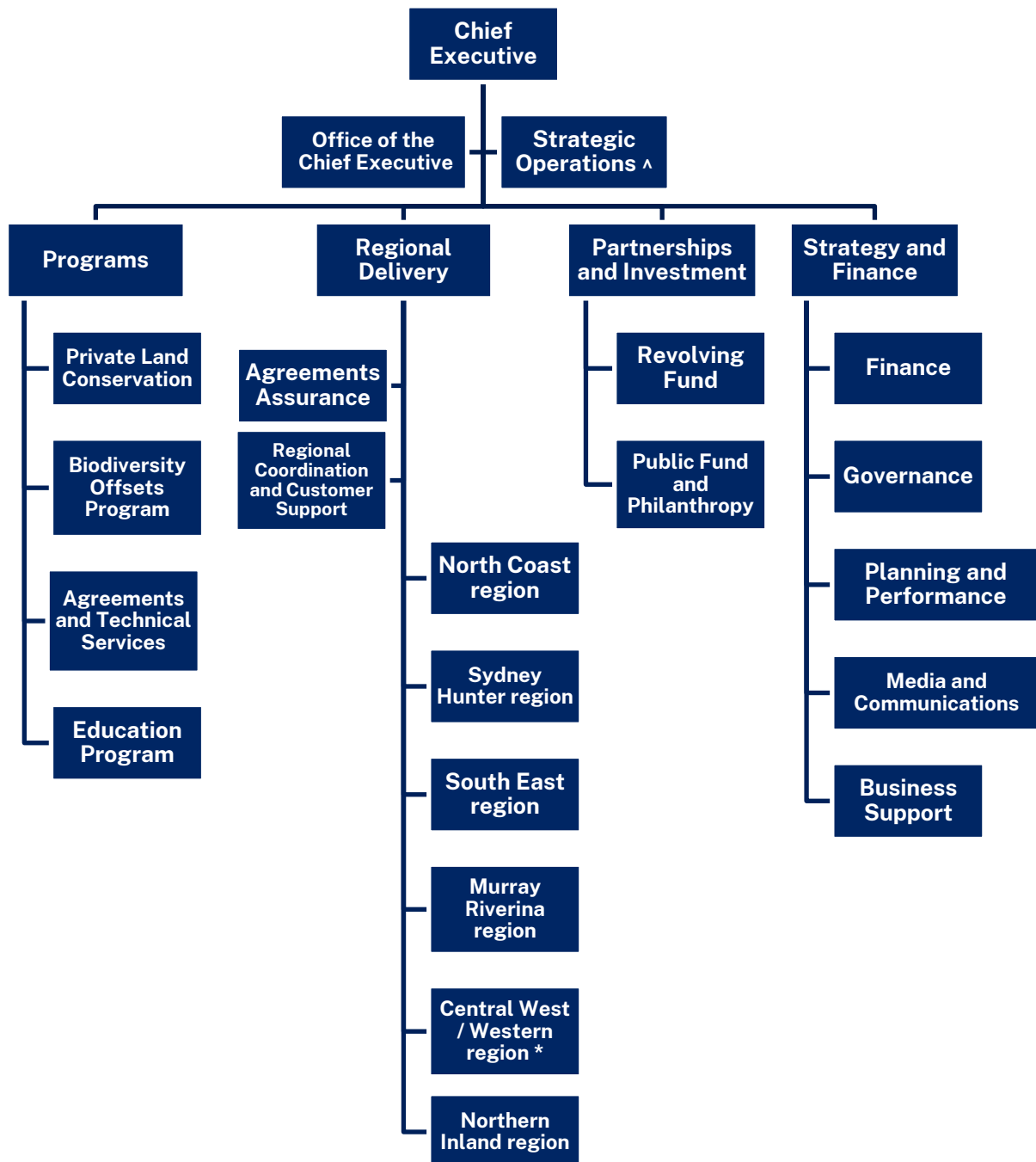
In 2023-2024, the committee consisted of three (3) Board members, and two (2) independent members.

- **Independent member, Lizzie Borwick**
- **Independent member, Roewen Wishart**

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**For more about our Board and executive team, visit [bct.nsw.gov.au/leadership](https://bct.nsw.gov.au/leadership)**

Figure 1: NSW Biodiversity Conservation Trust staff organisation chart



^ Strategic Operations function operational to 30 November 2023

\* Central West and Western region operate as two regions with shared staffing.

## Charter

The NSW Biodiversity Conservation Trust is a statutory, not-for-profit body established under Part 10 of the *Biodiversity Conservation Act 2016 (NSW)* to protect and enhance biodiversity.

Our statutory object is to:

- Encourage landowners to enter co-operative arrangements for the management and protection of the natural environment that is significant for the conservation of biodiversity.
- Provide mechanisms for achieving the conservation of biodiversity.
- Promote public knowledge, appreciation and understanding of the value of biodiversity and the importance of conserving biodiversity.
- Seek strategic biodiversity offset outcomes to compensate for the loss of biodiversity due to development and other activities.

The NSW Biodiversity Conservation Trust also operates in accordance with the *Biodiversity Conservation Regulation 2017*<sup>5</sup> and the *Biodiversity Conservation (Savings and Transitional) Regulation 2017*<sup>6</sup>.

Other regulations relevant to the NSW Biodiversity Conservation Trust include:

- Biodiversity Conservation Amendment (COVID-19) Regulation 2020<sup>7</sup>
- Biodiversity Conservation Amendment (Exemptions) Regulation 2020<sup>8</sup>
- Biodiversity Conservation Legislation Amendment Regulation 2020<sup>9</sup>
- Biodiversity Conservation Amendment (Cetacea) Regulation 2021<sup>10</sup>

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<sup>5</sup> [legislation.nsw.gov.au/view/html/inforce/current/sl-2017-0432](https://legislation.nsw.gov.au/view/html/inforce/current/sl-2017-0432)

<sup>6</sup> [legislation.nsw.gov.au/view/html/inforce/current/sl-2017-0433](https://legislation.nsw.gov.au/view/html/inforce/current/sl-2017-0433)

<sup>7</sup> [legislation.nsw.gov.au/view/pdf/asmade/sl-2020-671](https://legislation.nsw.gov.au/view/pdf/asmade/sl-2020-671)

<sup>8</sup> [legislation.nsw.gov.au/view/pdf/asmade/sl-2020-684](https://legislation.nsw.gov.au/view/pdf/asmade/sl-2020-684)

<sup>9</sup> [legislation.nsw.gov.au/view/pdf/asmade/sl-2020-598](https://legislation.nsw.gov.au/view/pdf/asmade/sl-2020-598)

<sup>10</sup> [legislation.nsw.gov.au/view/pdf/asmade/sl-2021-73](https://legislation.nsw.gov.au/view/pdf/asmade/sl-2021-73)

# Strategy

## Strategic objectives

The NSW Biodiversity Conservation Trust has completed the third year of a four-year business plan<sup>11</sup>. This plan, covering the financial year period 2021-2022 to 2024-2025, is the second business plan setting the forward goals, activity, and metrics of the agency.

## Our business goals

Table 2: Business goals of the NSW Biodiversity Conservation Trust

Business goals	Business activity	Performance metrics
Goal 1: Increase private land conservation in areas of strategic biodiversity value.	<ul style="list-style-type: none"> <li>Design and deliver private land conservation programs consistent with the Biodiversity Conservation Investment Strategy (BCIS) and other NSW Government initiatives.</li> <li>Increase the number and hectares of conservation agreements in areas of strategic biodiversity conservation value.</li> </ul>	<ul style="list-style-type: none"> <li>Progress against BCIS targets.</li> <li>Progress towards our target of 400 additional conservation agreements, 200,000 additional hectares, and 50 additional unique under-represented NSW Landscapes.</li> </ul>
Goal 2: Deliver efficient, effective, and strategic biodiversity offset outcomes.	<ul style="list-style-type: none"> <li>Deliver a strategic offsetting service to acquit biodiversity offset obligations when developers pay into the Biodiversity Conservation Fund (BCF).</li> <li>Strategically procure biodiversity credits under place-based offsets schemes (when commissioned and funded by NSW Government).</li> </ul>	<ul style="list-style-type: none"> <li>Acquittal of offset obligations.</li> <li>Progress toward balancing payments into the BCF, and the cost of acquitting obligations over rolling 5-year periods.</li> </ul>
Goal 3: Support participating landholders to conserve biodiversity.	<ul style="list-style-type: none"> <li>Assist landholders to conserve biodiversity by providing ecological advice and access to technical and educational resources.</li> <li>Provide financial support to landholders through management payments,</li> </ul>	<ul style="list-style-type: none"> <li>Volume of landholders who comply with agreements and reporting obligations.</li> <li>Number of interactions with landholders.</li> <li>Number of events and networks in which we participate.</li> </ul>

<sup>11</sup> [bct.nsw.gov.au/publications#business\\_plan\\_2471](https://bct.nsw.gov.au/publications#business_plan_2471)

	<ul style="list-style-type: none"> <li>grants and other financial instruments.</li> <li>Monitor, evaluate and report on ecological and socioeconomic outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>Number, and value, of payments made to agreement-holders.</li> <li>Data from ecological and socio-economic monitoring modules.</li> </ul>
<b>Goal 4: Promote public knowledge, appreciation and understanding of biodiversity and the importance of conservation.</b>	<ul style="list-style-type: none"> <li>Influence more landholders to participate in private land conservation.</li> <li>Raise public awareness about the importance of biodiversity and biodiversity conservation on private land.</li> </ul>	<ul style="list-style-type: none"> <li>Number of biodiversity education events and opportunities.</li> <li>Number of landholders participating in biodiversity education opportunities.</li> </ul>

Note: The NSW Biodiversity Conservation Trust *Business Plan 2021-22 to 2024-25* noted performance metrics against Goal 2 of the plan to include the volume of new Biodiversity Stewardship Agreements (BSA) and timely acceptance of BSA applications. The service for landholders wishing to enter a BSA transferred to the Department of Planning and Environment's Nature Markets and Offsets Division, formerly known as the Credit Supply Taskforce, in 2022.

## Our business enablers

The NSW Biodiversity Conservation Trust has three business enablers to help the agency meet its targets and deliver against the goals and activities of its 2021-2022 to 2024-2025 business plan.

Table 3: Business enablers of the NSW Biodiversity Conservation Trust

Business enablers	Enabling activity	Performance metrics
<b>Enabler 1: Act as trustee of money or other property vested in the Trust.</b>	<ul style="list-style-type: none"> <li>Manage the Biodiversity Conservation Fund (BCF).</li> <li>Manage the Biodiversity Stewardship Payments Fund (BSPF).</li> <li>Attract gifts of money or property and manage the NSW Biodiversity Conservation Trust Public Fund.</li> </ul>	<ul style="list-style-type: none"> <li>Reporting on BCF assets and adequacy.</li> <li>Reporting on BSPF assets and adequacy.</li> <li>Value of donations received.</li> <li>Percentage of funds applied to conservation programs.</li> </ul>
<b>Enabler 2: Engage with our landholders, customers and stakeholders.</b>	<ul style="list-style-type: none"> <li>Effectively communicate to, and engage with, our landholders, customers and stakeholders.</li> <li>Enable Aboriginal engagement in private land conservation.</li> <li>Be transparent and accountable to government and the community.</li> </ul>	<ul style="list-style-type: none"> <li>Landholder and customer satisfaction (survey).</li> <li>Stakeholder feedback (survey).</li> <li>Partnership analysis.</li> <li>Number of engagement events.</li> <li>Volume of media coverage.</li> <li>Number of landholders with agreements who identify as Aboriginal or Torres Strait Islander.</li> </ul>

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**Enabler 3: Invest in our staff and systems to fulfil our purpose and be responsive to future needs and challenges.**

- Invest in our staff to maintain engagement, performance, professionalism, service and accountability.
- Fulfil our health and safety duties and ensure the wellbeing of our staff.
- Invest in business systems to enable an adaptive, efficient, effective and accountable organisation.

- Targeted engagement/communication products.
  - Face-to-face stakeholder meetings.
  - Number of Aboriginal employees.
  - Website and social media interactions.
  - Staff engagement and job satisfaction.
  - Safety incidents.
  - Wellbeing measures.
  - Implementation of technologies.
-

# Operations and performance

## Management and activities

### Conservation Management Program

The NSW Biodiversity Conservation Trust's Conservation Management Program offers an opportunity for participating landholders to secure a revenue stream to protect, restore and manage native vegetation and biodiversity on their land.

The program is guided by the investment principles and targets of the *Biodiversity Conservation Investment Strategy*<sup>12</sup> (BCIS) to protect our most at-risk habitats and species.

Four voluntary mechanisms are applied to encourage and support private land conservation under the Conservation Management Program.

#### Strategic Goal 1

Against Strategic Goal 1 of the NSW Biodiversity Conservation Trust Business Plan, the Conservation Management Program in the 2023-2024 financial year has progressed *Biodiversity Conservation Investment Strategy* targets, adding **13 conservation agreements** and **19,227 hectares** against an overall target of 200,000 hectares by 30 June 2025.

#### Conservation tenders

Tenders, or reverse auctions, target priority investment areas and conservation assets listed in the BCIS. Landholders bid to enter a fixed-term or in-perpetuity agreement and, if successful, receive annual conservation management payments to manage the land in accordance with an agreed conservation management plan.

In 2023-24, interest across the NSW Biodiversity Conservation Trust's multiple tenders saw 155 expressions of interest to participate and 59 bids. The NSW Biodiversity Conservation Trust Board approved 32 bids with offers made to tender participants.

#### *Conservation tenders opened to expressions of interest*

In 2023-2024, one (1) new conservation tender was launched. This tender was the Upper Hunter conservation tender.

Conservation tenders take about two years to reach an outcome: from landholder engagement and expressions of interest received, through site assessment, the setting of conservation management plans, bids received and assessed, and conservation agreements established.

#### *Conservation tender outcomes*

In 2023-2024, the NSW Biodiversity Conservation Trust reviewed new conservation agreements and approved the bids of four (4) conservation tenders already in progress.

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<sup>12</sup> [environment.nsw.gov.au/topics/animals-and-plants/biodiversity-offsets-scheme/about-the-biodiversity-offsets-scheme/about-the-biodiversity-conservation-trust/biodiversity-conservation-investment-strategy](https://environment.nsw.gov.au/topics/animals-and-plants/biodiversity-offsets-scheme/about-the-biodiversity-offsets-scheme/about-the-biodiversity-conservation-trust/biodiversity-conservation-investment-strategy)



Of note, the Northern Inland Koala conservation tender successfully contributed to NSW Koala Strategy outcomes, and interest in this, and other tenders, shows increased market literacy about the value of funded private land conservation agreements, as does the highly competitive, value-for-money bids presented for assessment.

#### 1. Northern Inland Koala

Seven (7) conservation agreements were approved by the NSW Biodiversity Conservation Trust Board under the Northern Inland Koala conservation tender.

These agreements have contributed to NSW Koala Strategy outcomes and protect significant koala populations of the Armidale and Uralla Local Government Areas covering 4,148 hectares, with a total initial investment of \$15,081,975.

These conservation agreements occur on the traditional lands of the Kamilaroi, Anaiwan and Gumbaynggirr people.

#### 2. Darling Baaka

The NSW Biodiversity Conservation Trust Board approved four (4) bids in the Darling Baaka conservation tender through the 2023-2024 financial year, with an investment of \$33,073,637, and covering 23,921 hectares.

In December, two (2) conservation agreements were approved, covering 14,332 hectares and supporting an initial investment of \$19,892,077.

In March, two (2) more conservation agreements were approved, covering 9,589 hectares, with an investment of \$13,091,560.

These agreements protect threatened ecological communities and native vegetation within the Darling Riverine Plains bioregion and occur on the traditional lands of the Barkandji, Ngemba and the Murrawarri people.

#### 3. Restoring Murray Woodlands Biodiversity and Carbon

In December, the NSW Biodiversity Conservation Trust Board approved the bids for 12 conservation agreement sites under the Restoring Murray Woodlands Biodiversity and Carbon conservation tender.

The agreements will, if realised in totality, cover 1,686 hectares, with a total initial investment of \$10,525,085 and protect priority threatened woodland ecosystem including Inland Grey Box Woodland, Sandhill Pine Woodland, Buloke Woodland or White Box-Yellow Box-Blakley's Red Gum Grassy Woodland.

The agreements are being established under a pilot program with the Clean Energy Regulator and collaboration with Murray Local Land Services' Native Seed Services to deliver a carbon planting program.

Of the total investment in this biodiversity and carbon pilot, \$9,095,493 will fund establishment of the proposed conservation agreements, with \$1,429,592 for establishment (and management post-crediting period) of the biodiverse carbon projects.

The conservation agreements occur on the traditional lands of: Wiradjuri, Wamba Wamba, Baraba Baraba and Yorta Yorta people.

#### 4. Upper Hunter

In June, the NSW Biodiversity Conservation Trust Board approved nine (9) new conservation agreements under the Upper Hunter conservation tender.

The agreements, covering 1,193 hectares with a total initial investment of \$12,322,695, protect remnant patches of moderate to good condition native vegetation, with a particular focus on Threatened Ecological Communities of the Upper Hunter Shire, or Wanaruah Country.

#### Fixed Price Offer

The fixed price offer is a standing offer open to landholders within priority investment areas across NSW, to enter into an in-perpetuity conservation agreement with annual management payments.

A fixed price, per hectare, per annum, targets native vegetation in moderate to good condition within least protected subregions containing threatened ecological communities, habitat for threatened species or important wetlands.

Interest in the 2023 fixed price offer round, the NSW Biodiversity Conservation Trust's seventh round, saw 25 expressions of interest to participate and six (6) applications.

Applications are assessed on a value for money basis, and in the 2023-2024 financial year, six (6) fixed price offer conservation agreements were offered, totalling 437.6 hectares.

In September, the NSW Biodiversity Conservation Trust Board approved changes to the rates schedule of eligible Local Government Areas, with the updated rates applied to any fixed price offer agreement not yet executed.

#### *Fixed Price Offer expansion and rates update*

In March, the NSW Biodiversity Conservation Trust Board endorsed advice to expand the eligible area of the organisation's annual fixed price offer to include priority areas in the state's south-east and Upper Hunter.

The expanded areas and an updated rates schedule, including new Local Government Areas, were launched on 1 March, with the 2024 round of offers.

#### *Conservation Management Program contribution to the NSW Koala Strategy*

In 2023-2024, the NSW Biodiversity Conservation Trust's Conservation Management Program contributed to the NSW Koala Strategy, which aims to permanently protect 7,000 hectares of koala habitat on private land by 2026.

The Northern Inland Koala conservation tender attracted interest from landholders with koala habitat in the Armidale and Uralla Local Government Areas, and seven (7) conservation agreements, covering 4,148 hectares, were approved for an initial investment of \$15,081,975.

The tender's outcomes support the full funding commitment of the NSW Koala Strategy, and add to the NSW Biodiversity Conservation Trust's role in securing private land conservation agreements to protect koala habitat under the strategy.



Landholders Gary Swanson, Richard Bird and Peter Lloyd look to protect vegetation on their Enmore property, *Wallamara*, with annual conservation management payments from the NSW Biodiversity Conservation Trust. Credit: Nviro Media

## Conservation commitment to bring koalas back

When Peter Lloyd first purchased *Wallamara* 26 years ago, he could see signs of a forgotten koala habitat.

Today, a conservation agreement with the NSW Biodiversity Conservation Trust is seeing his goal of reintroducing koalas to the area a reality.

*Wallamara*, located in the south-east of Armidale in NSW's Northern Tablelands covers 2,000 hectares of land that once supported koalas, and standing with Peter in the untouched landscape, his passion for protecting it is infectious.

"We knew from a lot of records ... that this was koala habitat, and the koalas were unfortunately wiped out, probably by bushfire," Peter, who runs the property with co-owner Richard Bird and property manager Gary Swanson, said.

Scratch marks on the trees and tales from old graziers painted a picture of a koala's sanctuary, and Peter dreamed of bringing the land back to its former glory. Old tales from previous owners of the koala noises keeping them up at night only reinforced this.

Steep gorges, magnificent waterfalls and habitat changes make it a unique place fit for koala habitat. Of the property's 2,000 hectares, 1,600 have been placed into an in-perpetuity conservation agreement, with three sides of it connecting to the Oxley Wild Rivers National Park. It's this connection to a protected area that Peter hopes will support the return of koalas to the area.

The property's conservation agreement was established following a tender for the Armidale and Uralla Local Government Areas, designed to protect important koala habitat, and delivered under the NSW Government's NSW Koala Strategy.

"This was an agreement in perpetuity, which meant not only were we preserving that land for our own time, [it is in] successional plans for families and anybody who might come in," Peter said.

## Conservation Partners Program

The NSW Biodiversity Conservation Trust's Conservation Partners Program encourages and supports landholders to participate in private land conservation to increase the network of permanently protected areas across NSW.

Landholders who enter an in-perpetuity conservation agreement with the NSW Biodiversity Conservation Trust under this program are eligible for grants to manage conservation areas and improve biodiversity values on their properties along with conservation management advice from expert NSW Biodiversity Conservation Trust staff and partners.

Further to the program's in-perpetuity agreements, landholders may opt for a fixed-term agreement to establish a wildlife refuge.

### *Conservation Partners Program grants*

In the 2023-2024 financial year, Conservation Partners Program agreement-holders were successful in applying for \$1.85 million in grants to enhance the ecological value of their conservation area.

These grants funded conservation management work including weed control, bush regeneration, revegetation and conservation fencing.

The NSW Biodiversity Conservation Trust reviewed its grants procedures in early 2024 to ensure alignment with the newly released *NSW Government Grants Administration Guide*<sup>13</sup>.

## Strategic Goal 1

Against Strategic Goal 1 of the NSW Biodiversity Conservation Trust Business Plan, the Conservation Partners Program has progressed Biodiversity Conservation Investment Strategy targets, adding **53 conservation agreements** and **4,962 hectares** in 2023-2024 against a target of 200,000 hectares by 30 June 2025.

### *Conservation Partners Program contribution to the NSW Koala Strategy*

In 2023-2024, the NSW Biodiversity Conservation Trust's Conservation Partners Program contributed to the NSW Koala Strategy, which aims to permanently protect 7,000 hectares of koala habitat on private land by 2026.

Ten (10) new Conservation Partners Program agreements were established under the NSW Koala Strategy's goals in 2023-2024, with another eight (8) established under a relationship with the NSW Koala Strategy and World Wildlife Fund Australia (WWF).

These agreements contributed 391 and 385 hectares of protected koala habitat, respectively.

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<sup>13</sup> [www.nsw.gov.au/grants-and-funding/grants-administration-guide](http://www.nsw.gov.au/grants-and-funding/grants-administration-guide)

## Revolving Fund

The NSW Biodiversity Conservation Trust's Revolving Fund purchases properties with significant conservation values, then on-sells these properties to buyers on condition they enter into an in-perpetuity conservation agreement, registered on title, over a part of, or all the property.

The Revolving Fund's 'buy to sell' approach is done within the parameters approved by the NSW Biodiversity Conservation Trust Board and focuses on properties with highly prized conservation values and a high prospect of timely resale to minimise holding costs and ensure conservation management can progress.

In 2023–2024, the NSW Biodiversity Conservation Trust held nine (9) Revolving Fund properties for sale with 1,773.5 hectares of proposed conservation area.

Of these, four (4) were funded conservation agreement areas, totalling 1,570.5 hectares.

A further five (5) were conservation agreement areas managed under the Conservation Partners Program, with the landowner eligible for grant funding.

Of note were the properties of *Noahs Ark*, *Allandale* and *Paraken*, all acquired in the 2023-2024 financial year.

These properties, purchased by the NSW Biodiversity Conservation Trust, have expanded conservation efforts to protect a variety of threatened species and ecological communities, in alignment with the NSW Government's Biodiversity Conservation Investment Strategy.

The agreements to be established on all three (3) properties play an important role in terms of local landscape connectivity, while providing habitat for the endangered koala, a myriad of threatened woodland birds, and protecting a patch of critically endangered Box Gum Woodland.

### Major gift supports habitat restoration for koalas

In the 2023-2024 financial year, the NSW Biodiversity Conservation Trust's Revolving Fund program purchased, for a cost of \$3.4 million, the property *Allandale*.

The property, in the state's Murray Riverina region, was acquired for its valuable ecological values, including habitat for the vulnerable superb parrot, threatened woodland birds and endangered koala.

In addition to the conservation covenant that will protect part of this property forever, the support of a generous donor, will allow restoration of habitat for unique and threatened species, such as the superb parrot and koala populations.

Restorative planting will create a sweeping koala corridor across the property, strengthening the connection between the banks of the Murrumbidgee River and Murrumbidgee Valley National Park.

## Biodiversity Offsets Scheme

The NSW Biodiversity Conservation Trust plays an important statutory role in contributing to the NSW Biodiversity Offsets Scheme.

The NSW Biodiversity Conservation Trust has three specific roles relevant to the Biodiversity Offsets Scheme. These are captured under Strategic Goal 2 of the NSW Biodiversity Conservation Trust *Business Plan 2021-2022 to 2024-2025*.

The roles are to:

1. Support landholders and monitor the conservation outcomes on Biodiversity Stewardship Agreement sites.
2. Manage the Biodiversity Stewardship Payments Fund and make conservation management payments to Biodiversity Stewardship Agreement landholders.
3. Secure biodiversity offsets using the funds paid into the Biodiversity Conservation Fund by developers.

The NSW Biodiversity Conservation Trust also secures offsets on behalf of NSW Government agencies under various place-based biodiversity offsets schemes.

1. Support and monitor Biodiversity Stewardship Agreement sites

Support to landholders with a Biodiversity Stewardship Agreement is delivered through the NSW Biodiversity Conservation Trust’s Landholder Support Program.

Regional staff deliver landholder support for an agreement site and oversee annual payments to landholders under the terms of their agreement, established and registered on the land’s title by the Nature Markets and Offsets Division.

**Table 4: Biodiversity Stewardship Agreements (BSA), as at 30 June 2024**

Description	Data
Total active BSAs <sup>14</sup> (number / hectares / funds held)	221 / 59,019 / \$346.44 million
Total passive BSAs <sup>15</sup> (number / hectares / funds held)	98 / 22,537 / \$40.68 million
Payments made to BSA landholders in 2023-2024	\$19.96 million

2. Fund management

Under the *Biodiversity Conservation Act 2016 (NSW)* the NSW Biodiversity Conservation Trust is to include annual reporting information as it extends to the agency’s role as fund manager for the Biodiversity Stewardship Payments Fund (BSPF).

Furthermore, the NSW Biodiversity Conservation Trust is required to manage the BSPF prudently for the benefit of biodiversity stewardship sites; and to manage the Biodiversity Conservation Fund prudently to fulfil the agency’s purpose and for the benefit of conservation areas.

Both functions are noted in the NSW Biodiversity Conservation Trust *Business Plan 2021-22 to 2024-25*, under Business Enabler 1.

<sup>14</sup> BSAs registered on title and receiving annual management payments drawn from funds held.

<sup>15</sup> BSAs approved but not yet receiving annual management payments because the landholder has not sold sufficient biodiversity credits.

### ***Biodiversity Stewardship Payments Fund***

In its role as fund manager, the NSW Biodiversity Conservation Trust manages the Biodiversity Stewardship Payments Fund (BSPF) in accordance with a Risk Appetite Statement and a Funds and Investment Management Framework, both approved by the NSW Biodiversity Conservation Trust Board.

The BSPF primarily holds funds that are paid in respect to the transfer or retirement of biodiversity credits called the total fund deposit (TFD), which is calculated for each Biodiversity Stewardship Agreement (BSA). The NSW Biodiversity Conservation Trust is responsible for investing these monies held in the BSPF and using both the monies and investment proceeds to make annual payments owed to landholders under the terms of their Biodiversity Stewardship Agreement.

At 30 June 2024, the NSW Biodiversity Conservation Trust held \$391.3 million total current assets in the BSPF, including \$377.3 million investment in Treasury Corporation Investment Management funds.

From the BSPF, the NSW Biodiversity Conservation Trust made \$20 million in biodiversity stewardship payments to 171 landholders with active sites through the 2023-2024 financial year.

The BSPF predicted total adequacy ratio (for active and passive BSAs), based on the latest Treasury Corporation investment return forecasts, is 124 per cent, at 30 June 2024.

The adequacy ratio for active BSAs is 128 per cent and for passive BSAs, 115 per cent.

The NSW Biodiversity Conservation Trust also monitors individual agreement funding levels, which are reported to the Minister for the Environment annually.

### ***Biodiversity Conservation Fund***

The NSW Biodiversity Conservation Trust manages and controls the Biodiversity Conservation Fund (BCF) in accordance with the agency's Risk Appetite Statement and a Funds and Investment Management Framework, both approved by the NSW Biodiversity Conservation Trust Board.

Excluding amounts required to be paid into, or out of, the Biodiversity Stewardship Payments Fund (BSPF) or the BCT Public Fund, the NSW Biodiversity Conservation Trust holds all cash in the BCF for the following purposes:

1. Government grants and Biodiversity Offsets Scheme fee revenues received to pay for NSW Biodiversity Conservation Trust personnel services and operating expenses.
2. Government grants used for expenditures on the NSW Biodiversity Conservation Trust Education Program and conservation partners grants.
3. Government grants used to acquire and retire biodiversity credits under place-based offset schemes.
4. Cash provisions for payables.

Assets held for funded conservation agreements

Assets are held within the Biodiversity Conservation Fund to make payments to landholders who have entered into funded conservation agreements. These assets are invested in the NSW Treasury Corporation long term growth fund.

At 30 June 2024, the NSW Biodiversity Conservation Trust held assets worth \$290.87 million to support future annual management payments for signed and registered (active) agreements it committed to enter, and made \$9.4 million in annual

conservation management payments to funded conservation agreement holders through the 2023-2024 financial year.

The Treasury Corporation return in the 2023-2024 financial year of \$27.63 million, (10.59 per cent) is considered favourable compared to our target return rate of 7.3 per cent.

#### Assets held for acquiring biodiversity offsets

Cash payments received from developers are held within the Biodiversity Conservation Fund to transfer an obligation to acquire, and retire, biodiversity credits (or equivalent biodiversity offsets) to the NSW Biodiversity Conservation Trust. These are accounted for as provisions in the NSW Biodiversity Conservation Trust balance sheet.

At the start of the 2023-2024 financial year, the NSW Biodiversity Conservation Trust held \$159.3 million (net agency fees and GST) for outstanding credit obligations.

Through the financial year it received \$64.6 million (net agency fees and GST) from developers transferring offset obligations to the NSW Biodiversity Conservation Trust.

#### ***Biodiversity Offsets Payment Calculator***

Under the *Biodiversity Conservation Act 2016* (NSW), developers can choose to meet biodiversity offset obligations by paying an amount into the Biodiversity Conservation Fund (BCF).

The payment is determined by the Biodiversity Offsets Payments Calculator, which estimates the likely cost of acquitting an obligation by retiring like-for-like credits. This factors in market trade information and estimated costs for landholders to generate the credits.

The NSW Biodiversity Conservation Trust is responsible for the calculator, required under the Act and approved in October 2022 by the Minister for the Environment through the *Biodiversity Offsets Payment Calculator Order 2022*<sup>16</sup>. The Order included a transitional price increase cap of 20 per cent for some credit types. The cap expired on 16 October 2023.

In the 2023-2024 financial year, NSW Biodiversity Conservation Trust issued 217 quotes to developers with a known offset obligation.

In accordance with the *Biodiversity Offsets Payment Calculator Order 2022*, the NSW Biodiversity Conservation Trust publishes Biodiversity Offsets Payment Calculator charge quotes issued to proponents between 180 days and 270 days after a quote is issued.

All charge quotes provided to date are published in the Biodiversity Conservation Fund Charge Report available on the NSW Biodiversity Conservation Trust website<sup>17</sup>.

The report is updated quarterly.

#### ***Biodiversity Credits price estimation service***

The NSW Biodiversity Conservation Trust offers a credit price estimation service<sup>18</sup> for biodiversity credit market participants. The service provides proponents with useful

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<sup>16</sup> [legislation.nsw.gov.au/view/pdf/asmade/sl-2022-576](https://legislation.nsw.gov.au/view/pdf/asmade/sl-2022-576)

<sup>17</sup> [www.bct.nsw.gov.au/info/biodiversity-conservation-fund-charge-report](https://www.bct.nsw.gov.au/info/biodiversity-conservation-fund-charge-report)

<sup>18</sup> [www.bct.nsw.gov.au/info/biodiversity-credits-price-estimation-service](https://www.bct.nsw.gov.au/info/biodiversity-credits-price-estimation-service)



information to understand potential future payments into the Biodiversity Conservation Fund and offers guidance to Biodiversity Stewardship Agreement landholders and credit owners.

### ***Payments into the Biodiversity Conservation Fund***

In the 2023-2024 financial year, the NSW Biodiversity Conservation Trust received 162 payments from developers totalling \$64.6 million (excluding administration fees), into the Biodiversity Conservation Fund, transferring obligations for 10,883 biodiversity credits to the agency.

At 30 June 2024, the NSW Biodiversity Conservation Trust held \$204.2 million in payments from developers for 51,095 credits not yet purchased.

### 3. Secure biodiversity offsets

In the 2023-2024 financial year, the NSW Biodiversity Conservation Trust finalised one credit tender and substantially progressed a second. It also secured credits from the Department of Climate Change, Energy, the Environment and Water's Nature Markets and Offsets Division reverse auctions and committed to fund Conservation Actions to acquit credit obligations through the Saving Our Species program.

The credit tender, which opened in May 2023, was finalised in 2023-2024. This secured 2,068 ecosystem and species credits, at a value of \$9.5 million. The purchased credits are expected to contribute funds to 38 existing Biodiversity Steward Agreement landholders and enable two (2) existing sites to start active management of their agreement area.

In accordance with the *Biodiversity Conservation Regulation 2017*<sup>19</sup>, variation rules were applied to purchase ecosystem credit types for credits the NSW Biodiversity Conservation Trust had not been able to purchase in at least two (2) previous offers. Of the 2,068 credits secured in this tender, 685 ecosystem credits were for similar ecosystems in a similar geographic region to the original obligation.

## **Strategic Goal 2**

Against Strategic Goal 2 of the NSW Biodiversity Conservation Trust Business Plan, the Trust procured **4,043 biodiversity credits**, at a cost of **\$19.9 million**.

At 30 June 2024, a **further 10,761 credits** at a value of **\$25.3 million** were under contract to be purchased in future financial years. The NSW Biodiversity Conservation Trust also committed to fund nine (9) conservation actions in future financial years through the Saving Our Species program, to acquit a **further 4,042 credits** at a value of **\$5.8 million**.

As at 30 June 2024, the NSW Biodiversity Conservation Trust purchased, or contracted to purchase, **30,318 of the 66,614 credits** ever transferred into the Biodiversity Conservation Fund.

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<sup>19</sup> [legislation.nsw.gov.au/view/html/inforce/current/sl-2017-0432](https://legislation.nsw.gov.au/view/html/inforce/current/sl-2017-0432)

Response to Recommendation 11 from the Audit Office of New South Wales' report into the Effectiveness of the Biodiversity Offsets Scheme

The Audit Office of New South Wales' report into the *Effectiveness of the Biodiversity Offsets Scheme*<sup>20</sup> recommended the NSW Biodiversity Conservation Trust report annually<sup>21</sup> on the estimated number and type of offset obligations that can/cannot be met on a like-for-like basis, and the estimated costs for acquitting these within 12 months.

Table 5 shows the estimated number of credit obligations to be met in the 2024-2025 financial year, along with the estimated cost to purchase credits or implement conservation actions to meet the credit obligations.

It is not possible to accurately forecast the credit obligations that will be transferred to the NSW Biodiversity Conservation Trust, or the credits it will secure over the next financial year. This is due to factors outside the organisation's control, such as whether proponents choose to pay into the Biodiversity Conservation Fund and the supply of credits on the market.

The estimates are based on the credit obligations held by the NSW Biodiversity Conservation Trust, and the current supply of credits on the market.

Due to the difficulty in accurately forecasting the credits to be secured, the estimated cost to purchase credits or implement conservation actions is offered within a cost band, calculated using the Biodiversity Offsets Payment Calculator charge from the 2023-2024 financial year. The actual cost to purchase credits may differ.

The estimated cost to implement conservation actions has been calculated using the amount paid into the Biodiversity Conservation Fund by a proponent.

Table 5: Estimate of credit obligations to be met in the 2024-2025 financial year and cost to purchase credits or implement conservation actions to meet credit obligations.

Credit type	Offset hierarchy approach	# credits	Estimated cost to buy credits / implement conservation action
Ecosystem	Like-for-like credits	9,200	\$54.2m - \$129.8m
	Variation credits	21,00	\$10.7m - \$39.3m
	Conservation actions	200	\$1.1m - \$2.8m
	<b>Subtotal</b>	<b>11,500</b>	<b>\$66m - \$171.9m</b>
Species	Like-for-like credits	10,900	\$7.7m - \$15.9m
	Conservation actions	3,700	\$4.2m - \$12.6m
	<b>Subtotal</b>	<b>14,600</b>	<b>\$11.8m - \$28.5m</b>
<b>Total</b>		<b>26,100</b>	<b>\$77.9m - \$200.4m</b>

<sup>20</sup> [www.audit.nsw.gov.au/our-work/reports/effectiveness-of-the-biodiversity-offsets-scheme](http://www.audit.nsw.gov.au/our-work/reports/effectiveness-of-the-biodiversity-offsets-scheme)

<sup>21</sup> [www.bct.nsw.gov.au/sites/default/files/2023-10/annual-report-22-23-offset-obligations.pdf](http://www.bct.nsw.gov.au/sites/default/files/2023-10/annual-report-22-23-offset-obligations.pdf)

## Landholder Support Program

The NSW Biodiversity Conservation Trust's Landholder Support Program offers a network of expert Regional Delivery staff across seven regions who connect landholders with conservation management practices and opportunities to support plans set down in their conservation agreements.

The program also connects landholders to other Government and non-government events and resources to maximise the opportunities to protect, restore and manage native vegetation and biodiversity on their land.

### Strategic Goal 3

Against Strategic Goal 3 of the NSW Biodiversity Conservation Trust Business Plan, landholders were supported to meet the annual conditions of their agreement by way of **761 property visits**, **783 conversations by phone**, **3495 articles of correspondence** (letters and emails) and **a further 153 other opportunities** to connect via video conference or networked events, such as regional field days.

The Landholder Support Program offers landholders the resources and guidance to deliver their conservation management plans and meet the reporting obligations that drive the annual payment cycle.

### Strategic Goal 3

Against Strategic Goal 3 of the NSW Biodiversity Conservation Trust Business Plan, conservation agreement-holders received **\$9.4 million in annual management payments**. Biodiversity Stewardship Agreement holders with active agreements received \$19.96 million in payments.

## Ecological Monitoring Module

In December, the NSW Biodiversity Conservation Trust announced that its Ecological Monitoring Module (EMM) was accredited under the internationally renowned Accounting for Nature® Framework.

Accounting for Nature is an independent, transparent, verifiable and certifiable environmental accounting framework to inform better investment, policy and management decisions in natural capital.

Accreditation offers agreement-holders the assurance that the method to monitor ecological change on their agreement site is upheld by the scientific rigour of the Accounting for Nature® Framework and in accordance with international best practice.

In the 2023-2024 financial year, NSW Biodiversity Conservation Trust ecologists monitored 28 Conservation Management Program agreements and secured baseline data for 50 Biodiversity Stewardship Agreement sites in a strategic push to set vegetation integrity plots for continuing scientific data collection.

## Strategic Goal 3

Against Strategic Goal 3 of the NSW Biodiversity Conservation Trust Business Plan, **88.5 per cent** of Priority 1 conservation agreement sites have established an Ecological Monitoring Module baseline.

## Education Program

The NSW Biodiversity Conservation Trust's Education Program offers conservation management guidance to landholders and a future generation of landholders through workshops on properties, webinars with leading ecologists and researchers, school programs and partnerships to extend public knowledge and appreciation for our state's biodiversity and the importance of conservation.

With collaborators such as Landcare NSW, Local Land Services, Petaurus Education Group, the Department of Primary Industries' Tocal College, and institutions like the Australian Museum, the NSW Biodiversity Conservation Trust has brought both hands-on learning and online learning opportunities to conservation agreement-holders, schools and other interested private landholders across the state.

Landcare NSW

An agreement between Landcare NSW and the NSW Biodiversity Conservation Trust was established in the 2023-2024 financial year to extend the private land conservation network across NSW and support best-practice conservation education.

The agreement has supported a funded project called Private Land Conservation Matters, designed to deliver events to local conservation-minded landowners.

More than 35 events were held in the 2023-2024 financial year.

These events have brought together 750 landholders who are engaged in a local Landcare NSW group or network, NSW Biodiversity Conservation Trust agreement-holders, and farmers with an interest in using conservation practices on their properties.



Australian Museum Curator Amphibian and Reptile Conservation Biology Dr Jodi Rowley speaks to a conservation agreement-holder at a field day for FrogID Week, in November. Credit: Colin Eplhick

### **FrogID expert shares farm dam habitat tips**

**Enhancing your dam to encourage and support native wildlife might seem daunting, but sometimes it's the little things that can make a big difference.**

**At a dam enhancement field day, held on a NSW Biodiversity Conservation Trust conservation agreement property in the western Sydney suburb of Mulgoa, we asked Australian Museum Curator Amphibian and Reptile Conservation Biology, Dr Jodi Rowley and Murray Wildlife ecologist, Dr Matt Herring, the best ways to improve and manage natural water assets for frogs.**

**Frogs appreciate a diversity of habitats with different kinds of vegetation, and according to Dr Rowley it's not hard to attract them to a clean body of water.**

**"A lot of Australian frog species love a good farm dam and it's ideal to have a mixture of aquatic vegetation, some nice shallow areas, and some vegetation along the edge," she said.**

**Dr Herring shared his enthusiasm for the opportunity to provide essential habitat for bird and amphibious species.**

**Dr Herring emphasised that simple enhancements to dam infrastructure and surrounding landscapes can turn even the smallest dam into a thriving ecosystem, benefiting both agriculture and the environment.**

**"That is what success looks like when you're managing a farm. You are trying to improve the biodiversity because those shallows and water plants aren't just great for waterbirds, that's also where all the frogs live."**

Australian Museum FrogID

**The NSW Biodiversity Conservation Trust was a sponsor of the Australian Museum's 2023 FrogID citizen science program.**

**The program offers participants the opportunity to learn more about frogs and contribute to a national database of frog species, identified by their distinct calls that are recorded on a mobile app.**

**For NSW Biodiversity Conservation Trust agreement-holders, sponsorship introduced the FrogID program and technology to them, and landholders were educated face-to-face at a field day held on a conservation agreement site in November.**

**The day was attended by Australian Museum Curator Amphibian and Reptile Conservation Biology, Dr Jodi Rowley, and Murray Wildlife ecologist, Dr Matt Herring. Both shared the best ways to improve and manage natural water assets, particularly farm dams.**

## **Strategic Goal 4**

**Against Strategic Goal 4 of the NSW Biodiversity Conservation Trust Business Plan, there have been [35 biodiversity education events](#) for landholders through 2023-2024 financial year.**

**[More than 750 landholders](#) at these events learned about protecting habitats and species on their properties through this year.**

Online learning

**The Education Program delivered four (4) webinars to introduce landholders to conservation management experts and practices.**

**The webinars attracted 524 people to learn more about:**

- **Farm dam enhancement.**
- **Citizen science.**
- **Pest management on conservation agreement sites.**
- **Using fire as a conservation tool.**

**The success and positive feedback for online education has also seen growth in the modules offered for a perennial e-learning offering.**

**The e-learning modules reflect the NSW Biodiversity Conservation Trust's conservation management guidance and are hosted online under agreement with the Department of Primary Industries' Tocal Agricultural College.**

**In the 2023-2024 financial year, 444 registered for the online course, and 160 completed one of the 10 conservation management modules.**

**The course is online at [bct.nsw.gov.au/elearning](https://bct.nsw.gov.au/elearning).**

Conservation Champions

**To ensure future land managers and conservationists understand the value of our unique landscapes, fauna and flora, the Education Program provides resources to primary school teachers and provides fun, hands-on learning to school students both**

in the classroom and on conservation agreement sites of landholders local to a participating school.

Conservation Champions is run by the NSW Biodiversity Conservation Trust under agreement with Petaurus Education Group.

The project includes curriculum-linked class lessons, excursions, resources, and professional development opportunities for NSW schools, providing regional students with the opportunity to learn about the importance of biodiversity conservation across a range of different landscapes.

## Strategic Goal 4

Against Strategic Goal 4 of the NSW Biodiversity Conservation Trust Business Plan, there have been **20 Conservation Champion** events for students through financial year 2023-2024, with 12,836 students participating in the program since August 2017.

A further **64 teachers have sourced educational tools or resources** from the NSW Biodiversity Conservation Trust.

Biodiversity Opportunities pilot

The Education Program team, in collaboration with the Northern Inland and South East Regional Delivery teams, successfully delivered a Biodiversity Opportunities pilot in May.

The project aimed to evaluate how a longer, more in-depth engagement period would affect community participation in NSW Biodiversity Conservation Trust programs.

142 prospective landholders attended 11 targeted and highly collaborative workshops. Each workshop offered an early opportunity to learn about NSW Biodiversity Conservation Trust opportunities, enhance local understanding of biodiversity and natural assets on farms, and explore land and conservation management options.

The workshops highlighted a demand among rural landholders for information on the value of biodiversity assets on their properties.

The pilot outcomes were:

- 100 per cent of respondents reporting increased awareness of NSW Biodiversity Conservation Trust programs
- 95 per cent expressing greater willingness to consider NSW Biodiversity Conservation Trust programs in the future
- 88 per cent gaining a better understanding of what constitutes "High conservation value biodiversity"
- 94 per cent indicating that the information received would influence their future decision-making.

## Summary review of operations

Since starting in August 2017, the NSW Biodiversity Conservation Trust has proudly established private land conservation agreements with 489<sup>22</sup> landholders covering 250,400 hectares and protecting 147 threatened species.

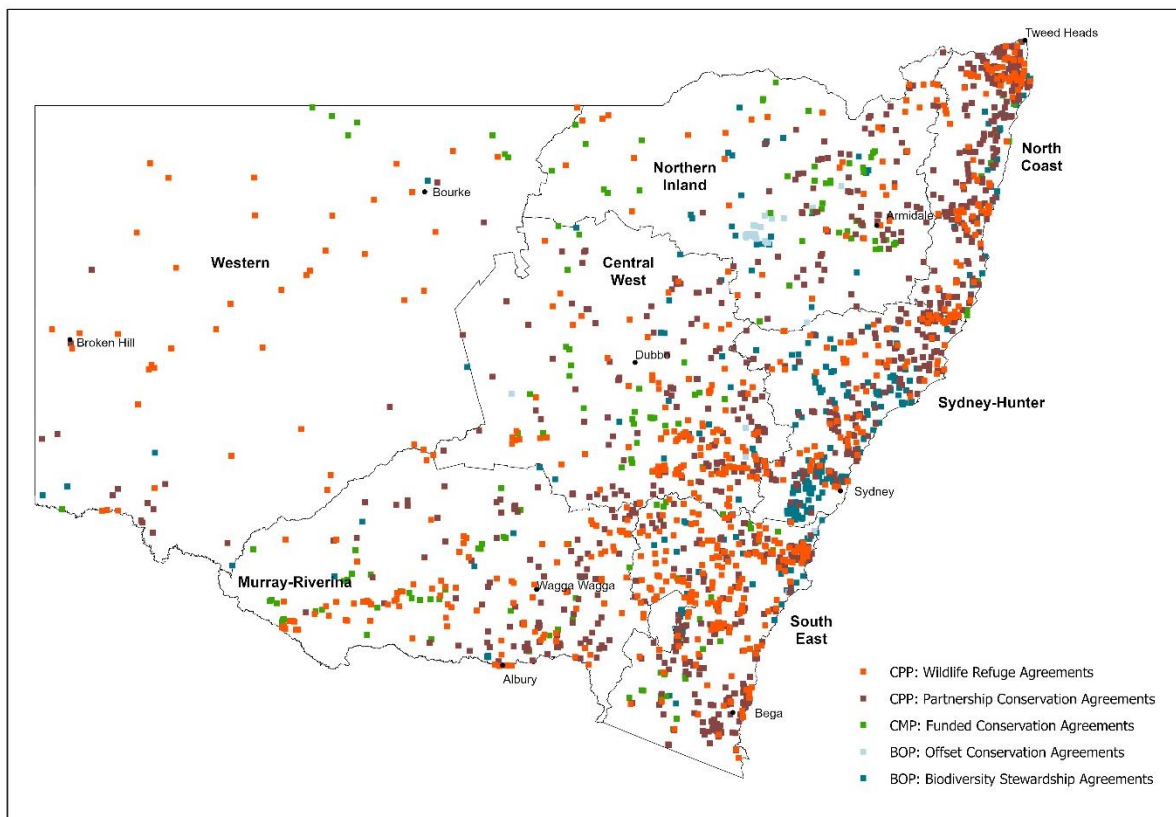
Of these landholders, 85 per cent, or 417 have agreements in-perpetuity, leaving a future legacy of 194,220 hectares<sup>23</sup> protected for generations to come.

The NSW Government invests \$200 million over the life of a four-year program to support private land conservation outcomes.

Since its establishment, the NSW Biodiversity Conservation Trust has invested more than \$290 million to support funded conservation agreement-holders, with the median annual payment being \$93 a hectare.

In addition to our conservation agreements, 444 landholders have successfully applied to our grant program since commencement and received more than \$7.5 million to support conservation activities such as weed or pest control, fencing to secure conservation areas, and native vegetation restoration.

Figure 2: Private land conservation agreements managed by the NSW Biodiversity Conservation Trust, at 30 June 2024



<sup>22</sup> Agreements that have been executed and registered on title with the NSW Land Registry Service.

<sup>23</sup> Excluding offset agreements.



Our conservation efforts<sup>24</sup> protect:

**216 threatened species<sup>25</sup>**  
**33 threatened ecological communities**  
**14 unrepresented NSW Landscapes**  
**146 under-represented NSW Landscapes**

In the 2023-2024 financial year:

***Conservation Management Program***

**13 new funded conservation agreements**  
**19,227 additional hectares protected**  
**\$9.4 million conservation management payments made**

***Conservation Partners Program***

**53 new conservation agreements**  
**4,962 additional hectares protected**  
**3 new wildlife refuges, protecting 60 hectares**  
**\$1.85 million in conservation grants paid**

***Biodiversity Offsets***

**25 new offset conservation agreements**  
**7,825 additional hectares protected**  
**\$20 million in biodiversity stewardship payments to 171 landholders with active sites**

***Landholder Support Program***

**761 visits to existing landholders**  
**783 conversations by phone**  
**3,495 articles of correspondence**  
**153 other interactions**

***Education Program***

**35 biodiversity education events**  
**20 in-field events for students**  
**4 webinars**

## Land disposal

There was no land disposal of value greater than \$5 million that would have required disposal by way of public auction or tender in the 2023-24 financial year.

## Research and development

To deliver cost-efficient private land conservation programs and maximise biodiversity outcomes, the NSW Biodiversity Conservation Trust relies on evidence-based research to inform operations.

Research supports the industry-leading practices of the agency and:

- **Targets conservation assets, program design and delivery mechanisms to enhance conservation outcomes.**
- **Supports industry-leading education and guidance on conservation management.**
- **Identifies incentives and barriers for landholder participation in private land conservation.**
- **Assists in anticipating changes and opportunities within the nature repair market.**

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<sup>24</sup> Including offset agreements.

<sup>25</sup> Across all agreements, established prior to 2017 and since 2017, managed by the NSW Biodiversity Conservation Trust.

- Provides evidence of the effectiveness of private land conservation as a policy tool.

Against the NSW Biodiversity Conservation Trust Research Strategy, in the 2023-2024 financial year, the agency supported six (6) PhD scholarship projects, all of which are ongoing.

Of the research projects completed in the 2023-2024 financial year, the benefits to the NSW Biodiversity Conservation Trust, its customers and stakeholders, included:

1. A spatial data set that predicts the risk of biodiversity loss in NSW and allows the NSW Biodiversity Conservation Trust to target investment towards the most at-risk locations and biodiversity assets.
2. An estimated avoided loss value for all NSW Biodiversity Conservation Trust agreements. This quantifies, for the first time, the avoided loss benefits that flow from protected conservation agreement sites.
3. A comparison of the accrued biodiversity gain achieved by conservation offset sites, against predicted gain. This research supports the evaluation of program outcomes against a 'no-net-loss' standard.
4. Data sampling to report on plant functional diversity and bird diversity as additional dimensions of biodiversity value. The data sampled across conservation agreement sites also validates the Ecological Monitoring Module's use of vegetation integrity as a surrogate for biodiversity value.

Socioeconomic benefits of private land conservation

The NSW Biodiversity Conservation Trust measures and reports on the socioeconomic benefits of private land conservation to report against targets of the Biodiversity Conservation Investment Strategy.

The framework, or Socioeconomic Monitoring Module (SEMM), was developed by Frontier Economics on behalf of the NSW Biodiversity Conservation Trust in 2022 and provides a means to calculate the income diversification and flow-on economic impacts of entering a conservation agreement.

To support long-term research and analysis of the socio-economic benefits of private land conservation, the NSW Biodiversity Conservation Trust adopted the model and collates data inputs for year-on-year reporting.

The collected data is applied to both the Frontier Economics model and NSW Treasury Employment Calculator for Agricultural Support Services.

At the last update to the SEMM data, in December 2023, the model showed NSW Biodiversity Conservation Trust funding was supporting up to 50 jobs via payments to establish funded conservation agreement sites, and an ongoing 10 jobs via grant funding provided to landholders with Conservation Partners Program agreements.

## Implementation of price determination

The NSW Biodiversity Conservation Trust was not subject to a determination or recommendation of the Independent Pricing and Regulatory Tribunal in 2023-2024.

## Performance information

**Table 6: Performance against metrics of the NSW Biodiversity Conservation Trust Business Plan 2021-22 to 2024-25**

Business goals	2023-2024 performance
<b>1. Risk Management Framework</b>	
Goal 1: Increase private land conservation in areas of strategic biodiversity value	Progress against Biodiversity Conservation Investment Strategy targets: <ul style="list-style-type: none"> <li>• <b>291<sup>26</sup> new conservation agreements against a target of 400.</b></li> <li>• <b>200,400 additional hectares against a target of 200,000 hectares.</b></li> <li>• <b>53 additional unique under-represented NSW Landscapes against a target of 50.</b></li> </ul>
Goal 2: Deliver efficient, effective, and strategic biodiversity offset outcomes.	<ul style="list-style-type: none"> <li>• <b>Acquittal of offset obligations.</b></li> <li>• <b>Progress toward balancing payments into the Biodiversity Conservation Fund, and the cost of acquitting obligations over rolling 5-year periods.</b></li> </ul>
Goal 3: Support participating landholders to conserve biodiversity.	<ul style="list-style-type: none"> <li>• <b>More than 4,389 interactions with landholders.</b></li> <li>• <b>42 field days with 566 participants.</b></li> <li>• <b>\$29.4 million in payments made to agreement-holders.</b></li> <li>• <b>1,469 agreement biodiversity monitoring sites established to assess conservation outcomes.</b></li> </ul>
Goal 4: Promote public knowledge, appreciation and understanding of biodiversity and the importance of conservation.	<ul style="list-style-type: none"> <li>• <b>35 biodiversity education events and opportunities.</b></li> <li>• <b>More than 750 landholders participating in biodiversity education opportunities.</b></li> </ul>

<sup>26</sup> Registered on title by the NSW Biodiversity Conservation Trust.

# Management and Accountability

The inclusions of this annual report, under the content area of Management and Accountability, are supplied in the order required by the *NSW Treasury Policy and Guidelines – Annual Reporting Requirements TPG23-10*<sup>27</sup>.

## Numbers and remuneration of senior executives

Table 7: Number of senior executives

Band	2021-2022		2022-2023		2023-2024	
	♂	♀	♂	♀	♂	♀
Band 2 Executive Director / Chief Executive Officer	1	-	-	1	-	1
Band 1 Director	1	2	2	3	2	3

Table 8: Average remuneration of FTE senior executives

Band	2021-2022	2022-2023	2023-2024
Band 2 Executive Director / Chief Executive Officer	\$360,320	\$333,625	\$333,625
Band 1 Director	\$229,953	\$240,991	\$245,634

## Human resources

Table 9: Number of officers and employees by category compared to prior years

Employment type	2021-2022	2022-2023	2023-2024
Ongoing	104	119	147
Temporary	16	27	22
Executive	4	6*	6*
Total	124	152	175

\*Inclusive of two executives that job share.

## Consultants

In the 2023-2024 financial year, the NSW Biodiversity Conservation Trust did not procure consultancy services for individual contracts to the value of \$50,000 or more.

For engagements costing less than \$50,000, the NSW Biodiversity Conservation Trust reported a spend of \$8,748 on consultancies.

<sup>27</sup> [www.treasury.nsw.gov.au/documents/tpg23-10-annual-reporting-requirements](http://www.treasury.nsw.gov.au/documents/tpg23-10-annual-reporting-requirements)

## Promotion

There was no overseas travel by NSW Biodiversity Conservation Trust staff members in the 2023-2024 financial year.

## Requirements arising from employment arrangements

The Department of Climate Change, Energy, the Environment and Water (DCCEEW) provides personnel services to the NSW Biodiversity Conservation Trust.

Personnel services, including related on-cost expenses and liabilities, are recognised in the financial statements, accordance with NSW Treasury guideline TC 15-07: Financial and Annual Reporting requirements arising from personnel services arrangements<sup>28</sup>.

## Legal change

While there were no amendments to the *Biodiversity Conservation Act 2016 (NSW)* in the 2023-2024 financial year, the NSW Biodiversity Conservation Trust was engaged in responding to a five-year review of the Act.

The independent review<sup>29</sup> of the *Biodiversity Conservation Act 2016 (NSW)* was tabled in the NSW Parliament in late August 2023. The Review Panel, led by Dr Ken Henry AC, made 58 recommendations, with the NSW Biodiversity Conservation Trust sharing knowledge and experience to deliver considered feedback to the Act review.

There were no other legislative or judicial decisions affecting the NSW Biodiversity Conservation Trust, or those holding a conservation agreement with the agency during the financial year.

## Economic or other factors

A high inflationary environment and continued high interest rates had an impact on NSW Biodiversity Conservation Trust earnings and indexation of landholder payments.

## Events arising after the end of the annual reporting period

No events have arisen after the end of the annual reporting period.

## Risk management and insurance activities

Consistent with NSW Government policies, the NSW Biodiversity Conservation Trust, its staff and volunteers were fully covered for the legal liability to any third party arising out of the agency's operations including, but not limited to, workers compensation, public liability, professional indemnity, product liability, Directors and Officers, personal accident, accident during travel, property damage and motor

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<sup>28</sup> [treasury.nsw.gov.au/sites/default/files/2017-03/NSWTC\\_15-07\\_Financial\\_and\\_Annual\\_Reporting\\_requirements\\_arising\\_from\\_personnel\\_service\\_arrangements.pdf](https://treasury.nsw.gov.au/sites/default/files/2017-03/NSWTC_15-07_Financial_and_Annual_Reporting_requirements_arising_from_personnel_service_arrangements.pdf)

<sup>29</sup> [www.environment.nsw.gov.au/topics/animals-and-plants/biodiversity/overview-of-biodiversity-reform/statutory-review-of-the-biodiversity-conservation-act-2016](https://www.environment.nsw.gov.au/topics/animals-and-plants/biodiversity/overview-of-biodiversity-reform/statutory-review-of-the-biodiversity-conservation-act-2016)

vehicle cover under the Treasury Managed Fund through the NSW Self Insurance Corporation (iCare).

## Internal audit and risk management policy attestation<sup>30</sup>

**Internal Audit and Risk Management Attestation for the 2023-24 Financial Year for the NSW Biodiversity Conservation Trust.**

**I, the Hon. Niall Blair, Chair of the Board of the NSW Biodiversity Conservation Trust, am of the opinion that the NSW Biodiversity Conservation Trust has internal audit and risk management processes in operation that are compliant with the seven (7) core requirements set out in the Internal Audit and Risk Management Policy for the General Government Sector, specifically:**

Core requirements	State of compliance
<b>2. Risk Management Framework</b>	
Core Requirement 1.1: The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency	<b>Compliant</b>
Core Requirement 1.2: The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018	<b>Compliant</b>
<b>3. Internal audit function</b>	
Core Requirement 2.1: The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose	<b>Compliant</b>
Core Requirement 2.2: The Accountable Authority shall ensure that the operation of the internal audit function is consistent with the International Standards for Professional Practice for Internal Auditing	<b>Compliant</b>
Core Requirement 2.3: The Accountable Authority shall ensure that the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	<b>Compliant</b>
<b>4. Audit and Risk Committee</b>	
Core Requirement 3.1: The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	<b>Compliant</b>

<sup>30</sup> TPP20-08: [arp.nsw.gov.au/assets/ars/attachments/tpp20-08\\_internal\\_audit\\_and\\_risk\\_management\\_policy\\_for\\_the\\_general\\_government\\_sector.pdf](http://arp.nsw.gov.au/assets/ars/attachments/tpp20-08_internal_audit_and_risk_management_policy_for_the_general_government_sector.pdf)

**Core requirements****State of compliance**

Core Requirement 3.2: The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'

**Compliant**

Audit and Risk Committee membership

**The chair and members of the NSW Biodiversity Conservation Trust Audit and Risk Committee during the 2023-24 financial year were:**

**Independent Chair, Mr David Black, appointed 4 March 2021 to 3 March 2026.**

**Independent Member, Ms Virginia Malley, appointed 21 February 2023 to 31 December 2023.**

**Independent Member, Ms Julie Orr, appointed 21 August 2021 to 24 August 2024.**

**Member, Ms Christine Covington, appointed 21 December 2022 to 6 October 2026 (NSW Treasury ARC Independent Member prequalification approved 23 November 2023).**

**In addition, NSW Biodiversity Conservation Trust Board Chair, the Hon. Niall Blair and Board Member, Mr John Maher, attended meetings as observers during the 2023 to 2024 financial year.**



**The Hon. Niall Blair  
NSW Biodiversity Conservation Trust  
Chair of the Board**

**Date: 3 September 2024**



**Agency contact officer  
Philippa Ardlie  
NSW Biodiversity Conservation Trust  
Chief Audit Executive  
0458 012 771**

## **Compliance with Privacy and Personal Information Protection Act 1998 (NSW)**

Division 7.3 of the *Government Sector Finance Act 2018 (NSW)*<sup>31</sup> and relevant annual reporting policies issued by Treasury require an agency to provide a statement of its actions to comply with the requirements of the *Privacy and Personal Information Protection Act 1998 (NSW)*<sup>32</sup> (PIIP Act). It must also provide statistical details of any reviews conducted by or on behalf of the agency, under Part 5 of the PIIP Act.

The NSW Biodiversity Conservation Trust's *Privacy Management Plan*<sup>33</sup> outlines how the organisation complies with the principles of the PIIP Act and the *Health Records and Information Privacy Act 2002*<sup>34</sup>, and was updated in June 2024 to reflect

<sup>31</sup> [legislation.nsw.gov.au/view/html/inforce/current/act-2018-055](https://legislation.nsw.gov.au/view/html/inforce/current/act-2018-055)

<sup>32</sup> [legislation.nsw.gov.au/view/whole/html/inforce/current/act-1998-133](https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-1998-133)

<sup>33</sup> [www.bct.nsw.gov.au/sites/default/files/2024-08/BCT-Privacy-Management-Plan-June-2024.pdf](https://www.bct.nsw.gov.au/sites/default/files/2024-08/BCT-Privacy-Management-Plan-June-2024.pdf)

<sup>34</sup> <https://legislation.nsw.gov.au/view/html/inforce/current/act-2002-071>

responsibilities per the Mandatory Notification of Data Breach (MNDB) Scheme that came into effect during the reporting period.

Officers in the Department's Information Access and Privacy unit also provide specialist privacy advice and training to staff.

In the 2023-2024 financial year, the NSW Biodiversity Conservation Trust received two (2) applications for review under Part 5 of the PPIP Act. Both reviews were internal and identified the Biodiversity Conservation Trust had breached the PPIP Act by sharing personal information with unauthorised stakeholders.

The Department determined the breaches were minor and was satisfied with the NSW Biodiversity Conservation Trust's actions to address the breaches and mitigate the risk of recurrence. Both reviews determined the MNDB Scheme should not be triggered.

Section 13 of the *Public Interest Disclosure Act 2022* (PID Act) categorises privacy contravention as serious wrongdoing. Due to the breaches being assessed by the Department as minor, they were not classified as serious wrongdoing for the purposes of the PID Act and, therefore, were not determined to be public interest disclosures.

## Government Information (Public Access) Act 2009 (NSW)

Under Schedule 3 of the *Government Information (Public Access) Regulation 2018*<sup>35</sup> (the Regulation), the NSW Biodiversity Conservation Trust is a subsidiary agency for the purposes of the *Government Information (Public Access) Act 2009 (NSW)*<sup>36</sup> (the Act). Therefore, all statistical information about access applications required to be included in an annual report regarding the Trust, in compliance with section 125 of the Act and Clause 8 of the Regulation, is included in the annual report of the Department of Planning, Housing and Infrastructure for the period of 1 July 2023 to 31 December 2023, and the Department of Climate Change, Energy, the Environment and Water for the period 1 January 2024 to 30 June 2024.

## Other information

There were no external costs incurred in the production of this annual report. The report was collated, written and typeset by the NSW Biodiversity Conservation Trust Media and Communications team.

The report is available online at [www.bct.nsw.gov.au](http://www.bct.nsw.gov.au)

## Exemptions

The NSW Biodiversity Conservation Trust has not been exempted from any annual reporting provisions for the 2023–2024 financial year.

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<sup>35</sup> [legislation.nsw.gov.au/view/html/inforce/current/sl-2018-0510](http://legislation.nsw.gov.au/view/html/inforce/current/sl-2018-0510)

<sup>36</sup> [legislation.nsw.gov.au/view/html/inforce/current/act-2009-052](http://legislation.nsw.gov.au/view/html/inforce/current/act-2009-052)



# Sustainability

## Modern Slavery Act 2018 (NSW)

The NSW Biodiversity Conservation Trust operates under the Department of Climate Change, Energy, the Environment and Water's (DCCEEW) procurement framework and receives procurement services from the Department.

All *Modern Slavery Act 2018 (NSW)* requirements are managed through this procurement framework and activity to support and uphold the intent of the *Modern Slavery Act 2018 (NSW)*<sup>37</sup> are reported in the DCCEEW Annual Report 2023-2024.

## Work Health and Safety

The NSW Biodiversity Conservation Trust is committed to a culture of safety in all aspects of its business. This safety culture applies to all locations and aspects of the agency's work, including office and field-based work.

To fulfil the commitment and delivery of a safe workplace, the NSW Biodiversity Conservation Trust applies a Work Health and Safety Management System (WHSMS) to all its operations, in consultation and with input from its Work Health and Safety (WHS) Committee, with 12 representative members from all agency branches.

The WHSMS includes an assessment of WHS risks and identification of mitigation strategies.

All WHS hazards, incidents and near misses, and the control measures implemented in response, are recorded via the CAMMS software system and are reported to the Executive and Board in consultation with the WHS Committee.

In the 2023-2024 financial year, NSW Biodiversity Conservation Trust staff members recorded 39 hazards or incidents via CAMMS:

- 4 hazards
- 17 incidents resulting in injury or illness
- 18 incidents identified as a 'near miss'.

Most incidents reported by staff members were minor in nature, such as insect bites or minor trips and falls.

Driving incidents (such as speeding or minor vehicle incidents) and near-misses are a focus of the Executive and Board, with appropriate mitigations and actions being put into place to prevent and address recurrence or risks. Incidents relating to psychosocial risks or events were also a focus, being handled with sensitivity and focus on appropriate control measures.

There were no notifiable injuries or prosecutions under the *Work Health and Safety Act 2011 (NSW)*<sup>38</sup> recorded by the NSW Biodiversity Conservation Trust in the 2023-2024 financial year.

Of the 39 hazards or incidents noted above, 15 resulted in injury claims, with five (5) resulting in lost time claims, as noted in Table 10.

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<sup>37</sup> [legislation.nsw.gov.au/view/whole/html/inforce/current/act-2018-030](https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-2018-030)

<sup>38</sup> [legislation.nsw.gov.au/view/html/inforce/current/act-2011-010](https://legislation.nsw.gov.au/view/html/inforce/current/act-2011-010)

Table 10: Injury claim data reported to Department WHS in 2023-2024.

Injury outcome	Injury numbers	Injury %
Lost time injury	5	34%
Medical treatment only	2	13%
No treatment/first aid treatment	8	53%

#### Driving risk

**Driving remains one of the NSW Biodiversity Conservation Trust’s highest risks.**

**To mitigate this risk the NSW Biodiversity Conservation Trust provides all workers with access to driving training via an e-module driving course, and a practical defensive driver course as key control measures. This training is a mandatory requirement for field-based staff that routinely drive vehicles as part of their employment with the NSW Biodiversity Conservation Trust. Staff members also received regular updates to reinforce the NSW Biodiversity Conservation Trust’s safe driving culture.**

**Four-wheel drive training is provided to staff required to do off-road driving.**

**All NSW Biodiversity Conservation Trust vehicles are fitted with Telematics devices to track driving behaviour and other data to encourage safe driving practices.**

#### Safety tracking devices

**The NSW Biodiversity Conservation Trust implements the use of satellite communication devices, and trains staff to use them as standard practice for field work.**

#### Work Health and Safety Committee

**The NSW Biodiversity Conservation Trust’s Work Health and Safety (WHS) Committee met 8 times in the 2023-2024 financial year.**

**The committee is made of up of staff representatives from across the organisation.**

**The committee:**

- reviews incidents reported
- contributes to the development and implementation of a WHS Action Plan
- provides input into WHS initiatives.

## Workforce diversity

**The NSW Biodiversity Conservation Trust is guided by culture and diversity strategies set by the Department of Climate Change, Energy, the Environment and Water (DCCEEW), NSW Public Service, Premier’s Priorities and the agency to promote and**

maintain an environment where staff members, landholders and stakeholders are valued, and safe.

These guiding strategies include the:

- **NSW Public Sector Values.**
- **Department of Planning and Environment (DPE) *Diversity and Workforce Strategy (2021-25)*, still current and observed by DCCEEW.**
- ***2024-25 NSW Biodiversity Conservation Trust Diversity and Inclusion Action Plan.***

Staff members complete mandatory training programs on a periodic basis to ensure they understand their responsibilities and comply with expected ethical and respectful behaviours and conduct, safety standards, and cyber and information management requirements.

The NSW Biodiversity Conservation Trust celebrates and promotes a culture of diversity and inclusion through all business, recruitment and procurement processes, and measures its success in achieving a diverse workforce against the Department's *Diversity and Inclusion Workforce Strategy 2021–2025*.

NSW Biodiversity Conservation Trust staff participate in national and international diversity days, diversity education programs, and are represented across NSW Government diversity networks including the Department's Aboriginal Network, Rainbow Connection, Disability Employee Network, Spokeswomen Program (promoting gender equity), and Young Professionals Network.

**Table 11: Trends in representation of workforce diversity groups at the NSW Biodiversity Conservation Trust**

<b>Workforce diversity group</b>	<b>Benchmark</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Women<sup>39</sup></b>	<b>50%</b>	<b>60.2%</b>	<b>60.5%</b>	<b>66%</b>
<b>Aboriginal and Torres Strait Islander<sup>40</sup></b>	<b>3.3%</b>	<b>2.9%</b>	<b>3.5%</b>	<b>2%</b>
<b>People whose first language, spoken as a child, was not English<sup>41</sup></b>	<b>23.2%</b>	<b>6.3%</b>	<b>6.4%</b>	<b>3.8%</b>
<b>People with a disability<sup>42</sup></b>	<b>5.6%</b>	<b>3.5%</b>	<b>4.2%</b>	<b>5.56%</b>

<sup>39</sup> The benchmark of 50 per cent for representation of women across the sector is intended to reflect the gender composition of the NSW community.

<sup>40</sup> The *NSW Public Sector Aboriginal Employment Strategy 2014-17* introduced an aspirational target of 1.8 per cent by 2021 for each of the sector's salary bands. If the aspirational target of 1.8 per cent is achieved in salary bands not currently at or above 1.8 per cent, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3 per.

<sup>41</sup> A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language but does provide information about country of birth. The benchmark of 23.2 per cent is the percentage of the NSW general population born in a country where English is not the predominant language.

<sup>42</sup> In December 2017, the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7 per cent to 5.6 per cent by 2027.

Aboriginal and Torres Strait Islander programs and initiatives

**Of the NSW Biodiversity Conservation Trust workforce, 2 per cent identify as having Aboriginal or Torres Strait Islander cultural heritage. This is 1.5 per cent below the Public Sector average.**

**In the 2023-2024 financial year, the NSW Biodiversity Conservation Trust invested in a range of programs, initiatives, training, and events to increase the number of Aboriginal and Torres Strait Islander staff members employed by the agency, to offer them development opportunities, and to build the cultural competency of staff members.**

**This included:**

- **Consultation and drafting of the agency's second plan for Aboriginal empowerment, prepared to support ongoing delivery of the previous *Aboriginal Engagement Implementation Plan 2019-20 to 2022-23*.**
- **Ongoing implementation of the agency's *Cultural Protocols Guide*.**
- **Targeted recruitment for various NSW Biodiversity Conservation Trust roles.**
- **Winanga-li Aboriginal Cultural Awareness (fundamental) training for all NSW Biodiversity Conservation Trust staff.**
- **Access to, and participation in, the Department's Aboriginal Mentoring Program.**
- **Participation in a range of Departmental and NSW Biodiversity Conservation Trust diversity events, including NAIDOC week and National Reconciliation Week.**
- **Support of, and encouraged participation in, the Department's Aboriginal Networks.**
- **Aboriginal and Torres Strait Islander staff members were also, as was appropriate, encouraged to access culturally safe support through the Department's Employee Assistance Provider.**

Disability Inclusion Action Plan

**All Disability Inclusion Action Plan initiatives for the NSW Biodiversity Conservation Trust are reported in the Department of Climate Change, Energy, the Environment and Water's 2023-2024 financial year annual report.**

Gender diversity

**The NSW Biodiversity Conservation Trust is a proud supporter of gender diversity.**

**Personnel figures demonstrate the agency's commitment to achieving the vision of the *NSW Premier's Diversity Strategy* and Department's *Diversity and Inclusion Workforce Strategy 2021-2025*.**

**In the 2023-2024 financial year, 66 per cent of NSW Biodiversity Conservation Trust staff members identified as female, with 67 per cent of women in senior leadership roles. This exceeds a NSW Government goal of 50 per cent women in senior leadership roles by 2025.**

**The organisation also engaged with the various initiatives, programs and networks of the NSW Government public sector as well as those offered by the Department. This included 2024 International Women's Day celebrations and invitations for staff to participate in the Department's mentoring programs, programs promoting women to be sector spokeswomen, and women's health programs.**

Multicultural engagement

**All multicultural initiatives for the NSW Biodiversity Conservation Trust are reported in the Department of Climate Change, Energy, the Environment and Water's 2023-2024 financial year annual report.**

## **Code of Ethics and Conduct**

**Employees of the NSW Biodiversity Conservation Trust are obliged to comply with all integrity obligations of the Department of Climate Change, Energy, the Environment and Water's Code of Ethics and Conduct. The Department's controls for meeting the requirements of, or adopting best practices under, the *Code of Ethics and Conduct for NSW Government Sector Employees (2022)*<sup>43</sup> is reported as an ethical framework in its 2023-2024 financial year annual report.**

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<sup>43</sup> [www.psc.nsw.gov.au/sites/default/files/2022-08/code\\_of\\_conduct\\_direction\\_2022.pdf](http://www.psc.nsw.gov.au/sites/default/files/2022-08/code_of_conduct_direction_2022.pdf)

# **Audited financial statements**

**For the year ended 30 June 2024**



## INDEPENDENT AUDITOR'S REPORT

### Biodiversity Conservation Trust of New South Wales

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Biodiversity Conservation Trust of New South Wales (Trust), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Material Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2024* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Trust's financial position, financial performance and cash flows

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Trust in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

## **Chief Executive Officer's Responsibilities for the Financial Statements**

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Chief Executive Officer's responsibility also includes such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

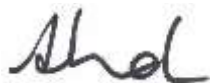
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Trust carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Susan Prichard  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

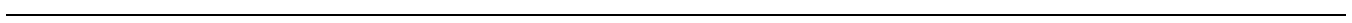
8 October 2024  
SYDNEY



# **Biodiversity Conservation Trust**

Annual Financial Statements

*For the year ended 30 June 2024*



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**Biodiversity Conservation Trust**  
**Statement by Members of the Trust**  
**For the year ended 30 June 2024**

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Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), we state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2024*, and the Treasurer's directions, and
- present fairly the Biodiversity Conservation Trust's financial position, financial performance, and cash flows.



The Hon. Niall Blair  
Chairperson  
Board of the Biodiversity Conservation Trust

4 October 2024

**Biodiversity Conservation Trust**  
**Statement of Comprehensive Income**  
For the year ended 30 June 2024

	Notes	Actual 2024 \$'000	Budget 2024 \$'000	Actual 2023 \$'000
<b>Continuing operations</b>				
<b>Expenses excluding losses</b>				
Operating expenses				
Personnel services	2(a)	23,630	19,284	19,886
Other operating expenses	2(b)	45,208	44,184	17,546
Depreciation and amortisation expense	2(c)	1,078	97	534
Grants and subsidies	2(d)	11,240	9,308	11,929
Finance costs	2(e)	26	12	17
<b>TOTAL EXPENSES EXCLUDING LOSSES</b>		<b>81,182</b>	<b>72,885</b>	<b>49,912</b>
<b>Revenue</b>				
Interest revenue	3(a)	11,536	14,658	6,138
Grants and contributions	3(b)	107,110	80,742	94,321
Other revenue	3(c)	4,882	3,185	5,542
Realised gain from TCorpIM Funds (distributions)	3(d)	6,977	-	4,988
Unrealised gain from TCorpIM funds measured at fair value through profit or loss	3(d)	20,651	-	15,872
<b>TOTAL REVENUE</b>		<b>151,156</b>	<b>98,585</b>	<b>126,861</b>
<b>Operating result</b>		<b>69,974</b>	<b>25,700</b>	<b>76,949</b>
(Losses)/ gains on disposal	4(a)	(58)	-	103
(Losses)/ gains on developers' payments offset obligation acquittals	4(b)	(91)	-	(2,239)
Other (losses)/ gains	4(c)	(397)	-	-
<b>Net result</b>	21(a)	<b>69,428</b>	<b>25,700</b>	<b>74,813</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>69,428</b>	<b>25,700</b>	<b>74,813</b>

*The accompanying notes form part of these financial statements.*

**Biodiversity Conservation Trust**  
**Statement of Financial Position**  
**As at 30 June 2024**

	Notes	Actual 2024 \$'000	Budget 2024 \$'000	Actual 2023 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	6	268,497	263,993	238,280
Financial assets at fair value	7	316,208	237,631	237,631
Receivables	8	318	491	491
Land and buildings held for sale	10	10,538	7,042	7,042
Inventories	11	16,353	16,669	16,669
<b>Total current assets</b>		<b>611,914</b>	<b>525,826</b>	<b>500,113</b>
<b>Non-current assets</b>				
Plant and equipment	12	225	218	217
Intangibles	13	2,856	2,935	2,934
Right of use assets	14(a)	482	335	341
<b>Total non-current assets</b>		<b>3,563</b>	<b>3,488</b>	<b>3,492</b>
<b>Total assets</b>		<b>615,477</b>	<b>529,314</b>	<b>503,605</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	17	3,627	5,667	5,664
Contract liabilities	9	200	738	738
Borrowings	18	183	116	124
Provisions	19	204,170	159,319	159,320
<b>Total current liabilities</b>		<b>208,180</b>	<b>165,840</b>	<b>165,846</b>
<b>Non-current liabilities</b>				
Payables	17	59	-	38
Borrowings	18	312	238	223
Provisions		-	38	-
<b>Total non-current liabilities</b>		<b>371</b>	<b>276</b>	<b>261</b>
<b>Total liabilities</b>		<b>208,551</b>	<b>166,116</b>	<b>166,107</b>
<b>Net assets</b>		<b>406,926</b>	<b>363,198</b>	<b>337,498</b>
<b>EQUITY</b>				
Accumulated funds		406,926	363,198	337,498
<b>Total equity</b>		<b>406,926</b>	<b>363,198</b>	<b>337,498</b>

*The accompanying notes form part of these financial statements.*

**Biodiversity Conservation Trust**  
**Statement of Changes in Equity**  
For the year ended 30 June 2024

	<b>Accumulated funds</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July 2023</b>	337,498	337,498
<b>Net result for the year</b>	<b>69,428</b>	<b>69,428</b>
<b>Total comprehensive income for the year</b>	<b>69,428</b>	<b>69,428</b>
<b>Balance at 30 June 2024</b>	<b>406,926</b>	<b>406,926</b>
	<b>Accumulated funds</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July 2022</b>	262,685	262,685
<b>Net result for the year</b>	<b>74,813</b>	<b>74,813</b>
<b>Total comprehensive income for the year</b>	<b>74,813</b>	<b>74,813</b>
<b>Balance at 30 June 2023</b>	<b>337,498</b>	<b>337,498</b>

*The accompanying notes form part of these financial statements.*

**Biodiversity Conservation Trust**  
**Statement of Cash Flows**  
For the year ended 30 June 2024

	Notes	Actual 2024 \$'000	Budget 2024 \$'000	Actual 2023 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Personnel services		(22,108)	(19,284)	(18,738)
Grants and subsidies		(11,240)	(9,308)	(11,929)
Other operating expenses		(20,845)	(44,184)	(24,998)
Finance costs		-	(12)	-
Purchase of place-based biodiversity credits		(38,796)	-	(1,099)
Purchase of biodiversity credits for acquittal of developers' offset obligations		(21,859)	-	(12,774)
<b>Total Payments</b>		<b>(114,848)</b>	<b>(72,788)</b>	<b>(69,538)</b>
<b>Receipts</b>				
Developers' BCF payments		71,094	-	85,279
Other receipts		12,438	3,185	9,397
Interest received		11,536	14,658	6,138
Grants and contributions		105,924	80,742	93,473
<b>Total Receipts</b>		<b>200,992</b>	<b>98,585</b>	<b>194,287</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	21(a)	<b>86,144</b>	<b>25,797</b>	<b>124,749</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of property held for sale		2,416	15,000	1,332
Purchases of property held for sale and plant and equipment		(6,437)	(15,000)	(3,813)
Payments for intangible assets		(771)	-	(1,308)
Purchases of financial assets	21(b)	(50,949)	-	(34,737)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(55,741)</b>	<b>-</b>	<b>(38,526)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payment of lease liability		(186)	(84)	(152)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<b>(186)</b>	<b>(84)</b>	<b>(152)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
		30,217	25,713	86,071
Opening cash and cash equivalents		238,280	238,280	152,209
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	6	<b>268,497</b>	<b>263,993</b>	<b>238,280</b>

*The accompanying notes form part of these financial statements.*

# Biodiversity Conservation Trust

## Notes to the financial statements

### For the year ended 30 June 2024

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#### 1. Summary of material accounting policy information

##### (a) Reporting entity

The Biodiversity Conservation Trust (BCT) is a statutory body representing the Crown in right of the State of New South Wales (the Crown). The BCT was legally constituted on 25 August 2017 with the commencement of the *Biodiversity Conservation Act 2016* (BC Act). Section 10.4(3) provides that the affairs of the BCT are to be conducted on a not-for-profit basis. The BCT is consolidated as part of the NSW Total State Sector Accounts.

Under the BC Act, the BCT is appointed as the Fund Manager to manage and administer the Biodiversity Stewardship Payments Fund (BSPF). The BCT invests the total fund deposits received to support biodiversity stewardship agreements in NSW Treasury Corporation Investment Management (TCorpIM) funds. Monies in the BSPF are held on behalf of biodiversity stewardship sites and cannot be used to fund BCT operations. Hence, they are not included in the financial statements of BCT. A separate set of financial statements is prepared for the BSPF. Refer note 27.

Under the BC Act, the BCT manages and controls the Biodiversity Conservation Fund (BCF). These funds are restricted in that they can only be used to deliver private land conservation programs. Refer note 16 and note 26. The BCT received approval from the Secretary of Treasury on 7 December 2021 to enter financial arrangements with TCorp through its investment facilities under the *Government Sector Finance Act 2018*. Under those arrangements, the BCT can make separate investment arrangements with TCorp in line with its Funds and Investment Management Policy. The BCF also includes funds received from developers or proponents who opted to pay into the fund as an alternative to retirement of biodiversity credits, as provided for under Section 6 of the BC Act. These funds are also restricted for securing biodiversity offsets determined in accordance with the regulations in substitution for the relevant number and class of biodiversity credits otherwise required to be retired. While the BCT manages and controls the BCF, it only administers the BSPF so its transactions are not included in the BCT's financial statements.

The objective and purpose of the BCT is to protect and enhance biodiversity by encouraging landholders to enter into co-operative arrangements for the management and protection of the natural environment that is significant for the conservation of biodiversity, seeking strategic biodiversity offset outcomes to compensate for the loss of biodiversity due to development and other activities, providing mechanisms for achieving the conservation of biodiversity, and promoting public knowledge, appreciation and understanding of biodiversity and the importance of conserving biodiversity. The BCT partners with landholders and other stakeholders to enhance and conserve biodiversity. The BCT's vision is vibrant private land conservation areas protecting our unique and diverse plants and animals. The BCT's goals are to increase private land conservation in areas of strategic biodiversity value, deliver efficient, effective, and strategic biodiversity offset outcomes, support participating landholders to conserve biodiversity, and promote public knowledge, appreciation and understanding of biodiversity and the importance of conservation.

Under the BC Act, the Minister for the Environment is responsible for appointing the BCT Board. Functions and powers are conferred on the Board as a whole. The Board is accountable to the Minister.

Under the *Administrative Changes – Miscellaneous Order (No 6) 2023* effective from 1 January 2024, BCT was transferred from the Department of Planning and Environment (DPE) to the Department of Climate Change, Energy, the Environment and Water (DCCEEW).

DPE provided personnel services from 1 July 2023 to 31 December 2023. Personnel services, including related on-cost expenses and liabilities, are recognised in accordance with the NSW Treasury Guidelines TC 15-07 *Financial and annual reporting requirements arising from personnel services arrangements*.

From 1 January 2024 onward, the DCCEEW provides personnel services, corporate, finance, Tax (BAS), IT, office space and human resources services to BCT.

The BCT's financial statements have been authorised for issue by the Board on 4 October 2024.



# Biodiversity Conservation Trust

## Notes to the financial statements

For the year ended 30 June 2024

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### 1. Summary of material accounting policy information (continued)

#### (b) Basis of preparation

The BCT is a going concern, and its financial statements are general purpose financial statements, which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the Government Sector Finance Act 2018 (GSF Act) and Government Sector Finance Regulation 2024
- Treasurer's Directions issued under the GSF Act.

Plant and equipment are measured at depreciated historical cost, as a substitute for fair value. Assets held for sale and financial assets at fair value are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions, and estimations made by management are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the BCT's presentation and functional currency.

#### (c) Statement of compliance

The financial statements and notes comply with the Australian Accounting Standards, which include Australian Accounting Interpretations.

#### (d) Accounting for the Goods and Services Tax (GST)

Income, expenses, and assets are recognised net of the amount of GST, except where:

- the amount of GST incurred by the BCT as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

#### (e) Comparative information

Except when an Australian accounting standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

#### (f) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g., adjustment for transfer of functions between entities because of Administrative Arrangements Orders or approved budget proposals) are not reflected in the budgeted amounts.

#### (g) Treatment of biodiversity credit purchases as inventory

Developers may satisfy their offset obligations under the Biodiversity Offsets Scheme (BOS) by purchasing biodiversity credits in the market and applying to the DCCEE to retire those credits; or alternatively by paying into the Biodiversity Conservation Fund, in which case the BCT has an obligation to use those funds to secure biodiversity offsets. The BCT therefore acquires credits proactively or reactively from the market, to meet known or predicted demand for credits.

Biodiversity credits may be held in stock to satisfy obligations transferred from developers to the BCT. These credits support the BCT in rendering its services in its ordinary course of business of biodiversity conservation and are hence recognised as inventories under AASB 102 *Inventories* (AASB 102). They are recognised at the lower of cost or net realisable value in accordance with AASB 102.

# Biodiversity Conservation Trust

## Notes to the financial statements

For the year ended 30 June 2024

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### 1. Summary of material accounting policy information (continued)

#### (h) Changes in accounting policy, including new or revised Australian Accounting Standards

##### (i) *Effective for the first time in FY2023-24*

The accounting policies applied in 2023-24 are consistent with those of the previous financial year. No new accounting standards or interpretations that applied to BCT for the first time in 2023-24 had any material impact on the recognition and measurement of financial statement transactions and balances.

AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates is effective for the first time in financial year 2023-24. Accordingly, BCT has revised financial statement information to disclose only material policy information.

##### (ii) *Issued but not yet effective*

NSW public sector entities are not permitted to early adopt new AASs, unless the NSW Treasury determines otherwise. AASs that have not been applied and are not yet effective are not expected to materially impact the financial statements of BCT in future reporting periods.

#### (i) Deemed appropriations

The BCT manages and controls the Biodiversity Conservation Fund, which is a special deposits account established under section 10.16 of the *Biodiversity Conservation Act 2016* (BC Act) into which is paid all the money that is expended by the BCT in the exercise of its functions.

The BCT administers, but does not control, the Biodiversity Stewardship Payments Fund (BSPF) established under section 6.34 of the BC Act where total fund deposits are paid in respect of the transfer or retirement of biodiversity credits.

The BCT also manages and controls the Biodiversity Stewardship Operations account, which is another special deposits account established under section 6.39 of the BC Act where annual reporting or contribution fees and the fund manager's fees are collected and expended by the BCT in the exercise of its functions as the BSPF fund manager. Refer Note 28.

BCT therefore does not have any deemed appropriations and hence no disclosure under section 4.7 of the GSF Act on movement of deemed appropriations is required.

#### (j) Impact of Climate-related matters on Financial Reporting for 2023-24

The BCT assessed the impact of climate related matters on its operations, assets and liabilities and has determined that there had been no significant impact as at 30 June 2024.

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
For the year ended 30 June 2024

**2. Expenses excluding losses**

**Operating expenses**

Recognition and measurement of key expense items are discussed separately below.

**(a) Personnel services expenses**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages (including annual leave)	19,087	16,070
Redundancy payments	-	273
Superannuation – defined contribution plans	1,987	1,579
Long service leave	1,261	868
Workers' compensation insurance	88	70
Payroll tax and fringe benefits tax	1,207	1,026
<b>Total personnel services</b>	<b>23,630</b>	<b>19,886</b>

BCT incurred \$11.284 million in personnel services to DPE (2023: \$19.886 million) and \$12.346 million to DCCEEW (2023: nil). Refer note 1(a) for personnel services arrangement. Personnel services are recognised in the period in which they are incurred. Employee salaries are paid directly by the Department (DPE from 01 July 2023 to 31 December 2023; DCCEEW from 01 January 2024 to 30 June 2024) and are then passed on periodically to the BCT as personnel services charges which are then repaid to the Department monthly.

**(b) Other operating expenses**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Biodiversity projects – contractors	620	747
Insurance	156	121
Consultants	9	125
Fees and services*	3,774	4,255
Corporate service fees**	2,423	2,318
Biodiversity credits for immediate retirement***	35,585	7,347
Fleet costs	25	18
Advertising, publications and printing	77	105
Travel costs	499	555
Legal costs	321	350
Auditor's remuneration (audit of the financial statements)	199	116
Maintenance	80	156
Expenses relating to short term leases	107	98
Other occupancy costs	787	641
General administration	546	594
<b>Total other operating expenses</b>	<b>45,208</b>	<b>17,546</b>

\*Fees and services include education program charges, ecological monitoring, actuarial services, surveys, valuations, and the like.

\*\*From 1 January 2024 onwards, BCT received corporate, finance, Information Technology (IT) and human resources services from the DCCEEW. BCT incurred \$1.194 million in corporate services fees to DPE (2023: \$2.318 million) and \$1.229 million to DCCEEW (2023: nil).

\*\*\*The BCT has been commissioned and funded by the DPE to purchase biodiversity credits for retirement under various place-based biodiversity offset schemes. From 1 January 2024 onward, this funding has come from DCCEEW. The \$35.585 million consist of \$22.106 million Cumberland Plain Conservation Plan (CPCP) credits (2023: \$6.347 million), \$13.479 million of Growth Centres credits purchased and retired (2023: nil) and nil koala credits (2023: \$1.000 million). Refer note 3 for details of these programs.

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
For the year ended 30 June 2024

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**2. Expenses excluding losses (continued)**

**(b) Other operating expenses (continued)**

**Recognition and measurement**

Operating expenses are recognised as they are incurred, including corporate support fees, fees and services, contractor – biodiversity projects, advertising, publications and printing, and legal costs. Some specific cases are:

*(i) Biodiversity credits for immediate retirement*

Given the intent is to retire credits purchased under the place-based biodiversity offsets schemes, the acquisition cost of these credits is expensed when the control of these credits is transferred to the BCT.

*(ii) Maintenance expense*

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

*(iii) Insurance*

The BCT's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

*(iv) Lease expense*

The BCT recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term i.e., where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

**(c) Depreciation and amortisation expense**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation and amortisation:		
Plant and equipment	62	53
Intangibles	849	342
Right-of-use asset	167	139
<b>Total depreciation and amortisation</b>	<b>1,078</b>	<b>534</b>

For recognition and measurement policies on depreciation refer to notes 12, 13 and 14.

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
For the year ended 30 June 2024

**2. Expenses excluding losses (continued)**

**(d) Grants and subsidies**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Payments to landholders	11,240	11,929
<b>Total grants and subsidies</b>	<b>11,240</b>	<b>11,929</b>

These payments include \$9.401 million (2023: \$10.200 million) in annual payments to landholders with funded conservation agreements with the BCT, \$1.695 million (2023: \$1.653 million) in conservation partners grants to landholders with partnership conservation agreements with the BCT or to landholders participating in the Land for Wildlife or Wildlife Land Trust programs, and \$0.144 million (2023: \$0.076 million) in management funding payments to landholders with contracts entered with the former Nature Conservation Trust (NCT).

**Recognition and measurement**

Grants are recognised as an expense when control of the contribution is transferred out. The BCT is deemed to have transferred control when the payment or grant is paid or payable, that is, when all the conditions under the agreement as prescribed by the legislation have been met, except for the first annual management payment which is payable upon registration of the agreement on title.

**(e) Finance costs**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense from lease liabilities	26	17
<b>Total finance costs</b>	<b>26</b>	<b>17</b>

**Recognition and measurement**

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW general government sector entities.

**3. Revenue**

**(a) Interest revenue**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income	11,536	6,138
<b>Total interest income</b>	<b>11,536</b>	<b>6,138</b>

**Recognition and measurement**

Interest income is derived from BCT's cash in bank provided by Treasury based on the current reserve bank rate.

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
For the year ended 30 June 2024

**3. Revenue (continued)**

**(b) Grants and contributions**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Personnel services assumed by the State of New South Wales (Crown)	1,186	848
Grants with sufficiently specific performance obligations	538	9,796
Grants without sufficiently specific performance obligations*	105,386	83,677
<b>Total grants and contributions</b>	<b>107,110</b>	<b>94,321</b>

\*For the year ended 30 June 2024, the BCT received grants of \$51.32 million (2023: \$50.07 million) from the Climate Change Fund, \$12.50 million (2023: \$23.681 million) of NSW Government funding through DPE and \$5.276 million (2023:nil) from DCCEEW, \$7.850 million (2023: \$8.866 million) from the Western Sydney Growth Centres program, \$22.3 million (2023: nil) from the Cumberland Plain Conservation Plan, \$1.06 million (2023: \$1.06 million) from the Koala Program, \$5.0 million from Waste and Environment Levy Envelope (2023: nil) and \$0.08 million for Koala corridor fencing (2023: nil).

**Recognition and measurement**

Grants are received by the BCT to support its service delivery objectives and the funding agreements typically specify the purpose of the grants.

Revenue from funding without sufficiently specific performance obligations is recognised when the BCT obtains control over the granted assets (i.e., cash received). Where the total funding amount in a contract is not allocated to distinct milestones/performance obligations and specifies purpose only, revenue is recognised when the BCT obtains control over the funds (i.e., cash received).

No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. This is based on experience and terms specified in the contract.

**(c) Other revenue**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
NCT funding agreements transferred to BCT	-	76
Administration fees - developers' payments	3,184	4,157
BSPF Fund Manager's fee	913	635
Fees for service (Offsets agreement processing)	-	239
BSAs / CAs application fees	170	81
BSAs annual reporting fees	376	227
Donations received by the BCF Public Fund	50	50
Miscellaneous	189	77
<b>Total other revenue</b>	<b>4,882</b>	<b>5,542</b>

# Biodiversity Conservation Trust

## Notes to the financial statements

### For the year ended 30 June 2024

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### 3. Revenue (continued)

#### Recognition and measurement

##### *NCT funding agreements*

The former Nature Conservation Trust (NCT) received funding from external sources that had specific performance obligations in their funding agreements to deliver biodiversity benefits by entering management funding contracts. This funding was recognised as a liability upon receipt and is recognised as revenue when performance obligations are met. Refer notes 9 and 24.

##### *Administration fees – developers' payments*

Developers opting to pay into the BCF to acquit their offset obligations pursuant to Section 6.30 of the *Biodiversity Conservation Act 2016* (BC Act) pay an administration fee to cover the BCT's costs. This fee is included in the total developer payment and is recorded as other revenue.

##### *BSPF Fund Manager's Fee*

The BCT charges a Fund Manager's fee for the administration of the Biodiversity Stewardship Payments Fund (BSPF) calculated at 0.3 percent of the monthly outstanding balance of the TCorpIM funds (FY2023: 0.3 percent).

##### *Fees for service (Offsets agreement processing)*

This relates to fees charged to the Australian Rail Track Corporation for services provided in procuring the offset requirements for the Australian Government's Inland Rail project.

##### *BSAs/CAs application fees*

This relates to application fees charged to applicants for funded conservation agreements (CAs). Starting in 2022-23, biodiversity stewardship agreement (BSA) applications are being handled by the Credits Supply Taskforce.

##### *BSAs annual reporting fees*

This relates to annual fees charged to BSA holders for on-going landholder support in carrying out the management actions as provided for in their biodiversity stewardship agreements, including annual surveys.

##### *Donations received by the BCT Public Fund*

Pursuant to Division 3 of Part 10 of the *Biodiversity Conservation Act 2016*, the BCT has established and maintains the Biodiversity Conservation Trust Public Fund (BCT Public Fund) for its principal purpose. On 17 November 2021, the BCT Public Fund was added to the Register of Environmental Organisations and was granted deductible gift recipient status by the Australian Taxation Office. The BCT Public Fund forms part of the BCT and transactions of the BCT Public Fund are recorded in these financial statements using the accounting policies adopted by the BCT. Cash donations to the BCT Public Fund are recorded as revenue upon receipt. Donations in kind are recorded at fair value upon receipt.

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
For the year ended 30 June 2024

**3. Revenue (continued)**

**(d) Gain/ (loss) from TCorpIM Funds**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Realised gain (distributions) reinvested	6,977	4,988
Unrealised gain from TCorpIM Funds	20,651	15,872
<b>Total gain from TCorpIM Funds</b>	<b>27,628</b>	<b>20,860</b>

**Recognition and measurement**

Realised gains include the portion of dividends, interest on maturing bonds and other distributions TCorp receives from their investments that are attributable to BCT. These are recognised as income in BCT's books when the right to them has been established. These distributions are included in the overall earnings from investments in TCorpIM funds that appear on their monthly statements.

Unrealised gains or losses from TCorpIM Funds are recognised and measured from the change in value of investment units, notwithstanding any additional investments and/or withdrawals for a period. The earnings figures are clearly indicated in TCorp's monthly statements for each investment facility.

**4. (Losses)/ gains on disposal, developers' payments and other (losses)/ gains**

**(a) (Losses) / gains on disposal**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Proceeds from disposal of current/non-current assets:		
Land and buildings held for sale	2,416	1,332
Plant and equipment	-	-
Carrying value of current/non-current assets disposed of:		
Land and buildings held for sale	(2,418)	(1,204)
Plant and equipment	(56)	(25)
<b>Net (losses)/ gains on disposal</b>	<b>(58)</b>	<b>103</b>

**(b) Loss on developers' payments acquittals**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cost of credits used to acquit obligations	(19,872)	(12,880)
Less: obligations fully acquitted	636	3,233
Less: obligations partially acquitted	19,145	7,408
<b>Net (loss) on developers' payments acquittals</b>	<b>(91)</b>	<b>(2,239)</b>

**(c) Other (losses)/ gains**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Impairment (losses) on land held for sale	(397)	-
<b>Total impairment (losses) on land held for sale</b>	<b>(397)</b>	<b>-</b>



## **5. Disaggregated Disclosure Statements**

The operations of BCT contribute to the following major activity group:

*Functional description: Creating a strong and liveable New South Wales, maximising community benefit from land and property, connecting communities to resilient and sustainable local environments and heritage, and ensuring a sustainable, secure and healthy water resources and services.*

The objective and purpose of the BCT is to protect and enhance biodiversity by encouraging landholders to enter into cooperative arrangements for the management and protection of the natural environment that is significant for the conservation of biodiversity. The BCT partners with landholders and other stakeholders to enhance and conserve biodiversity. The BCT's vision is vibrant private land conservation areas protecting our unique and diverse plants and animals. The BCT's goals are to: increase private land conservation in areas of strategic biodiversity value; deliver efficient, effective and strategic biodiversity offset outcomes; support participating landholders to conserve biodiversity; and promote public knowledge, appreciation and understanding of biodiversity and the importance of conservation. The BCT distributes funds to local communities through annual conservation management payments, grants and other financial instruments.

The total operations of the BCT contribute to the above, hence separate disaggregated disclosure statements are not required.

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
For the year ended 30 June 2024

**6. Current assets – cash and cash equivalents**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and on hand	268,497	238,280
<b>Total cash and cash equivalents</b>	<b>268,497</b>	<b>238,280</b>

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and on hand.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the Statement of Cash Flows.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents (per statement of financial position)	268,497	238,280
<b>Closing cash and cash equivalents (per statement of cash flows)</b>	<b>268,497</b>	<b>238,280</b>

Refer notes 16 and 26 for details on restricted assets. Refer note 22 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

**7. Current assets – financial assets at fair value**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
TCorpIM Funds - Long Term Growth Fund	316,208	237,631
<b>Total financial assets at fair value</b>	<b>316,208</b>	<b>237,631</b>

Details regarding market risk are disclosed in note 22.

**Recognition and measurement**

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the timeframe established by TCorp. As at 30 June 2024, the BCT holds 293,759,193.47 units in the TCorpIM Long Term Growth Fund at \$1.07642 per unit (30 June 2023: 238,849,486.60 units held at \$0.99490 per unit).

***Classification and measurement***

Financial assets at fair value through profit or loss include financial assets mandatorily required to be measured at fair value under AASB 9.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model under AASB 9. TCorpIM Funds are managed, and their performance is evaluated, on a fair value basis and therefore the business model is neither to hold these to collect contractual cash flows nor to sell the financial asset. Hence, these investments are mandatorily required to be measured at fair value through profit or loss.

A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in net results and presented net within other gains/(losses), except for TCorpIM Funds that are presented in investment revenue (line item denoted as "Unrealised gain from TCorpIM Funds") in the period in which it arises.

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
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**8. Current assets – receivables**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Sale of goods and services	6	98
BCT management fees for BSAs	223	393
GST receivable	73	-
Prepayments	16	-
<b>Total receivables</b>	<b>318</b>	<b>491</b>

Details regarding credit risk of trade debtors that are neither past due nor impaired are disclosed in note 22.

**Recognition and measurement**

Receivables, including trade and other receivables, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

**Subsequent measurement**

The BCT holds receivables with the objective of collecting the contractual cash flows and therefore measures them at amortised cost. It expects to collect all its receivables as they fall due.

**9. Contract liabilities**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Contract liabilities:		
Cumberland Plain Conservation Plan (CPCP)	-	538
Nature Conservation Trust (NCT)	200	200
<b>Total</b>	<b>200</b>	<b>738</b>

**Recognition and measurement**

BCT does not have contract assets as at 30 June 2024 (30 June 2023: Nil).

**Contract Liabilities**

Nature Conservation Trust (NCT): This is consideration received in advance from the previous NCT in respect of funding agreements transferred to the BCT that include performance obligations to deliver biodiversity benefits through associated management actions. Revenue from these contracts is recognised as corresponding obligations are performed or delivered. Refer note 3(c) and note 24(b).

These remaining obligations from the previous NCT have been presented as contract liabilities as at 30 June 2024 and 30 June 2023 in accordance with AASB 15.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue recognised that was included in the contract liability balance at the beginning of the year	538	5,839
Transaction price allocated to the remaining performance obligations from contracts with customers	200	738

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
For the year ended 30 June 2024

**10. Current assets – land and buildings held for sale**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Land and buildings	10,538	7,042
<b>Total land and buildings held for sale</b>	<b>10,538</b>	<b>7,042</b>

Under its programs, the BCT acquires high conservation value land and then sells the land (and any associated buildings) to a buyer willing to enter either a funded or partnership conservation agreement.

**Recognition and measurement**

The BCT classifies certain non-current assets (or disposal group) as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. These assets are measured at the lower of their carrying amount and fair value less cost of disposal. These assets are not depreciated while they are classified as held-for-sale. Impairment losses are recognised immediately as expenses in profit or loss. The BCT intends to sell these assets in the following year.

**11. Current assets – inventories**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Held for resale</b>		
Biodiversity credits	16,353	16,669
<b>Total inventories</b>	<b>16,353</b>	<b>16,669</b>

**Recognition and measurement**

Biodiversity credits are held in stock to satisfy BCT obligations under its statutory role to seek strategic biodiversity offset outcomes or, on occasions, to be subsequently sold. These credits support the BCT in rendering its services in its ordinary course of business of biodiversity conservation and are hence recognised as inventories under AASB 102. They are recognised at the lower of cost or net realisable value in accordance with AASB 102. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. It refers to the amount that BCT expects to realise from the sale or retirement of these credits in the ordinary course of business. Please refer to Note 1(g) for accounting policy information.

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
For the year ended 30 June 2024

**12. Non-current assets – plant and equipment**

	Plant and equipment \$'000	Total \$'000
<b>At 1 July 2022 - fair value</b>		
Gross carrying amount	225	225
Accumulated depreciation and impairment	(46)	(46)
<b>Net carrying amount</b>	<b>179</b>	<b>179</b>
<b>Year ended 30 June 2023</b>		
Net carrying amount at beginning of year	179	179
Additions	116	116
Disposals	(25)	(25)
Depreciation expense	(53)	(53)
<b>Net carrying amount at end of year</b>	<b>217</b>	<b>217</b>
<b>At 1 July 2023 - fair value</b>		
Gross carrying amount	312	312
Accumulated depreciation and impairment	(95)	(95)
<b>Net carrying amount</b>	<b>217</b>	<b>217</b>
<b>Year ended 30 June 2024</b>		
Net carrying amount at beginning of year	217	217
Additions	126	126
Disposals	(56)	(56)
Depreciation expense	(62)	(62)
<b>Net carrying amount at end of year</b>	<b>225</b>	<b>225</b>
<b>At 30 June 2024 - fair value</b>		
Gross carrying amount	335	335
Accumulated depreciation and impairment	(110)	(110)
<b>Net carrying amount</b>	<b>225</b>	<b>225</b>

**Recognition and measurement**

*(i) Acquisition of plant and equipment*

Plant and equipment are initially measured at cost and subsequently depreciated and assessed for impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e., the deferred payment amount is effectively discounted over the period of credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

*(ii) Capitalisation thresholds*

Plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

*(iii) Depreciation of plant and equipment*

Depreciation is provided on a straight-line basis to write off the depreciable amount of each asset as it is consumed over its useful life to the BCT. Depreciation rates adopted by the BCT range from 5 to 25 per cent (2023: 6.7 to 25 per cent).

## **12. Non-current assets – plant and equipment (continued)**

### **Recognition and measurement (continued)**

#### *(iv) Right-of-use assets acquired by lessees*

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. The BCT has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained at note 14.

#### *(v) Revaluation of plant and equipment*

Plant and equipment, being non-specialised assets with short useful lives, are measured at depreciated historical cost, as a substitute for fair value. The BCT has assessed that any difference between fair value and the historical cost is unlikely to be material.

The residual values, useful lives and methods of depreciation of plant and equipment are reviewed at each financial year end.

#### *(vi) Impairment of plant and equipment*

The BCT assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the BCT estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
For the year ended 30 June 2024

**13. Non-current assets – intangibles**

	Software \$'000	Work in progress \$'000	Total \$'000
<b>At 1 July 2023 - fair value</b>			
Gross carrying amount	3,165	163	3,328
Accumulated depreciation and impairment	(394)	-	(394)
<b>Net carrying amount</b>	<b>2,771</b>	<b>163</b>	<b>2,934</b>
<b>Year ended 30 June 2024</b>			
Net carrying amount at beginning of year	2,771	163	2,934
Additions	638	133	771
Transfer from work in progress	163	(163)	-
Amortisation expense	(849)	-	(849)
<b>Net carrying amount at end of year</b>	<b>2,723</b>	<b>133</b>	<b>2,856</b>
<b>At 30 June 2024 - fair value</b>			
Gross carrying amount	3,966	133	4,099
Accumulated amortisation and impairment	(1,243)	-	(1,243)
<b>Net carrying amount</b>	<b>2,723</b>	<b>133</b>	<b>2,856</b>

	Software \$'000	Work in progress \$'000	Total \$'000
<b>At 1 July 2022 - fair value</b>			
Gross carrying amount	825	1,195	2,020
Accumulated depreciation and impairment	(52)	-	(52)
<b>Net carrying amount</b>	<b>773</b>	<b>1,195</b>	<b>1,968</b>
<b>Year ended 30 June 2023</b>			
Net carrying amount at beginning of year	773	1,195	1,968
Additions	1,145	163	1,308
Transfer from work in progress	1,195	(1,195)	-
Amortisation expense	(342)	-	(342)
<b>Net carrying amount at end of year</b>	<b>2,771</b>	<b>163</b>	<b>2,934</b>

**Recognition and measurement**

The BCT recognises intangible assets only if it is probable that future economic benefit will flow to the BCT, and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and impairment losses as these assets do not have an active market. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

**Software**

The useful lives of software assets are assessed to be finite. The BCT's software assets are amortised using the straight-line method over a period of four years. Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

**Biodiversity Conservation Trust**  
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For the year ended 30 June 2024

**14. Leases**

**Entity as lessee**

For leases accounted for under AASB 16 Leases, BCT recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

The BCT leases motor vehicles. Lease contracts are typically made for fixed periods of one to five years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The BCT does not provide residual value guarantees in relation to leases.

**(a) Right-of-use assets under leases**

The following tables present right-of-use assets that do not meet the definition of investment property.

	<b>Plant and equipment \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 July 2023</b>	341	341
Additions	307	307
Remeasurement due to change in variable rent and/or lease term	1	1
Depreciation expense	(167)	(167)
<b>Balance at 30 June 2024</b>	<b>482</b>	<b>482</b>
	<b>Plant and equipment \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 July 2022</b>	279	279
Additions	201	201
Depreciation expense	(139)	(139)
<b>Balance at 30 June 2023</b>	<b>341</b>	<b>341</b>



**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
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**14. Leases (continued)**

**(b) Lease liabilities**

The following table presents liabilities under leases.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July</b>	347	281
Additions	307	201
Remeasurement due to change in variable rent and/or lease term	1	-
Interest expenses	26	17
Payments	(186)	(152)
<b>Balance at 30 June (Refer note 18)</b>	<b>495</b>	<b>347</b>

The following amounts were recognised in the Statement of Comprehensive Income during the year:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation expense of right-of-use assets	167	139
Interest expense on lease liabilities	26	17
Expense relating to short-term leases	107	98
<b>Total amount recognised in the Statement of Comprehensive Income</b>	<b>300</b>	<b>254</b>

The BCT had total cash outflows for leases of \$0.19 million in FY2024 (FY2023: \$0.15 million).

**Recognition and measurement**

The BCT recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

**(i) Right-of-use assets**

The BCT recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and equipment 4 to 5 years

If ownership of the leased asset transfers to the BCT at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

**(ii) Lease liabilities**

At the commencement date of the lease, the BCT recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable
- variable lease payments that depend on an index or a rate
- amounts expected to be paid under residual value guarantees
- exercise price of a purchase options reasonably certain to be exercised by the BCT
- payments of penalties for terminating the lease if the lease term reflects the BCT exercising the option to terminate.

# Biodiversity Conservation Trust

## Notes to the financial statements

### For the year ended 30 June 2024

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#### 14. Leases (continued)

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the BCT's leases, the lessee's incremental borrowing rate is used, being the rate that the BCT would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The BCT's lease liabilities are included in borrowings.

##### (iii) Short-term leases and leases of low-value assets

The BCT applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### 15. Fair value measurement of non-financial assets

##### Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in its absence, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 *Fair value measurement*, the BCT categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that BCT can access at the measurement date.
- Level 2 – inputs other than quoted prices included within level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The BCT recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer note 22 for further disclosures regarding fair value measurements of financial assets.

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
For the year ended 30 June 2024

**15. Fair value measurement of non-financial assets (continued)**

(a) Fair value hierarchy

30 June 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Fair Value \$'000
Land and buildings held for sale (Note 10)	-	10,538	-	10,538
<b>Total</b>	-	<b>10,538</b>	-	<b>10,538</b>

30 June 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Fair Value \$'000
Land and buildings held for sale (Note 10)	-	7,042	-	7,042
<b>Total</b>	-	<b>7,042</b>	-	<b>7,042</b>

There were no transfers between level 1 or 2 during the current year and the previous year. No assets were transferred from level 2 to level 3 during the year.

(b) Valuation techniques, inputs and processes

Asset class	Valuation technique	Inputs
Current assets-land and buildings held for sale	Market approach	<p>Comprehensive valuation technique uses the following inputs:</p> <ul style="list-style-type: none"> <li>Sales price of comparable land. Any change in the sale price of comparable land will have a corresponding impact on the rate per hectare.</li> <li>Land attributes including size, location, restrictions on use and zoning.</li> <li>The more restrictions on use or the inferior the characteristics of the land, the lesser will be the value.</li> </ul>

Non-financial assets are valued on a highest and best use basis.

Non-current assets held for sale are recognised at the lower of their carrying amount and fair value less costs of disposal. Impairment assessment as at 30 June 2024 was completed by management based on management assessment of market movement and independent valuation report resulting in an impairment of \$0.397 million being recorded in 2024 (2023: nil).

**Biodiversity Conservation Trust**  
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**16. Restricted assets**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash (BCF)	268,106	238,039
Cash (Biodiversity Conservation Trust Public Fund)	109	56
TCorpIM Long Term Growth Fund	316,208	237,631
<b>Total restricted assets</b>	<b>584,423</b>	<b>475,726</b>

Cash refers to the BCF bank account balance and is deemed as a restricted asset as these funds can only be used for the specific purposes of the BCT's private land conservation and biodiversity offset programs. The Biodiversity Conservation Trust Public Fund is where donations received are being held. These donations are unconditional and, like the BCF, can only be used for BCT's private land conservation and biodiversity offset programs as well. The TCorpIM Long Term Growth Fund is deemed a restricted asset as it can only be used for the specific purposes of the BCT's private land conservation programs. Refer note 7 for more details about TCorpIM Funds.

**17. Current / Non-current liabilities – payables**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors	762	1,908
Personnel services	2,865	2,550
GST payable	-	1,206
<b>Total current payables</b>	<b>3,627</b>	<b>5,664</b>

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current</b>		
Personnel services	59	38
<b>Total Non-current payables</b>	<b>59</b>	<b>38</b>

Details regarding liquidity risk, including a maturity analysis of the above payables, are disclosed in note 22.

**Recognition and measurement**

(i) *Creditors*

Payables represent liabilities for goods and services provided to the BCT and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest are measured at the original invoice amount where the effect of discounting is immaterial. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

(ii) *Personnel services*

Current personnel services relate to the amount payable to DCCEEW for employee entitlements of \$2.442 million (2023: \$2.155 million to DPE) and accrued salaries of \$0.423 million (2023 to DPE: \$0.395 million). Non-current personnel services liabilities payable to DCCEEW of \$0.059 million (2023 to DPE: \$0.038 million) relate to the non-current portion of employee long service leave entitlements. Refer note 2(a).

**Biodiversity Conservation Trust**  
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**18. Current / Non-current liabilities – borrowings**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current borrowings</b>		
Lease liability (See Note 14)	183	124
<b>Total current borrowings</b>	<b>183</b>	<b>124</b>
<b>Non-current borrowings</b>		
Lease liability (See Note 14)	312	223
<b>Total Non-current borrowings</b>	<b>312</b>	<b>223</b>

**Recognition and measurement**

Borrowing represents interest bearing lease liabilities.

*Financial liabilities at amortised cost*

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

**Changes in liabilities arising from financial activities**

	<b>Leases</b>	<b>Total liabilities</b>
	<b>\$'000</b>	<b>from financing</b>
		<b>activities</b>
		<b>\$'000</b>
1 July 2022	281	281
Cash flows	(152)	(152)
New leases	201	201
Interest expenses	17	17
<b>30 June 2023</b>	<b>347</b>	<b>347</b>
Cash flows	(186)	(186)
New leases	307	307
Interest expenses	26	26
Remeasurement due to change in variable rent and/or lease term	1	1
<b>30 June 2024</b>	<b>495</b>	<b>495</b>

**Biodiversity Conservation Trust**  
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**19. Current liabilities – provisions**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Developers' payment offset obligations	204,170	159,320
<b>Total provisions</b>	<b>204,170</b>	<b>159,320</b>

<b>Movements in provisions (other than employee leave benefits)</b>		
Movements in the provision during the financial year are set out below:		
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at 1 July	159,320	92,435
Less: partial acquittals	(19,145)	(7,408)
Less: full acquittals	(727)	(5,472)
Plus: loss on acquittals (Refer note 4b)	91	2,239
Additional developers' payment received	64,631	77,526
<b>Carrying amount at 30 June</b>	<b>204,170</b>	<b>159,320</b>

**Recognition and measurement**

*Developers' payments offset obligations*

Under Section 6.30 of the *Biodiversity Conservation Act 2016* (the BC Act), a person (typically a developer) who is required to retire biodiversity credits may satisfy that requirement by instead paying an amount into the Biodiversity Conservation Fund (BCF). If that amount is paid into the BCF, the developer's requirement to retire biodiversity credits is satisfied.

Under Section 6.31 of the BC Act, the BCT is to apply the amount paid into the BCF under Section 6.30 towards securing biodiversity offsets determined in accordance with the regulations in substitution for the relevant number and class of biodiversity credits otherwise required to be retired (by the developer). The BCT has a program in place to deliver its obligations under the BC Act.

A provision is recognised when funds are received from developers under Section 6.30 of the BC Act.

These provisions can be referred to in summary form as 'developers' payments offset obligations'.

**20. Contingent liabilities and assets**

The BCT is not aware of any contingent liabilities at 30 June 2024 (Nil as at 30 June 2023).

The BCT is not aware of any contingent assets at 30 June 2024 (Nil as at 30 June 2023).

**Biodiversity Conservation Trust**  
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**21. Reconciliation of cash flows from operating activities to net result**

**(a) Reconciliation of cash flows from operating activities to net result**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net cash from operating activities</b>	86,144	124,749
Depreciation	(1,078)	(534)
Finance costs	(26)	(17)
Decrease/ (increase) in receivables	(173)	60
Decrease/ (increase) in payables	2,016	(1,209)
(Decrease)/ increase in inventories	(316)	(7,615)
(Increase)/ decrease in provisions	(44,850)	(66,885)
Decrease/ (increase) in contract liabilities	538	5,301
(Loss)/ gain on disposal of assets held for sale and PPE	(455)	103
Unrealised (loss) / gain from TCorpIM Funds measured at fair value	20,651	15,872
Realised gain (distributions) reinvested	6,977	4,988
<b>Net result</b>	<b>69,428</b>	<b>74,813</b>

**(b) Net purchase of financial assets**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Increase in TCorpIM LTGF funds	78,577	55,597
Realised (gain) (distributions) reinvested	(6,977)	(4,988)
Unrealised (gain)/ loss for the year	(20,651)	(15,872)
<b>Net purchase of financial assets per statement of cash flows</b>	<b>50,949</b>	<b>34,737</b>

**Biodiversity Conservation Trust**  
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**22. Financial instruments**

The BCT's principal financial instruments are outlined below. These financial instruments arise directly from the BCT's operations or are required to finance the BCT's operations. The BCT does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

The BCT's main risks arising from financial instruments are outlined below, together with the BCT's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The BCT Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the BCT, to set risk limits and controls, and to monitor risks. Compliance with these policies is reviewed on a continuous basis.

**(a) Financial instrument categories**

<b>Financial Assets</b>	<b>Note</b>	<b>Category</b>	<b>Carrying Amount</b>	<b>Carrying Amount</b>
<b>Class:</b>			<b>30 June 2024</b>	<b>30 June 2023</b>
			<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	6	Amortised cost	268,497	238,280
Receivables <sup>1</sup>	8	Amortised cost	6	98
Financial assets at fair value	7	Fair value through profit or loss - mandatory classification	316,208	237,631
<b>Financial Liabilities</b>			<b>\$'000</b>	<b>\$'000</b>
<b>Class:</b>				
Payables <sup>2</sup>	17	Amortised cost	3,686	4,496
Borrowings	18	Amortised cost	495	347

**Notes:**

1. Excludes GST receivables and prepayments (i.e., not within scope of AASB 7).
2. Excludes GST payables and unearned revenue (i.e., not within scope of AASB 7).

The BCT determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

**(b) Derecognition of financial assets and financial liabilities**

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the BCT transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the BCT has not transferred substantially all the risks and rewards, if the BCT has not retained control.

Where the BCT has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the BCT's continuing involvement in the asset. In that case, the BCT also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the BCT has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the BCT could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.



## **22. Financial instruments (continued)**

### **(c) Financial risks**

#### **(i) Credit risk**

Credit risk arises when there is the possibility of the BCT's debtors defaulting on their contractual obligations, resulting in a financial loss to the BCT. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the BCT, including cash and receivables. No collateral is held by the BCT. The BCT has not granted any financial guarantees.

#### *Cash and cash equivalents*

Cash comprises bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorpIM 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

#### **Accounting policy for impairment of trade debtors**

##### *Receivables – trade and other debtors*

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The BCT applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

Trade and other debtors as at 30 June 2024 (and 30 June 2023) are not material and no credit loss is expected.

#### **(ii) Liquidity risk**

Liquidity risk is the risk the BCT will be unable to meet its payment obligations when they fall due. The BCT continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets.

During the current and prior years, there were no defaults or breaches on any payables. No assets have been pledged as collateral. The BCT's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the BCT may automatically pay the supplier simple interest. There was no interest paid during the period (2023: nil).

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**22. Financial instruments (continued)**

(c) **Financial risks (continued)**

(ii) **Liquidity risk (continued)**

The table below summarises the maturity profile of the BCT's financial liabilities, together with the interest rate exposure.

	Weighted average effective int. rate	\$'000						
		Interest Rate Exposure				Maturity Dates		
		Nominal amount	Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 yr	1 - 5 yrs	> 5 yrs
<b>2024</b>								
Payables	NA	3,686	-	-	3,686	3,627	59	-
Borrowings	6.03%	495	525	-	-	194	331	-
		<b>4,181</b>	<b>525</b>	-	<b>3,686</b>	<b>3,821</b>	<b>390</b>	-
<b>2023</b>								
Payables	NA	4,496	-	-	4,496	4,458	38	-
Borrowings	4.72%	347	364	-	-	130	234	-
		<b>4,843</b>	<b>364</b>	-	<b>4,496</b>	<b>4,588</b>	<b>272</b>	-

(iii) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The BCT's exposures to market risk are primarily through price risks associated with the movement in the unit price of the TCorpIM Funds. The BCT has no exposure to foreign currency risk, except as part of the TCorpIM LTGF, and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after considering the economic environment in which the BCT operates and the timeframe for the assessment (i.e., until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the balance date. The analysis assumes that all other variables remain constant.

*Interest rate risk*

The BCT does not account for any fixed rate financial instruments at fair value through profit or loss. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +0.05% or -1.0% is used (2023: +1.00% or -0.05%), consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The BCT's exposure to interest rate risk is set out below.

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
For the year ended 30 June 2024

**22. Financial instruments (continued)**

(c) Financial risks (continued)

(iii) Market risk (continued)

	Carrying amount \$'000	-1.00% Profit \$'000	Equity \$'000	+1.00% Profit \$'000	Equity \$'000
<b>30 June 2024</b>					
<b>Financial assets:</b>					
Cash in bank	268,497	(2,685)	(2,685)	2,685	2,685
	Carrying amount \$'000	-0.05% Profit \$'000	Equity \$'000	+1.00% Profit \$'000	Equity \$'000
<b>30 June 2023</b>					
<b>Financial assets:</b>					
Cash in bank	238,280	(119)	(119)	2,383	2,383

The interest rate implicit in the lease (borrowings) is fixed for each capitalised lease agreement and is therefore not exposed to interest rate risk. For interest rate information refer note 26.

*TCorpIM Funds*

Exposure to 'other price risk' primarily arises through the investment in the TCorpIM Funds, which are held for strategic rather than trading purposes. The BCT has no direct equity investments. The BCT holds units in the following TCorpIM Funds:

Facility	Investment Sectors	Investment Horizon	30 June 2024	30 June 2023
Long Term Growth Fund	Cash, Australian shares, International shares, listed property, emerging market shares, emerging markets debt, bank loans, inflation linked bonds, fixed interest, global credit, high yield multi-asset	Greater than 7 years	316,208	237,631

The unit price of each TCorpIM Fund is equal to the total fair value of net assets held by the fund divided by the total number of units on issue for that fund. Unit prices are calculated and published daily.

Investment in the TCorpIM Funds limits the entity's exposure to risk, as it allows diversification across a pool of assets with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information for each of the investment management funds, using historically based volatility information collected over a ten-year period, quoted at two standard deviations (i.e., 95% probability). The TCorpIM Funds are measured at fair value through profit or loss and therefore any change in unit price impacts directly on net results. A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from TCorpIM Funds Statement).

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
For the year ended 30 June 2024

**22. Financial instruments (continued)**

(c) Financial risks (continued)

*TCorpIM Funds (continued)*

	Impact on net result / equity			
	Volatility	2024 \$'000	Volatility	2023 \$'000
TCorpIM funds - Long Term Growth Fund	+/-9.6%	30,356	+/-10.4%	24,714

The Trust uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- Level 1 – Derived from quoted prices in active markets for identical assets/ liabilities;
- Level 2 – Derived from inputs other than quoted process that are observable directly or indirectly;
- Level 3 – Derived from valuation techniques that include inputs for asset/liability not based on observable market data (unobservable inputs).

2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets at fair value TCorpIM Funds	-	\$316,208	-	\$316,208
2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets at fair value TCorpIM Funds	-	\$237,631	-	\$237,631

There were no transfers between level 1 and 2 during the year. The value of the TCorpIM fund investments is based on BCT's share of the value of the underlying assets of the facility, based on the market value. The TCorpIM fund is valued using "redemption" pricing.

**23. Related party disclosures**

Key management personnel are those persons who have authority and responsibility for planning, directing, and controlling the activities of the BCT, directly or indirectly.

- a. The BCT's key management personnel (KMP) compensation (for Board members and the Chief Executive Officer) is:

	2024 \$'000	2023 \$'000
Short-term employee benefits	615	568
Post-employment benefits	23	31
Termination benefits	-	199
<b>Total remuneration</b>	<b>638</b>	<b>798</b>

Prior period remuneration was restated to correctly reflect and classify KMP compensation.

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
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**23. Related party disclosures (continued)**

The key management personnel (KMP) compensation excludes the Minister for the Environment. Ministerial compensation is paid by the NSW Legislature, not the BCT. Based on advice provided by KMP and NSW Treasury and transactional reviews undertaken, the BCT did not enter any transactions with key management personnel, their close family members and any entities controlled or jointly controlled thereof during the year. The total key management personnel compensation in 2024 includes redundancy payments of \$nil million. (2023: \$0.199 million)

b. Related party transactions

The following table illustrates BCT's relationship with DPE, DCCEEW and other entities:

<b>Government Entity</b>	<b>Nature of Transaction</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Department of Planning & Environment	Grants revenue received from the Climate Change Fund (CCF), consolidated funds, Growth Centres offsets program, Cumberland Plain Conservation Plan, and the Koala program (up to 31 December 2023)	60,520	93,473
Department of Climate Change, Energy, Environment and Water	Grants revenue received from the Climate Change Fund (CCF), consolidated funds, Growth Centres offsets program, Cumberland Plain Conservation Plan, and the Koala program (from 01 January 2024)	45,404	-
Department of Planning & Environment	Amount paid/payable for banking, payments for corporate services, finance, Tax (BAS), IT, office space leases, human resources services, etc. (up to 31 December 2023)	5,319	11,890
Department of Climate Change, Energy, Environment and Water	Amount paid/payable for banking, payments for corporate services, finance, Tax (BAS), IT, office space leases, human resources services, etc (from 01 January 2024)	4,949	-
Department of Planning & Environment	Amount paid/payable for personnel services charges (PSEMA) up to 31 December 2023)	11,284	19,886
Department of Climate Change, Energy, Environment and Water	Amount paid/payable for personnel services charges (PSEMA) up to 01 January 2024)	12,346	-
BSPF (non-government entity)	Amounts received/receivable as the Fund Manager	913	635
BSPF (non-government entity)	Amounts receivable as the Fund Manager at 30 June	223	393
BSPF (non-government entity)	Annual reporting fees received for BSA activities	376	227

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
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**23. Related party disclosures (continued)**

c. Payments into the BCF by other government entities (developers' payments offset obligations)

The following table details all payments into the BCF (exclusive of GST) by other government entities under Section 6.30 of the BC Act for the purpose of satisfying their requirement to retire biodiversity credits:

<b>Government Entity / Agency</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Transport for NSW	5,507	12,873
Penrith City Council	1,444	40
School Infrastructure NSW	380	-
Port Macquarie Hastings Council	351	-
Blacktown City Council	338	-
NSW Department of Education	169	776
Sydney Metro	116	46
Eden Local Aboriginal Land Council	90	-
Health Administration Corporation	81	-
Hornsby Shire Council	63	-
Energy Corporation of NSW	-	196
Inner West Council	-	106
Water Infrastructure NSW	-	105
Gunnedah Shire Council	-	102
Lake Macquarie City Council	-	98
Taronga Conservation Society of Australia	-	28
Tamworth Regional Council	-	15

**24. Commitments for expenditure**

- (a) Conservation agreements: Under the *Biodiversity Conservation Act 2016*, BCT can enter an agreement relating to land (conservation agreement) with the owner of the land for the purpose of conserving or studying the biodiversity of the land. A conservation agreement binds the landholder to certain restrictions on the use of the land and requires them to undertake conservation management actions. As at 30 June 2024, the BCT had entered 181 funded conservation agreements with landholders. In addition, the BCT had offered or committed to enter a further 47 funded conservation agreements which had not been signed by the landholders as at 30 June 2024, but which are likely to be signed in the next financial year. The BCT sets aside and invests in various assets to support these funded conservation agreements. The BCT uses these assets and investment or other earnings on those assets to make the annual conservation management payments to the agreement holders. The BCT has a commitment to pay landholders an agreed amount according to their conservation agreement on the satisfactory completion of annual conservation management actions. The estimated payments to be made in the 2024-25 financial year total \$20.15 million. Refer note 26 for more details about future payments under funded conservation agreements.
- (b) Management funding contracts: The previous NCT, under its now repealed Act, could enter management funding contracts with private landholders. Such agreements bind landholders to conserve biodiversity on their land and bind the BCT to provide financial assistance in accordance with the agreed schedule. There are currently 10 (2023: 10) such agreements with a total outstanding obligation of \$0.20 million (2023: \$0.20 million). Refer notes 3(c) and 9 for details about NCT funding agreements.

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
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**25. Budget review**

The budgeted amounts are drawn from the original financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

	\$m
<b>Net result</b>	
<b>Actual operating surplus was \$69.4 million compared to budget of \$25.7 million - a variance of \$43.7 million.</b>	
The above variance was driven mainly by higher than anticipated revenues from fees, Growth Centres grants and TCorp earnings.	
<b>Expenses:</b>	
Higher personnel services charges due to expanded operations (\$4.3) million, higher than anticipated landholder payments due to increased agreements (\$1.9) million, higher other operating expenses like travel and fees services (\$1.1) million, higher depreciation and amortisation from capitalised bespoke business systems (\$1.0) million	(8.3)
<b>Revenues:</b>	
Higher TCorp earnings of \$27.6 million partly offset by lower than budgeted interest earnings (\$3.1) million, unbudgeted CPCP grants \$22.3 million, unbudgeted WELE grant of \$5.0 million, partly offset by lower than anticipated Growth Centres grants (\$0.9) million, higher than anticipated other revenues mainly from developers' administration fees \$1.6 million	52.5
<b>Other losses:</b>	
Unbudgeted impairment loss, loss on acquittals of developers offset obligations and loss on disposal of plant & equipment	(0.5)
<b>Total Net Result</b>	<b>43.7</b>
<b>Assets and liabilities</b>	
<b>Actual net assets of \$406.9 million against the budget of \$363.2 million – a variance of \$43.7 million</b>	
<i>Total actual assets of \$615.5 million against a budget of \$529.3 million giving a favourable variance of \$86.2 million</i>	
Increase in retained cash from cash brought forward from the previous financial year, higher than budgeted receipts from developers to offset their biodiversity obligations and cash retained from the positive operating result.	86.2
<i>Total liabilities of \$208.6 million against a budget of \$166.1 million, resulting in an unfavourable variance of \$42.5 million</i>	
Mainly due to higher than budgeted developers' contributions to offset their biodiversity obligations recorded as provisions.	(42.5)
<b>Total Net Assets</b>	<b>43.7</b>
<b>Cash Flow</b>	
<b>Closing cash of \$268.5 million against a budget of \$264.0 million giving a variance of \$4.5 million</b>	
Cash flows from Operating Activities:	
Higher than anticipated operating expenses including personnel services charges, purchase of strategic biodiversity credits carried forward to 2023-24 and landholder payments – (\$28.0) million. Higher than budgeted receipts or payments from developers, CPCP grants and other fee revenues - \$88.3 million.	60.3
Cash flow from Investing Activities:	
Higher than budgeted net purchase of financial assets (TCorp) – (\$50.9) million, higher net purchases of assets held for sale than budget – (\$4.0) million, purchase of intangibles (software & systems improvements) – (\$0.8) million.	(55.7)
Cash flow from Financing Activities:	
Higher than budgeted lease liability (AASB 16) payments.	(0.1)
<b>Total Net Cash flow</b>	<b>4.5</b>

## **26. Future payments under funded conservation agreements**

### **Legislation and funding**

Under Part 5 of the *Biodiversity Conservation Act 2016* (BC Act), the BCT can enter an agreement relating to land (conservation agreement) with the owner of the land for the purpose of conserving or studying the biodiversity of the land. The BC Act provides that a conservation agreement may contain terms, binding on the BCT, requiring the BCT to provide financial assistance. Financial assistance to be provided in future periods is not recognised as a liability in the BCT financial statements as it does not meet the definition of a liability under Australian Accounting Standards, however, as at 30 June 2024, a total of \$290.87 million from the BCT's assets have been allocated by management and the Board to fund the future annual management payments for signed and registered (active) agreements and agreements the BCT has committed to enter. This is 120 percent of the estimated present value of future conservation management payments as determined by the actuaries assuming a discount rate of 7.19 percent and inflation rate of 2.5 percent. This consists of \$263.98 million in TCorpIM funds, \$16.35 million in strategic biodiversity credits inventory and \$10.54 million of assets held for sale properties. The BCT receives funding from the NSW Government to deliver private land conservation programs. The BCT uses a proportion of this funding to enter conservation agreements where the current landholder receives annual conservation management payments for the term of the agreement. These funded agreements are either in-perpetuity or have a minimum term of 15 years.

When the BCT enters (or commits to enter) a funded conservation agreement with a landholder, the BCT calculates the present value of all future conservation agreement payments (PV-CAPs), using a discount rate determined by the BCT Board having considered actuarial advice, and designates this as restricted assets held in the Biodiversity Conservation Fund (BCF).

### **Treasurer's approval**

On 29 January 2021, the BCT received approval from the NSW Treasurer to continue investing its assets held in trust in Treasury Corporation Investment Management Funds (TCorpIM Funds), pending the outcomes of any review of the Land Management and Biodiversity Conservation reforms that may impact on the BCT's investment requirements, or otherwise have material financial implications for the State.

### **Investment in other assets**

From time to time, the BCT also invests in other assets, primarily biodiversity credits or real property. Some of these assets are also recognised as part of the assets supporting funded conservation agreements. When investing in other assets, the BCT aims to achieve a rate of return no less than the rate being earned on funds invested in TCorpIM Funds.

These assets and the proceeds from investment or other earnings from these assets are to be used to meet the BCT's commitment to make annual conservation management payments. Future payments are not recognised as a financial liability in the financial statements of the BCT as they are dependent upon landholders undertaking the agreed management actions and providing an annual report to the BCT each year.

### **Actuarial advice on PV-CAPs**

The BCT commissioned actuarial advice to calculate the sensitivity of PV-CAPs as at 30 June 2024 to movements in the discount rate and inflation rate, assuming that all future conservation management actions are undertaken in accordance with agreements and therefore all future management payments are to be made on time. The discount rates used have regard to the fact that majority of these agreements are for an in-perpetuity term and in-perpetuity investments are highly sensitive to movements in discount rates.

At 30 June 2024, the PV-CAPs for funded conservation agreements (active or registered and inactive) was \$242.4 million at 7.19% discount rate and future inflation of 2.5%.



**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
For the year ended 30 June 2024

**26. Future payments under funded conservation agreements (continued)**

The Board considered a reasonably possible movement in discount rates to be +0.05% / -1.0% and a reasonably possible movement in future long term inflation rates to be +1.0% / -0.05%. The impact of these movements on the PV-CAPs at 30 June 2024 would be:

	<b>Discount Rate 6.19%</b>	<b>Discount rate 7.19%</b>	<b>Discount rate 7.24%</b>
<b>Inflation rate 2.45%</b>	\$289.3m	\$240.4m	\$238.5m
<b>Inflation rate 2.5%</b>	\$292.4m	\$242.4m	\$240.4m
<b>Inflation rate 3.5%</b>	\$377.9m	\$292.7m	\$289.6m

The \$290.87 million from the BCT net assets that has been allocated by management and the Board to fund the future annual management payments represents 120 percent of \$242.4 million.

**27. Biodiversity Stewardship Payments Fund (BSPF)**

The BCT, as the fund manager of the BSPF, carries out all the administrative functions prescribed by the BC Act as directed by the Minister including investment management and annual management payments to landholders. Funds in the BSPF are held on behalf of the biodiversity stewardship sites and cannot be used to fund BCT operations. Hence, they are not included in the financial statements of the BCT. Refer note 1(a).

<b>Movement in Funds</b>		
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at start of the period	279,090	191,819
Add: receipts (TFDs) by the Fund	102,786	79,983
Add: earnings on invested amounts in the Fund	30,666	22,082
Less: annual management payments and expenses	(20,339)	(14,159)
Less: remuneration of the fund manager	(913)	(635)
<b>Balance invested in the Fund</b>	<b>391,290</b>	<b>279,090</b>

**28. Biodiversity Conservation Trust Public Fund**

The BCT maintains the Public Fund established by virtue of Section 10.18 of the BC Act and is being held as a Special Deposits Account for donations received. On 17 November 2021, the BCT and its Public Fund was entered into the Register of Environmental Organisations (REO) and therefore obtained its Deductible Gift (DGR) status. For the year ended 30 June 2024, donations received were \$50 thousand (2023: \$50 thousand). Interest earned on donations was \$3 thousand (2023: \$0.2 thousand). As at 30 June 2024, the total cash in bank balance of the Public Fund was \$109 thousand (2023: \$56 thousand). These funds will be spent to support the BCT's private land conservation programs. No funds have yet been spent as at 30 June 2024. Administrative and operating costs are currently being absorbed by the BCT.

**Biodiversity Conservation Trust**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

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**29. Biodiversity Stewardship Operations Account**

A Special Deposits Account (SDA) is held under Section 6.39 of the BC Act for the operation of the Biodiversity Offsets Scheme. In its role as fund manager of the Biodiversity Stewardship Payments Fund, the BCT utilises this SDA for the following purposes:

- Conducting surveys and site audits to monitor compliance with management actions required under the BSAs.
- On-going landholder support.
- Funds management activities including actuarial estimates of fund adequacy, cash management and investment management.

The following table summarises the transactions in the account:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at 01 July		
Receipts		
BSPF Fund Manager's fee	913	635
BSAs annual reporting fees	376	227
<b>Total receipts</b>	<b>1,289</b>	<b>862</b>
Expenses		
Site audits, surveys, on-going landholder support, funds management, etc.	1,289	862
<b>Balance at 30 June</b>	<b>-</b>	<b>-</b>

**30. Events after the reporting period**

There are no other known events that would impact on the state of the BCT or have a material impact on the financial statements.

**End of audited financial statements.**



## INDEPENDENT AUDITOR'S REPORT

### Biodiversity Stewardship Payments Fund

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Biodiversity Stewardship Payments Fund (BSPF), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Material Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- presents fairly the BSPF's financial position, financial performance and cash flows
- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Biodiversity Conservation Act 2018* (BC Act) and relevant regulations.

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the BSPF in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

## **Chief Executive Officer's Responsibilities for the Financial Statements**

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the BC Act and relevant regulations. The Chief Executive Officer's responsibility also includes such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the BSPF's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:


- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the BSPF carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Susan Prichard  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

8 October 2024  
SYDNEY

# **Biodiversity Stewardship Payments Fund**

## **Annual Financial Statements**

*For the year ended 30 June 2024*

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# Biodiversity Stewardship Payments Fund

## Statement by Fund Manager

For the year ended 30 June 2024

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We state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards,
- are prepared in accordance with the requirements of Section 6.37 of the Biodiversity Conservation Act 2016 and relevant regulations, and
- present fairly the Biodiversity Stewardship Payments Fund's financial position, financial performance and cash flows.



.....  
The Hon. Niall Blair  
Chairperson  
Board of the Biodiversity Conservation Trust  
In its role as the Fund Manager

4 October 2024

# Biodiversity Stewardship Payments Fund

## Statement of Comprehensive Income

For the year ended 30 June 2024

		<b>Actual 2024 \$'000</b>	<b>Actual 2023 \$'000</b>
<b>Continuing Operations</b>	<b>Notes</b>		
<b>Revenue</b>			
Interest revenue	3(a)	1,060	448
Realised gain from TCorpIM Funds (distributions)	3(b)	8,325	5,504
Unrealised gain from TCorpIM funds measured at fair value through profit or loss	3(b)	21,281	16,130
Total fund deposits	3(c)	102,786	79,983
<b>Total revenue</b>		<b>133,452</b>	<b>102,065</b>
<b>Operating expenses excluding losses</b>			
Annual management payments	2(a)	19,963	13,932
Other operating expenses	2(b)	1,289	862
<b>Total expenses excluding losses</b>		<b>21,252</b>	<b>14,794</b>
<b>Net result from continuing operations</b>		<b>112,200</b>	<b>87,271</b>
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>112,200</b>	<b>87,271</b>

*The accompanying notes form part of these financial statements.*



# Biodiversity Stewardship Payments Fund

## Statement of Financial Position

As at 30 June 2024

	Notes	Actual 2024 \$'000	Actual 2023 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	14,146	17,512
Receivables	5	34	87
Financial assets at fair value	6	377,333	262,217
<b>Total current assets</b>		<b>391,513</b>	<b>279,816</b>
<b>Total non-current assets</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>391,513</b>	<b>279,816</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	8	223	726
<b>Total current liabilities</b>		<b>223</b>	<b>726</b>
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>223</b>	<b>726</b>
<b>Net assets</b>		<b>391,290</b>	<b>279,090</b>
<b>EQUITY</b>			
Accumulated funds		391,290	279,090
<b>Total equity</b>		<b>391,290</b>	<b>279,090</b>

The accompanying notes form part of these financial statements.

# Biodiversity Stewardship Payments Fund

## Statement of Changes in Equity

For the year ended 30 June 2024

	<b>Accumulated Funds \$'000</b>	<b>Total Equity \$'000</b>
<b>Balance at 1 July 2023</b>	<b>279,090</b>	<b>279,090</b>
Total comprehensive income for the year	112,200	112,200
<b>Balance as at 30 June 2024 (Refer note 9)</b>	<b>391,290</b>	<b>391,290</b>
<b>Balance at 1 July 2022</b>	<b>191,819</b>	<b>191,819</b>
Total comprehensive income for the year	87,271	87,271
<b>Balance as at 30 June 2023</b>	<b>279,090</b>	<b>279,090</b>

*The accompanying notes form part of these financial statements.*

# Biodiversity Stewardship Payments Fund

## Statement of Cash Flows

For the year ended 30 June 2024

	Notes	Actual 2024 \$'000	Actual 2023 \$'000
<b>Cash flows from operating activities</b>			
<b>Payments</b>			
Annual management payments	2(a)	(19,963)	(13,932)
Other operating expenses	2(b)	(1,739)	(549)
<b>Total payments</b>		<b>(21,702)</b>	<b>(14,481)</b>
<b>Receipts</b>			
Total fund deposits received		102,786	79,965
Interest received		1,060	448
<b>Total receipts</b>		<b>103,846</b>	<b>80,413</b>
<b>Net cash flows from operating activities</b>	10(a)	<b>82,144</b>	<b>65,932</b>
<b>Cash flows used in investing activities</b>			
Purchases of financial assets	10(b)	(85,510)	(64,636)
<b>Net cash flows used in investing activities</b>		<b>(85,510)</b>	<b>(64,636)</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash</b>		<b>(3,366)</b>	<b>1,296</b>
Opening cash and cash equivalents		17,512	16,216
<b>Closing cash and cash equivalents</b>	4	<b>14,146</b>	<b>17,512</b>

The accompanying notes form part of these financial statements.

# Biodiversity Stewardship Payments Fund

## Notes to the financial statements

For the year ended 30 June 2024

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### 1. Summary of material accounting policy information

#### (a) Reporting entity

The Biodiversity Stewardship Payments Fund (BSPF) is a statutory fund created by the Biodiversity Conservation Act 2016 (BC Act). The Biodiversity Conservation Trust (BCT) is appointed as Fund Manager in respect of the Biodiversity Stewardship Payments Fund by Section 6.35(1) of the BC Act. Under the Act, the Minister may appoint a public authority, or other person or body as the Fund Manager instead of the Trust.

In its capacity as Fund Manager, the BCT manages the BSPF and conducts all activities specified under the Act or otherwise directed by the Minister. The BCT makes payments from the BSPF to Biodiversity Stewardship Agreement (BSA) holders upon completion of their required annual management actions and manages the BSPF to support biodiversity stewardship sites in perpetuity. Monies in the BSPF are held on behalf of biodiversity stewardship sites and cannot be used to fund BCT operations except for any fees the BCT is eligible to draw from it in its role as Fund Manager. References to decisions or actions undertaken by the BSPF in these statements are taken to mean decisions or actions undertaken by the BCT in its role as Fund Manager.

The BSPF is to primarily hold funds required to be paid in respect of the transfer or retirement of biodiversity credits called the total fund deposit (TFD) or any other money appropriated by Parliament for the purpose of the BSPF or required by legislation. This includes any proceeds from investment of money in the BSPF for:

- Conducting surveys and site audits to monitor compliance with management actions required under the BSAs.
- On-going landholder support.
- Funds management activities including actuarial estimates of fund adequacy, cash management and investment management.

The Department of Climate Change, Energy, the Environment and Water (DCCEEW) is responsible for entering into BSAs on behalf of the State, setting the required management actions and the TFD amounts to be paid into the BSPF.

The BSPF's financial statements have been authorised for issue by the BCT Board as Fund Manager on 4 October 2024.

#### (b) Basis of preparation

The BSPF is a going concern, and its financial statements are general purpose financial statements, which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations), and
- the requirements of Section 6.37 of the Biodiversity Conservation Act 2016 and relevant regulations.

Financial assets at fair value are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations made by management are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the BSPF's presentation and functional currency.

#### (c) Statement of compliance

The financial statements and notes comply with the Australian Accounting Standards, which include Australian Accounting Interpretations.

#### (d) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except where:

- the amount of GST incurred by the BSPF as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

# Biodiversity Stewardship Payments Fund

## Notes to the financial statements

For the year ended 30 June 2024

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### 1. Summary of Material Accounting policy Information (continued)

#### (e) Comparative information

Except when an Australian accounting standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. This is the first time a separate set of financial statements is being prepared for the BSPF. In prior years, financial information relating to the BSPF was disclosed within the BCT's financial statements.

#### (f) Treatment of future annual management payments

Annual management payments are recorded as expenses when paid or payable. Liabilities are not recognised for future management payments because each annual management payment is subject to the fulfillment of several conditions such as the submission of an annual report by the landholder, fulfillment of all required management actions and completion of the annual site audit. As such, they do not satisfy the definition of a liability under the accounting standards.

#### (g) Changes in accounting policy, including new or revised Australian Accounting Standards

##### (i) *Effective for the first time in FY2023-24*

The accounting policies applied in 2023-24 are consistent with those of the previous financial year. No new accounting standards or interpretations that applied to BSPF for the first time in 2023-24 had any material impact on the recognition and measurement of financial statement transactions and balances. Recognition and measurement policies are the same as in prior year but disclosures were updated in view of the preparation of separate set of financial statements for the BSPF for the first time.

AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates is effective for the first time in financial year 2023-24. Accordingly, the BSPF has disclosed only material policy information.

##### (ii) *Issued but not yet effective*

NSW public sector entities are not permitted to early adopt new AASs, unless the NSW Treasury determines otherwise. AASs that have not been applied and are not yet effective are not expected to materially impact the financial statements of the BSPF in future reporting periods.

#### (h) Impact of Climate-related matters on Financial Reporting for 2023-24

The BCT assessed the impact of climate related matters on the operations of the BSPF, its assets and liabilities and has determined that there had been no significant impact as at 30 June 2024.

# Biodiversity Stewardship Payments Fund

## Notes to the financial statements

For the year ended 30 June 2024

### 2. Expenses excluding losses

#### (a) Annual management payments

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Annual management payments	19,963	13,932

These payments relate to the annual management payments made to each landholder as provided for under their respective BSAs upon fulfillment of certain conditions and/or carrying out of management actions specified in the agreement.

#### **Recognition and measurement**

Annual management payments are recognised as an expense when paid or payable.

#### (b) Other operating expenses

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
BSPF Fund Manager's fees	913	635
General administration	376	227
<b>Total other operating expenses</b>	<b>1,289</b>	<b>862</b>

#### **Recognition and measurement**

Operating expenses are recognised as they are incurred, including fees and services and general administration costs.

The BCT charges a Fund Manager's fee for the administration of the BSPF, calculated at 0.3 percent of the monthly outstanding balance of the TCorpIM funds (FY2023: 0.3 percent).

# Biodiversity Stewardship Payments Fund

## Notes to the financial statements

For the year ended 30 June 2024

### 3. Revenue

#### (a) Interest income

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income	1,060	448
<b>Total interest income</b>	<b>1,060</b>	<b>448</b>

#### Recognition and measurement

Interest income is derived from the BSPF's cash in bank provided by Treasury based on the current reserve bank rate.

#### (b) Gain/(loss) from TCorpIM Funds

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Realised gain (distributions) reinvested	8,325	5,504
Unrealised gain from TCorpIM Funds	21,281	16,130
<b>Total gain from TCorp funds</b>	<b>29,606</b>	<b>21,634</b>

#### Recognition and measurement

Realised gains include the portion of dividends, interest on maturing bonds and other distributions TCorp receives from their investments that are attributable to BSPF. These are recognised as income in the BSPF's books when the right to them has been established. These distributions are included in the overall earnings from investments in TCorpIM funds that appear on their monthly statements.

Unrealised gains or losses from TCorpIM Funds are recognised and measured from the change in value of investment units, notwithstanding any additional investments and/or withdrawals for a period. The earnings figures are clearly indicated in TCorp's monthly statements for each investment facility.

#### (c) Total fund deposits

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Total fund deposits	102,786	79,983

Total fund deposits relate to the amount required to be paid into the BSPF in relation to the first transfer of all the biodiversity credits created in respect of a biodiversity stewardship site. If only a portion of the biodiversity credits are transferred, then the TFD is pro-rated based on the relevant portion the biodiversity credits have in relation to the total biodiversity credits created on the site.

#### Recognition and measurement

Total fund deposits are recorded as revenue upon receipt of cash under AASB 1058.

# Biodiversity Stewardship Payments Fund

## Notes to the financial statements

For the year ended 30 June 2024

### 4. Current assets – cash and cash equivalents

	2024 \$'000	2023 \$'000
Cash at bank	14,146	17,512
<b>Total cash and cash equivalents</b>	<b>14,146</b>	<b>17,512</b>

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank.

	2024 \$'000	2023 \$'000
Cash and cash equivalents (per statement of financial position)	14,146	17,512
<b>Closing Cash and cash equivalents (per statement of cash flows)</b>	<b>14,146</b>	<b>17,512</b>

### 5. Current assets – receivables

	2024 \$'000	2023 \$'000
GST receivable	34	87
<b>Total receivables</b>	<b>34</b>	<b>87</b>

Details regarding credit risk of other receivables that are neither past due nor impaired are disclosed in note 11.

#### Recognition and measurement

Receivables are limited to statutory receivables collectable for GST refunds.

#### Impairment

The BSPF does not hold any trade receivables. An impairment assessment is not necessary for the GST receivable from the Australian Taxation Office as the refund is based on earlier GST payments.

### 6. Current assets – financial assets at fair value

	2024 \$'000	2023 \$'000
TCorpIM Funds - Long Term Growth Fund	377,333	262,217
<b>Total financial assets at fair value</b>	<b>377,333</b>	<b>262,217</b>

Details regarding market risk are disclosed in note 11.

#### Recognition and measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the timeframe established by TCorp. As at 30 June 2024, the BSPF holds 350,544,058 units in the TCorpIM Long Term Growth Fund at \$1.07642 per unit (30 June 2023: 263,561,006 units held at \$0.99490 per unit).

#### Classification and measurement

Financial assets at fair value through profit or loss include financial assets mandatorily required to be measured at fair value under AASB 9.



# Biodiversity Stewardship Payments Fund

## Notes to the financial statements

For the year ended 30 June 2024

### 6. Current assets – financial assets at fair value (continued)

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model under AASB 9. TCorpIM Funds are managed, and their performance is evaluated, on a fair value basis and therefore the business model is neither to hold these to collect contractual cash flows nor to sell the financial asset. Hence, these investments are mandatorily required to be measured at fair value through profit or loss.

A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in net results and presented net within other gains/(losses), except for TCorpIM Funds that are presented in investment revenue (line item denoted as "Unrealised gain from TCorp Funds") in the period in which it arises.

### 7. Restricted assets

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
TCorpIM Funds - Long Term Growth Fund	377,333	262,217
<b>Total restricted assets</b>	<b>377,333</b>	<b>262,217</b>

The above amounts are recognised as restricted assets as they may only be spent in accordance with Section 6.34 of the BC Act.

### 8. Payables

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Creditors	223	726
<b>Total current payables</b>	<b>223</b>	<b>726</b>

#### **Recognition and measurement**

Payables represent liabilities for goods and services provided to the BSPF including uncollected fund manager's fees. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest are measured at the original invoice amount where the effect of discounting is immaterial.

Details regarding liquidity risk, including a maturity analysis of the above payables, are disclosed in note 11.

# Biodiversity Stewardship Payments Fund

## Notes to the financial statements

For the year ended 30 June 2024

### 9. Movement in funds

Funds in the BSPF are held on behalf of biodiversity stewardship sites and cannot be used for other purposes other than those specified under the legislation. The following table details the movement in the funds:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at start of the year	279,090	191,819
Add: receipts (TFDs) by the BSPF	102,786	79,983
Add: earnings on invested amounts in the BSPF	30,666	22,082
Less: annual management payments and expenses	(19,963)	(13,932)
Less: remuneration of the Fund Manager	(1,289)	(862)
<b>Balance invested in the BSPF</b>	<b>391,290</b>	<b>279,090</b>

### 10. Reconciliation of cash flows from operating activities to net result

#### (a) Reconciliation of cash flows from operating activities to net result

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net cash from operating activities</b>	<b>82,144</b>	<b>65,932</b>
<b>Change in operating assets and liabilities</b>		
(Decrease)/ increase in receivables	(53)	18
(Increase)/ decrease in trade & other payables	503	(313)
Realised gain from TCorpIM Funds (distributions)	8,325	5,504
Unrealised gain/ (loss) from TCorpIM Funds measured at fair value	21,281	16,130
<b>Net result</b>	<b>112,200</b>	<b>87,271</b>

#### (b) Purchase of financial assets

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Increase in TCorpIM LTGF funds	115,116	86,270
Realised gain (distributions) reinvested	(8,325)	(5,504)
Unrealised (gain)/loss for the year	(21,281)	(16,130)
<b>Purchase of financial assets per statement of cash flows</b>	<b>85,510</b>	<b>64,636</b>

# Biodiversity Stewardship Payments Fund

## Notes to the financial statements

For the year ended 30 June 2024

### 11. Financial instruments

The BSPF's principal financial instruments are outlined below. These financial instruments arise directly from the BSPF's operations or are required to finance the BSPF's operations. The BSPF does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

The BSPF's main risks arising from financial instruments are outlined below, together with the BSPF's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The BCT, through its Board, as the Fund Manager, has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the BSPF, to set risk limits and controls, and to monitor risks. Compliance with these policies is reviewed on a continuous basis.

#### (a) Financial instrument categories

	Note	Category	Carrying Amount 30 June 2024 \$'000	Carrying Amount 30 June 2023 \$'000
<b>Financial assets</b>				
<b>Class:</b>				
Cash and cash equivalents	4	Amortised Cost	14,146	17,512
Financial assets at fair value	6	Fair value through profit or loss - mandatory classification	377,333	262,217
<b>Financial liabilities</b>				
<b>Class:</b>				
Payables <sup>1</sup>	8	Amortised cost	223	726

#### Notes:

1. Excludes GST payables and unearned revenue (i.e., not within scope of AASB 7).

The Fund Manager determines the classification of the BSPF's financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

#### (b) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the BSPF transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the BSPF has not transferred substantially all the risks and rewards, if the BSPF has not retained control.

#### (c) Financial risks

##### (i) Credit risk

Credit risk arises from the financial assets of the BSPF, including cash. No collateral is held by the BSPF. The Fund Manager has not granted any financial guarantees on behalf of the BSPF.

# Biodiversity Stewardship Payments Fund

## Notes to the financial statements

For the year ended 30 June 2024

### 11. Financial instruments (continued)

#### Cash and cash equivalents

Cash comprises bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorpIM 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

The BSPF does not have any contractual receivables for credit risk purposes.

#### (ii) Liquidity risk

Liquidity risk is the risk the BSPF will be unable to meet its payment obligations when they fall due. The Fund Manager continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets.

During the current and prior years, there were no defaults or breaches on any payables. No assets have been pledged as collateral. The BSPF's exposure to liquidity risk is deemed insignificant based on prior year's data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced.

The table below summarises the maturity profile of the BSPF's financial liabilities, together with the interest rate exposure.

	Weighted average effective interest rate	\$'000						
		Interest rate exposure				Maturity dates		
		Nominal amount	Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 year	1-5 years	> 5 years
<b>2024</b>								
Payables	N/A	223	-	-	223	223	-	-
		<b>223</b>	<b>-</b>	<b>-</b>	<b>223</b>	<b>223</b>	<b>-</b>	<b>-</b>
<b>2023</b>								
Payables	N/A	726	-	-	726	726	-	-
		<b>726</b>	<b>-</b>	<b>-</b>	<b>726</b>	<b>726</b>	<b>-</b>	<b>-</b>

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the BSPF can be required to pay.

#### (iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The BSPF's exposures to market risk are primarily through price risks associated with the movement in the unit price of the TCorpIM Funds. The BSPF has no exposure to foreign currency risk and does not enter commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after considering the economic environment in which the BSPF operates and the timeframe for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the balance date. The analysis assumes that all other variables remain constant.

#### Interest rate risk

The BSPF does not account for any fixed rate financial instruments at fair value through profit or loss. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +0.05% or -1.00% is used (2023: +1.00% or -0.05%), consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The BSPF's exposure to interest rate risk is set out below.

# Biodiversity Stewardship Payments Fund

## Notes to the financial statements

For the year ended 30 June 2024

### 11. Financial instruments (continued)

#### (c) Financial risks (continued)

##### (iii) Market risk (continued)

	-1.00%			+1.00%	
	Carrying amount	Net result	Equity	Net result	Equity
<b>2024</b>					
<b>Financial assets</b>					
Cash and cash equivalents	14,146	(141)	(141)	141	141
<b>2023</b>					
<b>Financial assets</b>					
Cash and cash equivalents	17,512	(9)	(9)	175	175

#### Other price risk

Exposure to 'other price risk' primarily arises through the investment in the TCorpIM Funds, which are held for strategic rather than trading purposes. The BSPF has no direct equity investments. The BSPF holds units in the following TCorpIM Funds:

Facility	Investment Sectors	Investment Horizon	30 June 2024 \$'000	30 June 2023 \$'000
Long Term Growth Fund	Cash, Australian shares, International shares, listed property, emerging market shares, emerging markets debt, bank loans, inflation linked bonds, fixed interest, global credit, high yield multi-asset	Greater than 7 years	377,333	262,217

The unit price of each TCorpIM Fund is equal to the total fair value of net assets held by the BSPF divided by the total number of units on issue for that fund. Unit prices are calculated and published daily.

Investment in the TCorpIM Funds limits the entity's exposure to risk, as it allows diversification across a pool of assets with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information for each of the investment management funds, using historically based volatility information collected over a ten-year period, quoted at two standard deviations (i.e., 95% probability). The TCorpIM Funds are measured at fair value through profit or loss and therefore any change in unit price impacts directly on net results. A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from TCorpIM Funds Statement).

# Biodiversity Stewardship Payments Fund

## Notes to the financial statements

For the year ended 30 June 2024

### 11. Financial instruments (continued)

#### (c) Financial risks (continued)

*Other price risk (continued)*

	Impact on net result / equity			
		2024		2023
	Volatility	\$'000	Volatility	\$'000
TCorpIM funds - Long Term Growth Fund	+/-9.6%	36,224	+/-10.4%	27,271

The BSPF uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- Level 1 – Derived from quoted prices in active markets for identical assets/ liabilities;
- Level 2 – Derived from inputs other than quoted prices that are observable directly or indirectly;
- Level 3 – Derived from valuation techniques that include inputs for asset/liability not based on observable market data (unobservable inputs).

	Level 1	Level 2 \$'000	Level 3	Total
<b>2024</b>				
Financial assets at fair value TCorpIM Funds	-	377,333	-	-
	-	<b>377,333</b>	-	-
<b>2023</b>				
Financial assets at fair value TCorpIM Funds	-	262,217	-	-
	-	<b>262,217</b>	-	-

There were no transfers between level 1 and 2 during the year. The value of the TCorpIM fund investments is based on the BSPF's share of the value of the underlying assets of the facility, based on the market value. The TCorpIM fund is valued using "redemption" pricing.

### 12. Commitments for expenditure

Estimated annual management payments amounting to \$20.5 million (2023: \$13.1 million) are expected to be paid in 2024-25, including potential payments in arrears.

# Biodiversity Stewardship Payments Fund

## Notes to the financial statements

For the year ended 30 June 2024

### 13. Future payments of the Biodiversity Stewardship Payments Fund (BSPF)

As described in note 1, the BSPF primarily hold funds required to be paid in respect of the transfer or retirement of a biodiversity credit called the TFD. These funds are held on behalf of biodiversity stewardship sites. The Fund Manager makes annual management payments from the BSPF to BSA holders upon completion of their required annual management actions. As the annual management payments require action by the landholder before they fall due and payable they do not satisfy the definition of a liability under Australian Accounting Standards until such time as the landholder has completed the actions. As such the future value of annual management payments that may fall due per contractual obligations under signed BSAs do not appear as a liability in this financial report whilst the TFD received (and which, along with investment returns, is used to fund management payments) appears as an asset, resulting in the Statement of Financial Position at 30 June 2024 showing a balance of accumulated funds of \$391.3 million.

However, except in limited circumstances (refer below), subject to landholders completing the annual management actions, the Fund Manager, on behalf of the BSPF, has an obligation to make annual management payments. As such the Fund Manager considers it important to present the following information regarding the present value of these future Biodiversity Stewardship Agreement payments (PV-BSAPs).

The BCT, as Fund Manager, commissioned actuarial advice to calculate the present value of these future PV-BSAPs as at 30 June 2024 using a discount rate of 7.06%, derived from the weighted average of forecast investment returns from investments in TCorp and Westpac less management fee, and forecast inflation rate of 2.5% (forecast provided by TCorp).

Using these assumptions the total PV-BSAPs for active BSAs was \$271.2 million. When compared to fund assets of \$348.3 million this results in an adequacy of 128%. The PV-BSAPs for inactive BSAs was \$152.0 million. When compared to expected TFDs of \$175.5 million this results in an adequacy of 115%. Inactive BSAs are where an agreement has been signed and passive management requirements are in place but where the full TFD has not yet been received, so biodiversity stewardship payments are not yet being made and active management is not yet required. The adequacy calculation for inactive BSAs assumed that full TFD payment was received as at 30 June. The total PV-BSAPs for both active and inactive BSAs is \$423.2 million which results in an overall adequacy of 124%.

It should be noted that the adequacy shown above is indicative of the overall position as it has been calculated on a 'pooled' basis. The BSPF is required by the Act to operate the BSPF on an individual site basis. Adequacy percentages for individual sites range from 73% to 216%.

If an individual biodiversity stewardship site account has an operational deficit greater than 20 per cent (i.e. an adequacy ratio of less than 80 per cent), the Minister has a discretion, under clause 6.17(2) of the Biodiversity Conservation Regulation 2017, to decide to cease or reduce payments to the landholder for a specified period. The Minister also has a discretion to change the 20 per cent threshold. To date, no such decisions have been made by the Minister and full payments to landholders continue.

If an individual biodiversity stewardship site account has an operational surplus greater than 30 percent of all scheduled management payments in respect of the biodiversity stewardship site the Minister has a discretion, under clause 6.18 of the Biodiversity Conservation Regulation 2017 to instruct the Fund Manager to pay to the owner of a site an amount not exceeding the amount by which the operational surplus exceeds 30%. To date, no such decisions have been made by the Minister.

The present value of future payments is highly sensitive to key inputs, in particular the assumed discount rate and the assumed inflation rate. As shown below reasonably possible movements in key inputs may result in the BSPF adequacy falling below 100%.

The Fund Manager considered a reasonably possible movement in discount rates to be +0.05% / -1.0% and a reasonably possible movement in future long term inflation rates to be +1.0% / -0.05%. The impact of these movements on the PV-BSAPs for active and inactive BSAs at 30 June 2024 would be:

	Discount rate 6.06%	Discount rate 7.06%	Discount rate 7.11%
<b>Inflation rate 2.45%</b>	\$507.1m (103% adequacy)	\$419.8m (125% adequacy)	\$416.4m (126% adequacy)
<b>Inflation rate 2.5%</b>	\$512.7m (102% adequacy)	\$423.2m (124% adequacy)	\$419.8m (125% adequacy)
<b>Inflation rate 3.5%</b>	\$667.6m (78% adequacy)	\$511.3m (102% adequacy)	\$505.8m (104% adequacy)

(The above calculations assume that full TFD payment was received for all inactive BSAs as at 30 June 2024).

# Biodiversity Stewardship Payments Fund

## Notes to the financial statements

For the year ended 30 June 2024

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### 14. Related party disclosures

The following table illustrates the related parties for the BSPF:

<b>Government Entity</b>	<b>Nature of Transaction</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Biodiversity Conservation Trust of NSW	Fund manager fees paid and payable	913	635
Biodiversity Conservation Trust of NSW	Fund manager fees payable to the BCT as at 30 June	223	393
Biodiversity Conservation Trust of NSW	Annual reporting/contribution fees paid and payable to fund agreement management, on-going landholder support, site audits, etc.	376	227

During the year, there were no related party transactions between the BSPF and the key management personnel of the BCT, their close family members and controlled or jointly controlled entities thereof apart from those in relation to BCT's function as the Fund Manager.

### 15. Events after the reporting period

There are no other known events that would impact on the state of the BSPF or have a material impact on the financial statements.

**End of audited financial statements.**