

NSW Biodiversity Conservation Trust

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Annual Report

Financial Year 2022-2023





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, present, and future and commit to genuinely collaborate and partner with Aboriginal people in private land conservation.

Published by the NSW Biodiversity Conservation Trust

bct.nsw.gov.au

Annual Report

First published: October 2023

ISSN 2981-8974 (Online)

Department reference number: EHG2023/0 315

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Cover image: Murray Riverina regional conservation officer Cassie Douglas, discusses use of the NSW Biodiversity Conservation Trust's Ecological Monitoring Module with conservation agreement-holders protecting the habitat of the critically endangered plains-wanderer. Credit: Colin Elphick

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Letter of Submission

The Hon Penny Sharpe MLC
Minister for Environment
52 Martin Place
Sydney NSW 2000

Subject: NSW Biodiversity Conservation Trust Annual Report 2022-2023

Dear Minister Sharpe,

We are pleased to submit the NSW Biodiversity Conservation Trust *Annual Report Financial Year 2022-2023* for your presentation to the NSW Parliament.


This report provides a summary of our operations and performance for the period 1 July 2022 to 30 June 2023. 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 *Annual Reports (Statutory Bodies) Act 1984 (NSW)*¹, the *Government Sector Audit Act 1983 (NSW)*², and regulations under those Acts and NSW Treasury Circular TC15-19³.

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

¹ legislation.nsw.gov.au/view/html/inforce/current/act-1984-087

² legislation.nsw.gov.au/view/html/inforce/current/act-1983-152

³ www.treasury.nsw.gov.au/sites/default/files/pdf/TC15-19_Providing_electronic_copies_of_annual_reports_to_Parliament.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 *Annual Report Financial Year 2022-2023*.

The NSW Biodiversity Conservation Trust has invested \$70 million in 2022-2023 to protect 226,240 hectares of land and 199 threatened species via agreements with 420 private landholders.

The landholders we support play a vital role in the conservation of biodiversity and, with NSW Government investment and prioritisation of private land conservation, we expect to see our growing network of agreement-holders actively driving and accelerating national and global conservation goals into the future.

Our organisation has evolved in the past 12 months.

In January I welcomed Dr Erin Giuliani as Chief Executive Officer and can attest she brings great experience and insight to the role.

It is with sadness I acknowledge the passing of respected Kamilaroi man and inaugural NSW Biodiversity Conservation Trust Board member Russell Taylor AM. Russell leaves a remarkable legacy and will be sorely missed by his fellow Board members and staff.

I welcomed four new Board members, namely deputy chair Christine Covington and members Tim King, Dr Jane Weatherley and John Maher. Their appointments reflect our ambition to expand our conservation and landholder programs.

I thank outgoing inaugural deputy chair Virginia Malley and foundation Board member Duncan McGregor for their service over the past five years.

Finally, I thank our landholders, partners and stakeholders, for the part they play in ensuring the habitats and species we enjoy now, will be here for future generations.

A message from the Chief Executive Officer



NSW Biodiversity
Conservation Trust Chief
Executive Officer, Dr Erin
Giuliani.

Throughout 2022-2023, the NSW Biodiversity Conservation Trust has delivered on our core purpose to partner with landholders to enhance and conserve biodiversity on private land, while exploring new opportunities to accelerate our business goals.

Some key highlights from the last year include the launch of our *Investing in Private Land Conservation* **four-year plan**, a new conservation tender and carbon pilot in the Murray Riverina region, and a co-investment partnership with Nari Nari Tribal Council and The Nature Conservancy to protect and conserve the 55,220-hectare Gayini Nimmie Caira Conservation Area.

We also partnered with WWF Australia through the NSW Koala Strategy to conserve critical koala habitat and delivered the Living Classrooms project to primary school children in Aboriginal language as part of our Education Program.

Looking ahead we are moving steadfastly toward our aim to protect another 200,000 hectares of land and 50 unique under-represented NSW Landscapes. We are confident that by 2025 we will meet our targets.

I am thrilled to be leading the NSW Biodiversity Conservation Trust and thank our Minister, committed staff and Board for their efforts and support.



The NSW Biodiversity Conservation Trust's Jodie Cooper, Adam Hook and James Lidsey monitor the biodiversity values of a conservation agreement property in the Shoalhaven.

Credit: Colin Elphick

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)*⁴. 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 150.

Staff work in seven 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.
- sponsor threatened species tenders.
- innovate and pool investment in 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 staff branch 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 regions in NSW. They are local advocates for, and experts in conservation of habitats and species across the areas 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 assure forward-focussed continuity of service delivery. The services include finance, planning and performance, governance, audit, risk, personnel support, and communications.

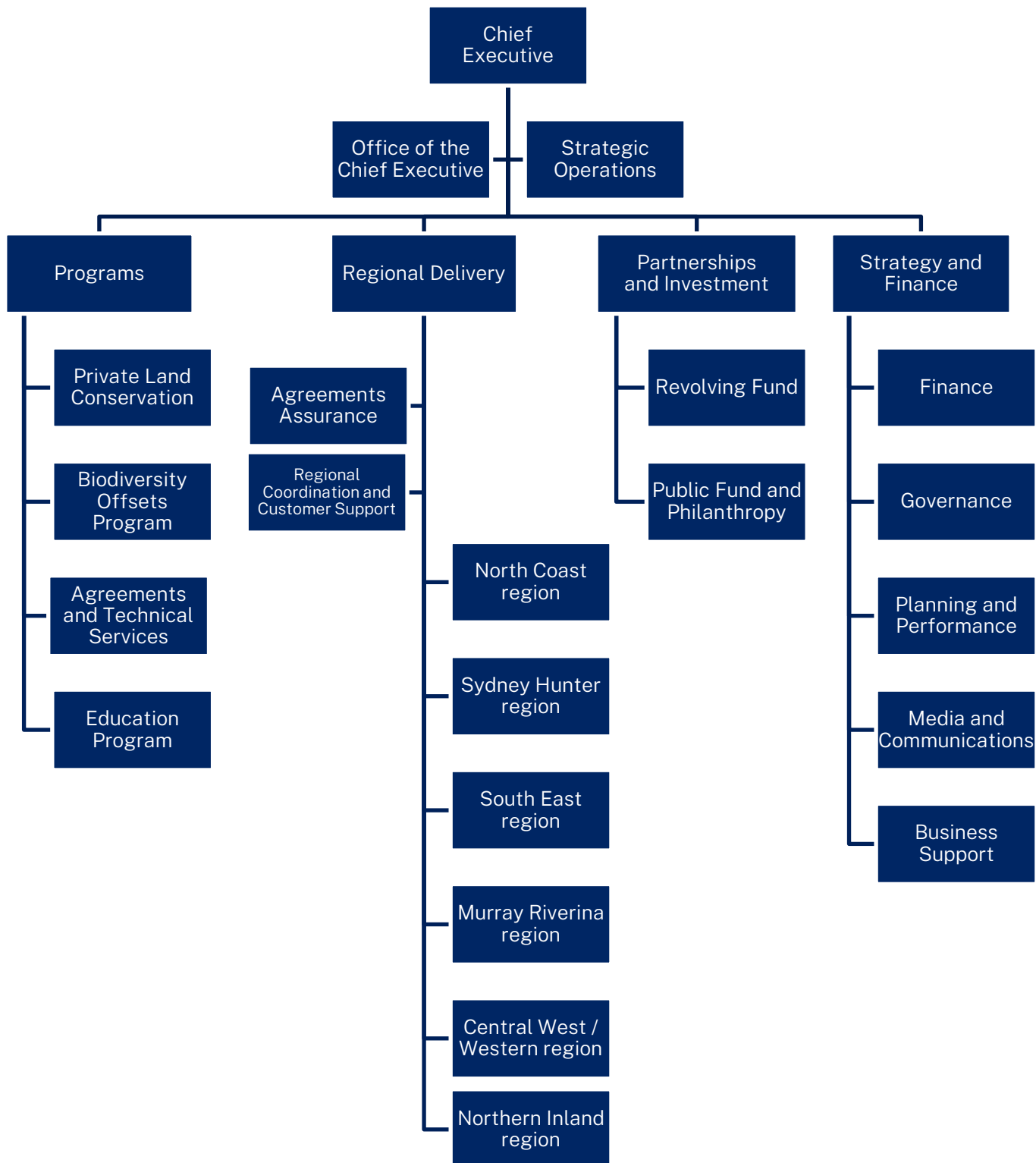
⁴ legislation.nsw.gov.au/view/html/inforce/current/act-2016-063

Table 1: Representatives of the NSW Biodiversity Conservation Trust Board and executive team

Our Board	Our Executive
<ul style="list-style-type: none"> • Board Chair The Hon. Niall Blair • Board Deputy Chair Christine Covington • Programs and Delivery Committee Chair David Freudenberger • Public Fund Management Committee Chair John Pierce AO • Dr Jane Weatherley • Káren Zirkler • John Maher • Tim King 	<ul style="list-style-type: none"> • Chief Executive Officer Dr Erin Giuliani Qualifications: Doctor of Philosophy (PhD) History, The University of Queensland (jointly with King’s College, London), Bachelor of Arts, with First Class Honours, The University of Queensland. • Director Programs Mick O’Flynn Qualifications: Master Environmental Studies, UNSW; Master Science, Imperial College, London; Bachelor of Civil Engineering, University of Melbourne. • Acting Director Regional Delivery Matt Carr Qualifications: Graduate Diploma Environment Studies (Honours), University of Tasmania; Bachelor Arts (Psychology), Macquarie University.
<p>Board subcommittees</p>	
<p>Audit and Risk Committee</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. In 2022-2023, the committee consisted of an independent chair and member, two (2) voting Board members and one non-voting Board member.</p> <ul style="list-style-type: none"> • Independent Chair David Black • Independent member Julie Orr <p>Programs and Delivery Committee</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 functions are endorsed for Board approval prior to being exercised or incurring costs. In 2022-2023, the committee consisted of five (5) Board members in total.</p> <p>Public Fund Management Committee</p> <p>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 2022-2023, the committee consisted of three (3) Board members, and two (2) independent members.</p> <ul style="list-style-type: none"> • Independent member Lizzie Borwick • Independent member Roewen Wishart 	<ul style="list-style-type: none"> • Director Strategic Operations Alan Goodwin Qualifications: Diploma of Engineering; Graduate, Australian Rural Leadership Foundation. • Director Strategy and Finance Emily McCosker 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. • Co-director Partnerships and Investment Holly Park Qualifications: Master of Environmental Science and Law, Sydney University; Bachelor of Science and Bachelor of Laws (Honours), University of Wollongong. • Co-director Partnerships and Investment Kate Smillie Qualifications: Bachelor of Laws (Honours), Southern Cross University; Graduate Certificate Environmental Science, UNE.

For more about our Board and executive team, visit bct.nsw.gov.au/who-we-are

Figure 1: NSW Biodiversity Conservation Trust staff organisation chart



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.

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

Other regulations relevant to the NSW Biodiversity Conservation Trust include:

- *Biodiversity Conservation Amendment (COVID-19) Regulation 2020*⁷
- *Biodiversity Conservation Amendment (Exemptions) Regulation 2020*⁸
- *Biodiversity Conservation Legislation Amendment Regulation 2020*⁹
- *Biodiversity Conservation Amendment (Cetacea) Regulation 2021*¹⁰

⁵ legislation.nsw.gov.au/view/html/inforce/current/sl-2017-0432

⁶ legislation.nsw.gov.au/view/html/inforce/current/sl-2017-0433

⁷ legislation.nsw.gov.au/view/pdf/asmade/sl-2020-671

⁸ legislation.nsw.gov.au/view/pdf/asmade/sl-2020-684

⁹ legislation.nsw.gov.au/view/pdf/asmade/sl-2020-598

¹⁰ legislation.nsw.gov.au/view/pdf/asmade/sl-2021-73

Strategy

Strategic objectives

The NSW Biodiversity Conservation Trust has completed the second year of a three-year business plan¹¹. 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">Design and deliver private land conservation programs consistent with the Biodiversity Conservation Investment Strategy (BCIS) and other NSW Government initiatives.Increase the number and hectares of conservation agreements in areas of strategic biodiversity conservation value.	<ul style="list-style-type: none">Progress against BCIS targets.Progress towards our target of 400 additional conservation agreements, 200,000 additional hectares, and 50 additional unique under-represented NSW Landscapes.
Goal 2: Deliver efficient, effective, and strategic biodiversity offset outcomes.	<ul style="list-style-type: none">Deliver a strategic offsetting service to acquit biodiversity offset obligations when developers pay into the Biodiversity Conservation Fund (BCF).Strategically procure biodiversity credits under place-based offsets schemes (when commissioned and funded by government).	<ul style="list-style-type: none">Acquittal of offset obligations.Progress toward balancing payments into the BCF, and the cost of acquitting obligations over rolling 5-year periods.

¹¹ www.bct.nsw.gov.au/publications#business_plan_2471

Business goals	Business activity	Performance metrics
Goal 3: Support participating landholders to conserve biodiversity.	<ul style="list-style-type: none"> Assist landholders to conserve biodiversity by providing ecological advice and access to technical and educational resources. Provide financial support to landholders through management payments, grants and other financial instruments. Monitor, evaluate and report on ecological and socioeconomic outcomes. 	<ul style="list-style-type: none"> Volume of landholders who comply with agreements and reporting obligations. Number of interactions with landholders. Number of events and networks we participate in. Number, and value, of payments made to agreement-holders. Data from ecological and socio-economic monitoring modules.
Goal 4: Promote public knowledge, appreciation and understanding of biodiversity and the importance of conservation.	<ul style="list-style-type: none"> Influence more landholders to participate in private land conservation. Raise public awareness about the importance of biodiversity and biodiversity conservation on private land. 	<ul style="list-style-type: none"> Number of biodiversity education events and opportunities. Number of landholders participating in biodiversity education opportunities.

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 to landholders wishing to enter a BSA transferred to the Department of Planning and Environment's 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 activity 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
Enabler 1: Act as trustee of money or other property vested in the Trust.	<ul style="list-style-type: none"> Manage the Biodiversity Conservation Fund (BCF). Manage the Biodiversity Stewardship Payments Fund (BSPF). Attract gifts of money or property and manage the NSW Biodiversity Conservation Trust Public Fund. 	<ul style="list-style-type: none"> Reporting on BCF assets and adequacy. Reporting on BSPF assets and adequacy. Value of donations received. Percentage of funds applied to conservation programs.

Business enablers	Enabling activity	Performance metrics
<p>Enabler 2: Engage with our landholders, customers and stakeholders.</p>	<ul style="list-style-type: none"> • Effectively communicate to, and engage with our landholders, customers and stakeholders. • Enable Aboriginal engagement in private land conservation. • Be transparent and accountable to government and the community. 	<ul style="list-style-type: none"> • Landholder and customer satisfaction (survey). • Stakeholder feedback (survey). • Partnership analysis. • Number of engagement events. • Volume of media coverage. • Number of landholders with agreements who identify as Aboriginal or Torres Strait Islander. • Targeted engagement/communication products. • Face-to-face stakeholder meetings. • Number of Aboriginal employees. • Website and social media interactions.
<p>Enabler 3: Invest in our staff and systems to fulfil our purpose and be responsive to future needs and challenges.</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Staff engagement and job satisfaction. • Safety incidents. • Wellbeing measures. • Implementation of technologies.



South East Regional Delivery team members Adam Hook and Hannah Windley with new conservation agreement-holders Barbara and Thomas Evison.

Credit: Colin Elphick

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*¹² (BCIS) to protect our most at-risk habitats and species.

¹² www.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

Strategic Goal 1

Against Strategic Goal 1 of the NSW Biodiversity Conservation Trust Business Plan, the Conservation Management Program has progressed *Biodiversity Conservation Investment Strategy* targets, adding **16 conservation agreements** against our target of 400 new, and **91,450 hectares¹³** against a target of 200,000 hectares by 30 June 2025. These agreements protect **7 unique under-represented NSW Landscapes** against a target of 50.

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

Conservation tenders

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

Conservation tender outcomes

In 2022-2023, the outcomes of three (3) conservation tenders were approved by the Board.

These tenders included the Snow Gum Woodlands and Grasslands (south), Lower Clarence Valley and Paroo and Warrego Catchments conservation tenders.

Interest in these tenders saw 104 expressions of interest to participate and 29 bids, 18 of which were successful.

Conservation tenders launched

In 2022-2023, three (3) new conservation tenders launched. They were the:

1. Northern Inland Koala tender, in August 2022.
2. Darling Baaka conservation tender, in August 2022.
3. Restoring Murray Woodlands Biodiversity and Carbon conservation tender, in February 2023.

Conservation tenders take on average, 24-30 months 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.

In 2022-2023, three (3) tenders were disrupted through flooding events across the state. Tender timelines were extended to accommodate the impact to landholders, and the disruption to the tender cycle.

The conservation tenders impacted were:

- Lower Clarence Valley conservation tender.
- Darling Baaka conservation tender.

¹³ A difference in the count and area of agreements between previous financial year and this financial year may not be consistent due to a change in the methodology of reporting agreements as "registered on title" and "agreements signed".

- Northern Inland Koala conservation tender.

In addition, the delivery of one (1) conservation tender, the Paroo and Warrego Catchments conservation tender, extended into the 2022-2023 financial year to accommodate the impacts of flooding in the tender area in early 2022.

Fixed price offers

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.

The NSW Biodiversity Conservation Trust assesses applications on a value for money basis each year and completed the 6th batch of fixed price offers during 2022-2023. Agreements are yet to be established.

Conservation co-investments

The NSW Biodiversity Conservation Trust seeks out co-investment partnerships with landholders, and one or more co-investors from government, non-government, corporate and private entities, to invest in significant or large-scale conservation projects. These opportunities are explored for their ability to deliver long-term private land conservation outcomes; complement other non/government conservation initiatives; deliver socio-economic outcomes; and demonstrate value for money.

Gayini Conservation Area



Working with partners like Nari Nari Tribal Council and The Nature Conservancy supports and expands high value conservation outcomes.

Credit: Annette Ruzicka

In 2022-2023, a co-investment partnership with Traditional Custodians Nari Nari Tribal Council and non-government body The Nature Conservancy was established to protect the 55,220-hectare Gayini Nimmie Caira Conservation Area, located between Hay and Balranald in southwest NSW.

The resulting conservation agreement is the largest private land holding to be funded, in perpetuity, by the NSW Biodiversity Conservation Trust, and embeds the role of Traditional Custodians in managing land for current and future generations.

“We have invested considerable time, knowledge and effort to create a unique agreement with the NSW Biodiversity Conservation Trust, putting the protection of Culture and Country at the centre of the work we do,” Nari Nari Tribal Council chairperson Jamie Woods said.

Revolving Fund (Conservation Management Program)

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 in accordance with parameters approved by the NSW Biodiversity Conservation Trust Board and focuses on properties with a high prospect of a timely resale to minimise holding costs and maximise opportunities to be secured by future revolving fund purchases.

In 2022–2023, the NSW Biodiversity Conservation Trust held two (2) Revolving Fund properties for sale under the Conservation Management Program with 1352 hectares of proposed conservation area.

Conservation Partners Program

The NSW Biodiversity Conservation Trust's Conservation Partners Program encourages and supports landholders to voluntarily 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, and can access tax and rate concessions, 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 voluntary fixed-term agreement to establish a wildlife refuge.

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 **56 conservation agreements**, including 1 agreement under the Revolving Fund, against our target of 400 new agreements, and **16,481 hectares¹⁴** against a target of 200,000 hectares by 30 June 2025. These agreements protect **5 unique under-represented NSW Landscapes** against a target of 50.

Conservation Partners Program grants

In 2022-2023, 61 Conservation Partners Program agreement-holders were successful in applying for \$1.45 million in grants to enhance the ecological value of their conservation area.

¹⁴ A difference in the count and area of agreements between previous financial year and this financial year may not be consistent due to a change in the methodology of reporting agreements as "registered on title" and "agreements signed".

NSW Koala Strategy

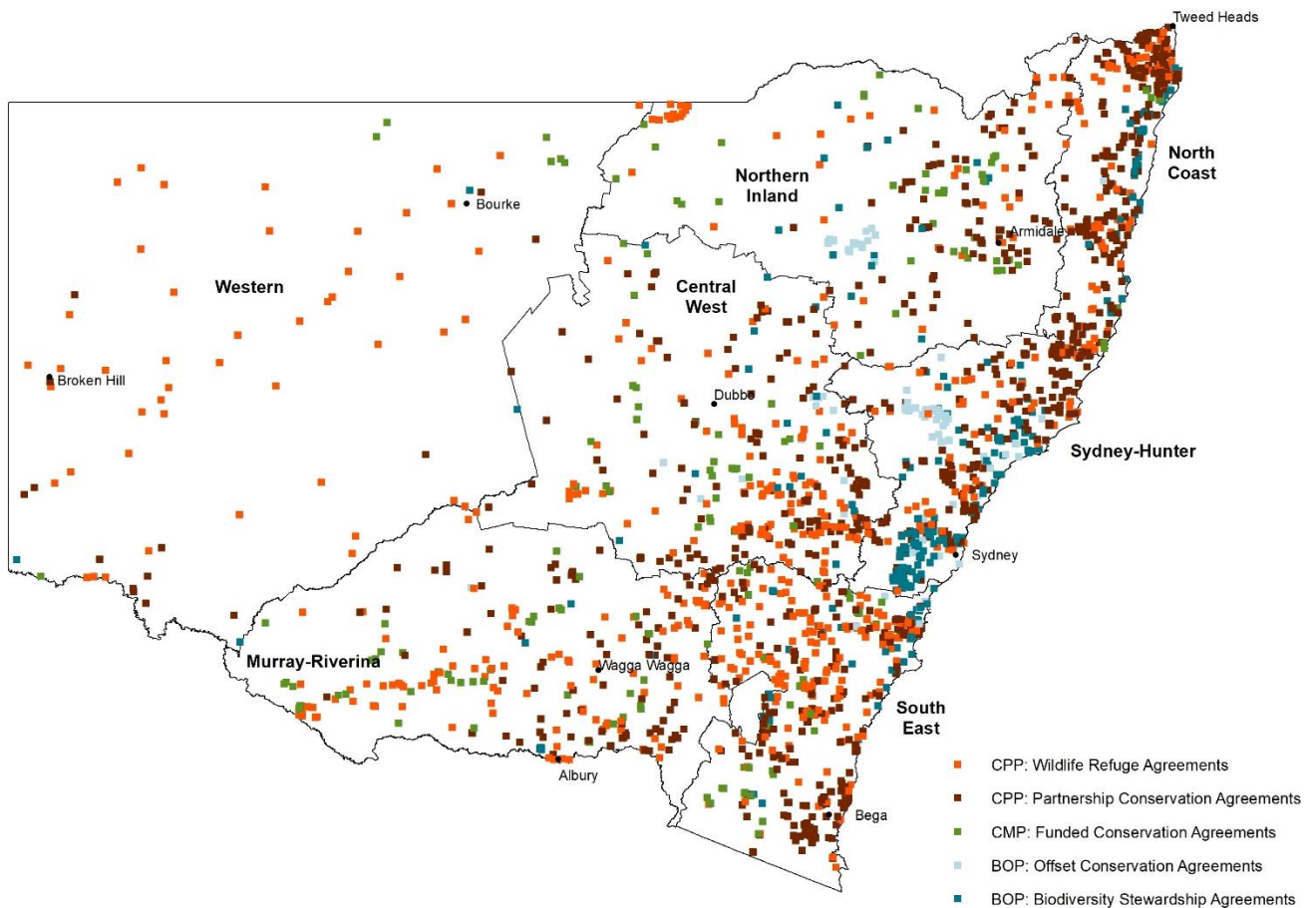
In 2022-2023, the NSW Biodiversity Conservation Trust’s Conservation Partners Program contributed to the NSW Koala Strategy, which aims to permanently protect 7000 hectares of koala habitat on private land by 2026.

Of the 55 conservation agreements established under the Conservation Partners Program in 2022-2023, all protected areas of koala habitat. Habitat recorded as being of moderate, high or very high likelihood of koala habitat, covered 4500 hectares of the Conservation Partners Program agreement sites established.

Revolving Fund (Conservation Partners Program)

In 2022-2023, the NSW Biodiversity Conservation Trust held four (4) Revolving Fund properties for sale under the Conservation Partners Program with 184 hectares of proposed conservation area.

Figure 2: Map of all private land conservation agreements managed by the NSW Biodiversity Conservation Trust



Biodiversity Offsets Program

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

The NSW Biodiversity Conservation Trust's Biodiversity Offsets Program 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.

From 1 July 2022, the NSW Biodiversity Conservation Trust's role in establishing and approving new Biodiversity Stewardship Agreements transferred to the Credit Supply Taskforce, within the Department of Planning and Environment.

In 2022-23, the NSW Biodiversity Conservation Trust worked with the Department of Planning and Environment to respond to an inquiry and recommendations of the Audit Office of New South Wales, detailed in the report, *Effectiveness of the Biodiversity Offsets Scheme*¹⁵.

The NSW Biodiversity Conservation Trust is responsible for implementing four (4) recommendations directly relevant to its operations, including Recommendation 11. This recommendation requires the agency to report on how biodiversity credit obligations held by the agency are expected to be met.

Reporting on progress against Recommendation 11 is published on the NSW Biodiversity Conservation Trust's website at www.bct.nsw.gov.au/publications.

The report on the previous financial year's NSW Parliamentary Inquiry into the Integrity of the NSW Biodiversity Offsets Scheme was released in November 2022.

The release followed submissions in August 2021 and hearings through October 2021 to April 2022.

The NSW Biodiversity Conservation Trust provided input to the whole-of-Government response to the report, which was tabled in February 2023¹⁶.

More information on the Biodiversity Offsets Scheme can be found in the Department of Planning and Environment Annual Report, or at www.environment.nsw.gov.au.

Managing Biodiversity Stewardship Agreements

Support to landholders with a Biodiversity Stewardship Agreement is delivered through the NSW Biodiversity Conservation Trust's Landholder Support Program. Regional staff take up support for an agreement site and oversee annual payments to landholders under the terms of their agreement, registered on the land's title by the Credit Supply Taskforce. Regional teams manage annual reporting, monitoring and compliance; oversee periodic ecological monitoring; provide advice and

¹⁵ www.audit.nsw.gov.au/our-work/reports/effectiveness-of-the-biodiversity-offsets-scheme

¹⁶ www.parliament.nsw.gov.au/lcdocs/inquiries/2822/Government%20response%20-%20Report%20no%2016%20-%20PC%207%20-%20Integrity%20of%20the%20NSW%20Biodiversity%20Offsets%20Scheme.pdf

support; and, invite landholders to participate in conservation management education and networking opportunities.

Table 4: Biodiversity Stewardship Agreements (BSA), as at 30 June 2023

Total active BSAs ¹⁷ (number / hectares / funds held [net assets])	182 / 43,468 / \$256.63 million
Total passive BSAs ¹⁸ (number / hectares / funds held)	88 / 15,718 / \$23.19 million
Payments made to BSA landholders in 2022-2023	\$13.9 million

Managing the Biodiversity Stewardship Payments Fund

The NSW Biodiversity Conservation Trust manages and controls 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 NSW Biodiversity Conservation Trust is responsible for investing monies held in the BSPF and using both the monies and investment proceeds to make annual payments to landholders under the terms of their Biodiversity Stewardship Agreement.

At 30 June 2023, the NSW Biodiversity Conservation Trust held \$279.8 million total current assets in the BSPF with \$0.7 million accrued expenses, for net assets of \$279.1 million.

Biodiversity Offsets Payment Calculator

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

That amount is determined by the Biodiversity Offsets Payments Calculator, established under the Act and approved by the Minister for Environment.

In 2022-2023, the NSW Biodiversity Conservation Trust assumed responsibility for the Biodiversity Offsets Payment Calculator, a responsibility previously managed by the Department of Planning and Environment, and executed an update to the calculator under the *Biodiversity Offsets Payment Calculator Order 2022*¹⁹.

The update, delivered in October 2022, offers a more robust method for pricing payments and considers the scarcity of, and support for, like-for-like credits; mitigating the risk of biodiversity credits, especially species credits, being under-priced.

A transitional price increase cap of 20 per cent on some credit types, applied by the Order, expires on 16 October 2023. This cap was included in the provisions for establishing the updated Biodiversity Offsets Payments Calculator.

Since implementing the new calculator, the NSW Biodiversity Conservation Trust has issued 214 quotes to developers with a known offset obligation. Information about these quotes is published on the NSW Biodiversity Conservation Trust website.

¹⁷ BSAs registered on title and receiving annual management payments drawn from funds held.

¹⁸ BSAs approved but not yet receiving annual management payments because the landholder has not sold sufficient biodiversity credits.

¹⁹ legislation.nsw.gov.au/view/pdf/asmade/sl-2022-576

Biodiversity Credits price estimation service

In early 2023 the NSW Biodiversity Conservation Trust launched a credit price estimation service²⁰ for biodiversity credit market participants. The service provides property developers with useful 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 2022-2023, the NSW Biodiversity Conservation Trust received 174 payments from developers totalling \$77.5 million (excluding administration fees), into the Biodiversity Conservation Fund, transferring obligations for 20,334 biodiversity credits to the agency.

At 30 June 2023, the NSW Biodiversity Conservation Trust held \$159.3 million in payments from developers for 39,094 credits not yet acquitted or secured.

Biodiversity credits secured by the NSW Biodiversity Conservation Trust

In 2022-2023, the NSW Biodiversity Conservation Trust ran two (2) credit tenders and one (1) fixed price offer to purchase biodiversity credits from the market.

A credit tender in September 2022 secured 5379 ecosystem and species credits²¹, at a value of \$16.8 million, from more than 30 existing or proposed Biodiversity Stewardship Agreement sites.

Securing these credits contributes to the conservation management of Biodiversity Stewardship Agreement sites containing threatened ecological communities and habitat.

In accordance with the *Biodiversity Conservation Regulation 2017*²², 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 previous offers.

Of the 5379 credits purchased in this tender, 512 ecosystem credits were for similar ecosystems in a similar geographic region to the original obligation.

A credit tender in May 2023 sought to purchase credits to deliver offsets from development projects including the Great Western Highway Upgrade program between Little Hartley and Lithgow (4283 credits); Western Sydney Airport (350 credits); and, the Hume Bypass (338 credits), as well as ecosystem credits to meet offset targets for the Cumberland Plain Conservation Plan and Growth Centres Biodiversity Offsets Program. Tender outcomes will be reported at www.bct.nsw.gov.au and in the NSW Biodiversity Conservation Trust Annual Report 2023-2024.

A fixed price offer was also conducted to purchase credits. This secured 99 like-for-like ecosystem and species credits from two (2) existing, or proposed, Biodiversity Stewardship Agreement sites, at a cost of \$0.39 million.

In total, through the 2022-23 financial year, the NSW Biodiversity Conservation Trust acquitted, or secured for acquittal, 5636 credits at a cost of \$11.61 million.

²⁰ www.bct.nsw.gov.au/info/biodiversity-credits-price-estimation-service

²¹ www.bct.nsw.gov.au/sites/default/files/2023-05/september-2022-statewide-credit-tender-outcomes.pdf

²² legislation.nsw.gov.au/view/html/inforce/current/sl-2017-0432

Strategic Goal 2

Against Strategic Goal 2 of the NSW Biodiversity Conservation Trust Business Plan, biodiversity credit tenders and fixed price offers procured **5478 biodiversity credits**, at a cost of \$17.2 million.

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.

Biodiversity Stewardship Payments Fund

The NSW Biodiversity Conservation Trust manages and controls 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 NSW Biodiversity Conservation Trust is responsible for investing 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 BSA.

At 30 June 2023, the NSW Biodiversity Conservation Trust as the BSPF Fund Manager held \$279.82 million total current assets in the BSPF, including \$262.22 million investment in Treasury Corporation Investment Management funds.

From the BSPF, the NSW Biodiversity Conservation Trust made \$13.93 million in biodiversity stewardship payments to 136 landholders with active sites through 2022-2023.

The BSPF predicted total adequacy ratio (for active and passive BSAs), based on the latest Treasury Corporation investment return forecasts, is 117 per cent, at 30 June 2023.

The adequacy ratio for active BSAs is 122 per cent and for passive BSAs, 109 per cent.

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.

The NSW Biodiversity Conservation Trust held assets worth \$218.42 million to support active and inactive or approved, but in process, conservation agreements, at 30 June 2023, and made \$10.2 million in annual conservation management payments to funded conservation agreement holders through 2022-2023.

The Treasury Corporation return in 2022-2023 of \$20.9 million (11 per cent) is favourable compared to our target return rate. If these returns continue for the foreseeable future, the current discount rates for Biodiversity Stewardship Agreements and Conservation Agreements should result in positive adequacy positions.

The total adequacy ratio of the Biodiversity Conservation Fund for the assets held for funded conservation agreements (signed and unsigned), at 30 June 2023, based on the current Treasury Corporation long-term forecast investment return rate of 7.1 per cent, is approximately 150 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 2022-2023, the NSW Biodiversity Conservation Trust held \$159.32 million (net agency fees) for outstanding credit obligations.

Through 2022-2023 it received \$77.53 million (net agency fees) from developers transferring offset obligations to the NSW Biodiversity Conservation Trust.

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 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.

Key to the Landholder Support Program is landholder compliance with their agreements and reporting obligations.

Strategic Goal 3

Against Strategic Goal 3 of the NSW Biodiversity Conservation Trust Business Plan, landholders were supported to meet compliance with the annual conditions of their agreement by way of **599 property visits, 963 conversations by phone, 2247 articles of correspondence** and a **further 1047 other interactions**, such as networked events, webinars or contact at regional field days.

Compliance with the conservation management plans of an agreement, and meeting reporting obligations, drives the annual payment cycle.

Strategic Goal 3

Against Strategic Goal 3 of the NSW Biodiversity Conservation Trust Business Plan, payments to landholders in 2022-2023 funded conservation agreement-holders under the Conservation Management Program received **\$10.2 million in annual management payments**, and Biodiversity Stewardship Agreement holders with active agreements received **\$13.9 million in annual management payments**.

Ecological Monitoring Module

In 2022-2023, Regional Delivery staff, with NSW Biodiversity Conservation Trust ecologists from the agency's Agreements and Technical Services team, rolled out the agency's Ecological Monitoring Module (EMM) across funded Conservation Management Program agreements and Biodiversity Stewardship Agreement sites.

EMM monitoring as part of an agreement's annual reporting cycle supports a consistent and high integrity method to scientifically assess and record a landholder's effort to protect, restore and manage the biodiversity of their agreement areas.

With ongoing efforts to set baseline EMM data points across priority conservation sites, 1469 sites had vegetation integrity plots established as at August 2022.

To maximise the efficiency of the agency's EMM, three organisations have been engaged to align methods and share data, including:

- Natural Resources Commission Forest Monitoring and Improvement Program.
- National Parks and Wildlife Service Eco Health Program.
- RMIT University.

Strategic Goal 3

Against Strategic Goal 3 of the NSW Biodiversity Conservation Trust Business Plan, **1469** Priority 1 conservation agreement sites established EMM baseline monitoring points.

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.

Landholder education

With collaborators such as Local Land Services, universities, Landcare NSW and other non-government organisations, the NSW Biodiversity Conservation Trust has brought hands-on learning to conservation agreement-holders across the state.

Landcare NSW

A partnership between Landcare NSW and the NSW Biodiversity Conservation Trust to extend the private land conservation network across NSW came to its end in early 2023.

The partnership resulted in events across all seven regions of the NSW Biodiversity Conservation Trust hosted by regional Landcare groups to deliver targeted education and learning opportunities bespoke to each group's area.

The partnership's success drove development of an open tender process to seek out and fund the model ongoing, with Landcare NSW successfully bidding and winning the tender, announced and rolled out from August 2023.

Online learning

Through 2022-2023, the Education Program delivered three (3) webinars to introduce landholders to conservation management experts, practices and landholders willing to share their stories of success.

Established when COVID-19 restrictions impacted face-to-face gatherings, the webinars have continued to attract audiences with 850 people participating to learn more about:

- Weed Management and Property Planning.
- The benefits of Artificial Hollows.
- Livestock grazing as a conservation management tool.

The success and positive feedback for online education prompted development of a perennial e-learning offering. With Tocal Agricultural College, the Education Program developed a series of online learning modules to reflect the NSW Biodiversity Conservation Trust's conservation management guidebooks and fact sheets, available online and as printed resources, working through the 2022-2023 financial year to launch the online course in August 2023.

Learning about nature in Aboriginal language



Pupils from the Gumbaynggirr Giingana Freedom School learn of the local area's Aboriginal heritage at Korora Lookout, Coffs Harbour. The students will participate in a new 'Living Classrooms' program of the NSW Biodiversity Conservation Trust.

Credit: Colin Elphick

Students, teachers and Aboriginal Elders at Coffs Harbour's Gumbaynggirr Giingana Freedom School are working with the NSW Biodiversity Conservation Trust to deliver a unit of lessons sharing Aboriginal practices to care for Country and our natural environment.

Gumbaynggirr man and CEO of the Gumbaynggirr Giingana Freedom School Clark Webb said local knowledge of land and biodiversity was critical to students' cultural learnings.

"Learning about culture on Country is a key focus for our school, and Living Classrooms will allow us to do that," Mr Webb said.

NSW Biodiversity Conservation Trust Chief Executive Officer Dr Erin Giuliani said Aboriginal knowledge was important to understanding the big picture when it comes to conservation.

"Living Classrooms is a blueprint that will allow schools to create resources based on local cultural knowledge and language," Dr Giuliani said.

Our future conservationists

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

Conservation Champions is run by the NSW Biodiversity Conservation Trust with the help of 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.

Living Classrooms

The Living Classrooms program offers lessons in local Aboriginal language and the opportunity to visit sites where native biodiversity is being protected under private land conservation agreements.

A pilot for the program was launched in February with students, teachers and Aboriginal Elders at Coffs Harbour's Gumbaynggirr Giingana Freedom School.

Australian Museum

The Australian Museum's FrogID program captures the attention of citizen scientists across Australia, and is a favourite project of conservation agreement-holders and our Conservation Champions.

Participants record frog calls on the FrogID app to track changes in frog populations, fill knowledge gaps, gauge the effects of environmental change and inform local communities about the state of their environment.

The NSW Biodiversity Conservation Trust's continued collaboration with the Australian Museum's citizen science programs have provided new and innovative opportunities to build an appreciation for biodiversity science through an 'in your hands' experience.

Strategic Goal 4

Against Strategic Goal 4 of the NSW Biodiversity Conservation Trust Business Plan, there have been **227 biodiversity education events for landholders** and **8 in-field events for students** through financial year 2022-2023. **2862 landholders took up the opportunity to network and learn** about protecting habitats and species on their properties through this year.

Summary review of operations

Since starting in August 2017, the NSW Biodiversity Conservation Trust has proudly established conservation agreements with 420²³ landholders covering 226,240 hectares and protecting 199 threatened species.

Of these landholders, 71 per cent, or 355, have agreements in-perpetuity, leaving a future legacy of 186,085 hectares²⁴ protected for generations to come.

The NSW Government invests \$70 million annually to support private land conservation outcomes.

Since its establishment, the NSW Biodiversity Conservation Trust has invested more than \$218.42 million to support funded conservation agreement-holders, with the median annual payment sitting at \$81 a hectare.

In addition to our conservation agreements, 382 landholders have successfully applied to our grant program and received \$5.74 million to support conservation activities such as weed or pest control, fencing to secure conservation areas, and native vegetation restoration.

Our conservation efforts protect:

199 threatened species.

23 threatened ecological communities.

11 unrepresented NSW Landscapes.

129 under-represented NSW Landscapes.

In the 2022-2023 financial year:

Conservation Management Program

16 new funded conservation agreements

91,450 additional hectares protected

\$10.2 million conservation management payments made

Landholder Support Program

599 property visits

963 conversations by phone

2247 articles of correspondence

1047 other interactions

Conservation Partners Program

56 new voluntary conservation agreements

16,481 additional hectares protected

\$1.45 million in conservation grants paid

Education Program

227 biodiversity education events

8 in-field events for students

3 webinars

Biodiversity Offsets Program

\$13.93 million in biodiversity stewardship payments to 136 landholders with active sites

²³ Agreements that have been executed and registered on title with the NSW Land Registry Service

²⁴ Excluding offset agreements

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 2022-23.

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.

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

Against the NSW Biodiversity Conservation Trust *Research Strategy*²⁵, in 2022-2023, the agency supported seven (7) PhD scholarship projects, of which six (6) are ongoing.

The seventh PhD scholarship project initiated in 2022-2023 supports the work of Norma Fernando, of Federation University, whose research will explore the effects of land management on insect biodiversity and ecosystem services in semi-arid NSW.

Citizen Science

Conservation agreement-holders were engaged in a citizen science survey in February 2023 to guide planning for a program of landholder-led research.

The survey built on a camera trap pilot program supporting landholders to monitor the fauna in their conservation areas and add to biodiversity mapping of species location and movement.

The results found an appetite for expanded citizen science programs and a demand for opportunities to network to share landholder success and results.

Socioeconomic benefits of private land conservation

In early 2022, the NSW Biodiversity Conservation Trust commissioned Frontier Economics to develop a framework to measure and report on the socioeconomic benefits of private land conservation and report against targets of the Biodiversity Conservation Investment Strategy.

Frontier Economics developed a methodology modelling income diversification and the flow-on economic impacts of entering a conservation agreement.

²⁵ www.bct.nsw.gov.au/sites/default/files/2021-05/BCT%20Research%20Strategy%20-%20May%202021.pdf

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

The next report analysing data inputs against both the Frontier Economics model and NSW Treasury Employment Calculator for Agricultural Support Services is due at the end of the 2023 calendar year.

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 2022-2023.

Performance information

Table 5: Performance against metrics of the NSW Biodiversity Conservation Trust *Business Plan 2021-22 to 2024-25*

Business goals	2022-2023 performance
Goal 1: Increase private land conservation in areas of strategic biodiversity value	<p>Progress against Biodiversity Conservation Investment Strategy targets:</p> <ul style="list-style-type: none"> • 72 new conservation agreements against a target of 400. • 107,931 additional hectares against a target of 200,000 hectares. • 12 additional unique under-represented NSW Landscapes against a target of 50.
Goal 2: Deliver efficient, effective, and strategic biodiversity offset outcomes.	<ul style="list-style-type: none"> • Acquittal of offset obligations. • Progress toward balancing payments into the BCF, and the cost of acquitting obligations over rolling 5-year periods.
Goal 3: Support participating landholders to conserve biodiversity.	<p>Landholder compliance with agreements and reporting obligations, evident through:</p> <ul style="list-style-type: none"> • More than 3800 interactions with landholders. • More than 1040 other interactions with landholders (e.g: field days). • \$24.1 million in payments made to agreement-holders. • 1469 agreement sites established EMM baseline monitoring points.
Goal 4: Promote public knowledge, appreciation and understanding of biodiversity and the importance of conservation.	<ul style="list-style-type: none"> • 235 biodiversity education events and opportunities. • More than 2860 landholders participating in biodiversity education opportunities.



Ecologist James Lidsey identifies vegetation for the site values report of a conservation agreement in the state's Shoalhaven.

Credit: Colin Elphick

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*.

Numbers and remuneration of senior executives

Table 6: Number of senior executives at the NSW Biodiversity Conservation Trust

Band	2020-21		2021-22		2022-23	
	♂	♀	♂	♀	♂	♀
Band 2 Executive Director / Chief Executive Officer	1	-	1	-	-	1
Band 1 Director	1	2	1	2	2	3

Table 7: Band, range and average remuneration of senior executives at the NSW Biodiversity Conservation Trust

Band	Average remuneration 2020-21 (\$)	Average remuneration 2021-22 (\$)	Average remuneration 2022-23 (\$)
Band 2 Executive Director / Chief Executive Officer	\$345,528	\$360,320	\$333,625
Band 1 Director	\$243,302	\$229,953	\$240,991

Note: 8.3 per cent of employee-related expenditure in 2022-2023 was related to senior executives.

Human resources

Table 8: Number of officers and employees by category and compared to the prior year

Employment type	2019-2020	2020-2021	2021-2022	2022-2023
Ongoing	86	96	104	119
Temporary	6	8	16	27
Executive	3	4	4	6*
Total	95	108	124	152

* Inclusive of two executives who job share.

Consultants

In 2022-2023, the NSW Biodiversity Conservation Trust procured services from one (1) consultancy, Codevelop Pty Ltd, to the value of \$50,000 or more.

Codevelop Pty Ltd delivered management services to the agency, equal to \$54,154.78.

Promotion

There was no overseas travel by NSW Biodiversity Conservation Trust staff members in 2022-23.

Requirements arising from employment arrangements

The Department of Planning and Environment (DPE) 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*²⁶.

Legal change

While there were no amendments to the *Biodiversity Conservation Act 2016 (NSW)* in the 2022-23 financial year, the NSW Biodiversity Conservation Trust was consulted on the five-year review of the Act.

The independent review²⁷ 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 increases in interest rates had an impact on NSW Biodiversity Conservation Trust earnings and indexation of landholder payments.

Labour shortages across the economy were also evident impacting recruitment timeframes and staff retention.

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

²⁶ treasury.nsw.gov.au/sites/default/files/2017-03/NSWTC_15-07_Financial_and_Annual_Reporting_requirements_arising_from_personnel_service_arrangements.pdf

²⁷ www.environment.nsw.gov.au/topics/animals-and-plants/biodiversity/overview-of-biodiversity-reform/statutory-review-of-the-biodiversity-conservation-act-2016

Internal audit and risk management policy attestation²⁸

Internal Audit and Risk Management Attestation for the 2022-23 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:

Table 9: Core requirements set out in the Internal Audit and Risk Management Policy for the General Government Sector

Core Requirements	Compliant, non-compliant, or in transition
1. Risk Management Framework	
Core Requirement 1.1: The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency	Compliant
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	Compliant
2. Internal Audit Function	
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	Compliant
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	Compliant
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'	Compliant
3. Audit and Risk Committee	
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	Compliant
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 2022-23 financial year were:

²⁸ TPP20-08: arp.nsw.gov.au/assets/ars/attachments/tpp20-08_internal_audit_and_risk_management_policy_for_the_general_government_sector.pdf

- Independent Chair, Mr David Black, appointed Chair from March 2021 to 24 August 2023
- Independent Member, Ms Virginia Malley, appointed 21 February 2023 to 30 September 2023
- Independent Member, Ms Julie Orr, appointed 21 August 2021 to 24 August 2024
- Member, Mr Duncan McGregor, appointed 25 August 2017 to 20 December 2022
- In addition, BCT Board Members, Mr John Pierce AO, Ms Christine Covington, and Mr John Maher attended meetings as an observer during the 2022-23 financial year.



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

Date: **22 August, 2023**



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

Cyber Security Policy (CSP) attestation

I, Kiersten Fishburn, am of the opinion that the NSW Department of Planning and Environment has managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

The Department of Planning and Environment has a Cyber Security Strategy in place to ensure a constant focus on improving and managing cyber security governance, risk, and resilience. Continuous assessment and management of risks to the Department's information and critical systems is accomplished through our cyber security program and routine operational activities.

Throughout the previous financial year, the Department of Planning and Environment has undertaken independent audits of its Information Security Management System, cyber security controls, and compliance with the NSW Cyber Security Policy. These audits uncovered areas of positive progress as well as potential areas for improvement, all in alignment with the dynamic cyber security threat landscape.

The Department of Planning and Environment regularly updates its cyber security incident response plan and conducts annual testing to ensure its effectiveness.

The Department of Planning and Environment's Digital Information Office successfully maintained compliance with the international security standard ISO 27001, "Information Technology - Security techniques - Information security management systems," as certified by an Accredited Third Party (BSI Certificate Number: IS 645082).

The Department remains committed to bolstering its technology environments and raising awareness among all employees regarding cyber security and privacy risks.

- This attestation covers the following departments and agencies:
- Department of Planning and Environment

- Aboriginal Housing Office
- Environmental Trust
- Heritage Council NSW
- NSW Biodiversity Conservation Trust
- NSW Land and Housing Corporation
- Office of Strategic Lands (Planning Ministerial Corporation) (Corporation Sole)
- Regional Planning Panels (Northern, Southern, Western Hunter and Central Coast)
- Sydney District Planning Panels (Eastern City, North, South, Central City, West)



Kiersten Fishburn
 Secretary
 NSW Department of Planning and Environment

Date: 11 September, 2023

Compliance with *Privacy and Personal Information Protection Act 1998*

Division 7.3 of the Government Sector Finance Act 2018 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 (PPIP Act). It must also provide statistical details of any reviews conducted by or on behalf of the agency, under Part 5 of the PPIP Act.

The NSW Biodiversity Conservation Trust complies with the Privacy Management Plan for the Department of Planning and Environment.

The Plan outlines how the Department and its associated agencies comply with the principles of the PPIP Act and the Health Records and Information Privacy Act 2002. Officers in the department's Information Access & Privacy unit also provide specialist privacy advice and training to staff.

In 2022-2023, The NSW Biodiversity Conservation Trust received no applications for review under Part 5 of the PPIP Act.

Government Information (Public Access) Act 2009

Under Schedule 3 of the *Government Information (Public Access) Regulation 2018*²⁹, the NSW Biodiversity Conservation Trust is a subsidiary agency for the purposes of the *Government*

²⁹ legislation.nsw.gov.au/view/html/inforce/current/sl-2018-0510

*Information (Public Access) Act 2009*³⁰. Therefore, all statistical information about access applications required to be included in an annual report regarding the Trust, in compliance with s125 of the *Government Information (Public Access) Act 2009* and Clause 8 of the *Government Information (Public Access) Regulation 2018*, is included in the annual report of the NSW Department of Planning and Environment.

Public Interest Disclosures Act 1994

The Department of Planning and Environment was responsible for all Public Interest Disclosures on behalf of the NSW Biodiversity Conservation Trust through the 2022-2023 financial year, and, as per the Public Interest Disclosures Act 1994 (NSW)³¹, has reported on the agency's behalf in its annual report.

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.

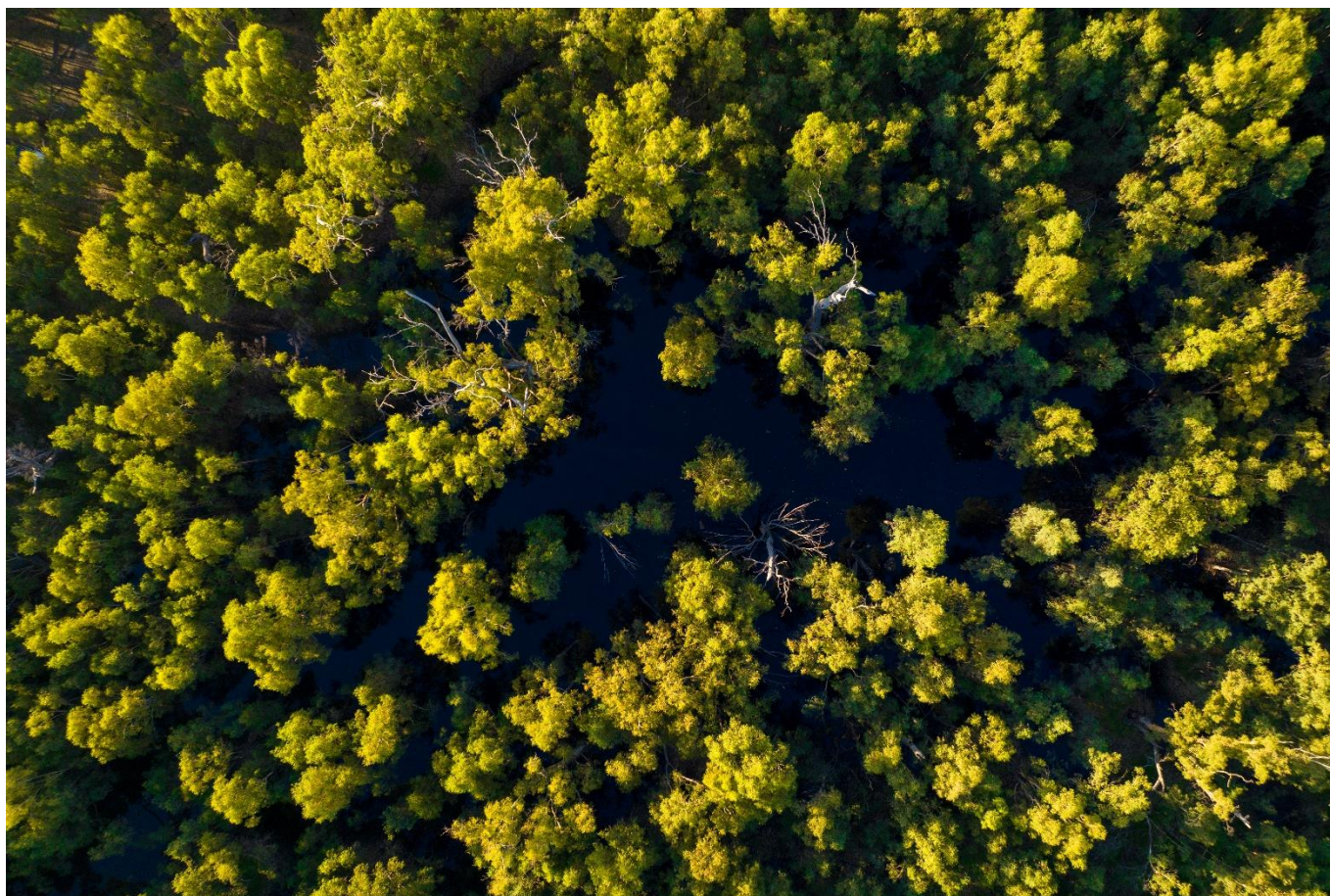
The report is available online at www.bct.nsw.gov.au

Exemptions

The NSW Biodiversity Conservation Trust has not been exempted from any annual reporting provisions for the 2022–2023 financial year.

³⁰ legislation.nsw.gov.au/view/html/inforce/current/act-2009-052

³¹ legislation.nsw.gov.au/view/html/inforce/current/act-1994-092



An aerial shot of the conservation agreement area on *Moona*, in the Murray Riverina region.

Credit: Colin Elphick

Sustainability

The inclusions of this annual report, under the content area of Sustainability, are supplied in alphabetical order, as per the *NSW Treasury Annual Reporting Framework (2023)*.

Modern Slavery Act 2018 (NSW)

The NSW Biodiversity Conservation Trust operates under the Department of Planning and Environment 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)*³² are reported in the Department of Planning and Environment's Annual Report 2022-2023.

³² legislation.nsw.gov.au/view/whole/html/inforce/current/act-2018-030

Work Health and Safety

There were no notifiable injuries or prosecutions under the *Work Health and Safety Act 2011 (NSW)*³³ recorded by the NSW Biodiversity Conservation Trust in the 2022-2023 financial year.

The NSW Biodiversity Conservation Trust encourages a culture of reporting hazards, incidents and near misses in the workplace. Incidents reported by staff members were minor in nature, such as insect bites or minor trips and falls.

Table 10: Distribution of injuries reported to the Department's WHS Team in 2022-2023

Injury outcome	Injury numbers	Injury %
Lost time injury	1	10%
Medical treatment only	3	30%
No treatment/first aid treatment	6	60%

Table 11: Mechanism of injury data from Icare Insurance for NSW data at 30 June 2023

Mechanism of injury	Number claims	Claims %
Falls, trips, and slips of a person	3	50
Body stressing	1	16.7%
Hitting objects with a part of the body	1	16.7%
Other and multiple mechanisms of incident	1	16.7%

Table 12: Lost time rates calculated from Icare Insurance for NSW data at 30 June 2023

Description	Number
Lost time claim count	0

In 2022-2023, NSW Biodiversity Conservation Trust staff members reported to the agency's Work Health and Safety committee:

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

Driver training

Due to a high frequency of vehicle use, online defensive driver training was made available to all staff.

In addition, a practical defensive driving course was made available to staff members required to frequently drive a vehicle as part of their work.

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

³³ legislation.nsw.gov.au/view/html/inforce/current/act-2011-010

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

Safety tracking devices

Following a successful trial in 2021-2022, the NSW Biodiversity Conservation Trust implemented the use of inReach satellite communication devices, and trained staff to use them as standard, in field and remote work.

Work Health and Safety Committee

The NSW Biodiversity Conservation Trust's Work Health and Safety (WHS) Committee met five (5) times in the 2022-2023 financial year.

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

The committee:

- reviews incidents reported.
- develops and maintains a WHS Action Plan.
- responds to the recommendations of routine internal WHS audits.
- aligns the organisation's WHS policies and procedures with those of the Department of Planning and Environment.

Workforce diversity

The NSW Biodiversity Conservation Trust is guided by a number of culture and diversity strategies set by the Department of Planning and Environment, 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 include the NSW Biodiversity Conservation Trust cultural vision, Department of Planning and Environment cultural roadmap and NSW Public Sector Values.

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.

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 DPE 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 DPE Aboriginal Network, Cluster Rainbow Connection, Cluster Disability Employee Network, Spokeswomen Program (promoting gender equity), and Young Professionals Network.

Table 13: Trends in representation of workforce diversity groups at the NSW Biodiversity Conservation Trust

Workforce diversity group	Benchmark	2020-21	2021-22	2022-23
Women ³⁴	50%	56.48%	60.2%	60.5%
Aboriginal and/or Torres Strait Islander People ³⁵	3.3%	2.78%	2.9%	3.5%
People whose first language spoken as a child was not English ³⁶	23.2%	3.7%	6.3%	6.4%
People with disability ³⁷	5.6%	1.85%	3.5%	4.2%
People with disability requiring work-related adjustment	NA	NA	0.8%	1.4%

Aboriginal and Torres Strait Islander programs and initiatives

Of the NSW Biodiversity Conservation Trust workforce, 3.5 per cent identify as having Aboriginal or Torres Strait Islander cultural heritage. This is 0.5 per cent above the Department of Environment and Planning's Environment and Heritage Group average.

In the 2022-2023 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:

- Ongoing implementation of the agency's *Aboriginal Engagement Implementation Plan 2019-20 to 2022-23*.
- Ongoing implementation of the agency's *Cultural Protocols Guide*.
- Targeted recruitment for 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 DPE Nguluway Aboriginal Mentoring Program.
- Participation in a range of DPE and NSW Biodiversity Conservation Trust diversity events, including NAIDOC week and National Reconciliation Week.

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.

³⁴ The benchmark of 50 per cent for representation of women across the sector is intended to reflect the gender composition of the NSW community.

³⁵ 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.

³⁶ 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.

³⁷ 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.

Disability Inclusion Action Plan

All Disability Inclusion Action Plan initiatives for the NSW Biodiversity Conservation Trust are reported in the Department of Planning and Environment's Annual Report 2022-2023.

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 of Planning and Environment's *Diversity and Inclusion Workforce Strategy 2021-2025*.

In the 2022-2023 financial year, 60.5 per cent of NSW Biodiversity Conservation Trust staff members identified as female, with 66.6 per cent of women in senior leadership roles. This exceeded a NSW Government goal of 50 per cent women in senior leadership roles by 2025.

The agency 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 2023 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 Planning and Environment's Annual Report 2022-2023.

Code of Ethics and Conduct

Employees of the NSW Biodiversity Conservation Trust are obliged to comply with all integrity obligations of the Department of Planning and Environment'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)*³⁸ is reported as an ethical framework in its 2022-2023 Annual Report.

³⁸ www.psc.nsw.gov.au/sites/default/files/2022-08/code_of_conduct_direction_2022.pdf

Annual financial statements

For the year ended 30 June 2023



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 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant 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 2018* (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/ar4.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 November 2023
SYDNEY

Biodiversity Conservation Trust

Annual Financial Statements

For the year ended 30 June 2023

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Biodiversity Conservation Trust
Statement by Members of The Trust
For the year ended 30 June 2023

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 2018* 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

7 November 2023

Biodiversity Conservation Trust
Statement of Comprehensive Income
For the year ended 30 June 2023

		Actual 2023 \$'000	Budget 2023 \$'000	*Restated Actual 2022 \$'000
	Notes			
Continuing operations				
Expenses excluding losses				
Operating expenses				
Personnel services	2(a)	19,886	18,156	16,335
Other operating expenses	2(b)	17,546	46,687	18,703
Depreciation and amortisation expense	2(c)	534	94	283
Grants and subsidies	2(d)	11,929	11,972	9,881
Finance costs	2(e)	17	12	13
Unrealised loss from TCorpIM Funds measured at fair value through profit or loss	3(d)	-	-	17,336
TOTAL EXPENSES EXCLUDING LOSSES		49,912	76,921	62,551
Revenue				
Interest revenue	3(a)	6,138	-	239
Grants and contributions	3(b)	94,321	92,395	118,963
Other revenue	3(c)	5,542	2,885	4,235
Realised gain from TCorpIM Funds (distributions)	3(d)	4,988	-	4,880
Unrealised gain from TCorpIM Funds measured at fair value through profit or loss	3(d)	15,872	11,854	-
TOTAL REVENUE		126,861	107,134	128,317
Operating result				
Gain on disposal	4(a)	103	-	618
Loss on developers' payments offset obligation acquittals*	4(b)	(2,239)	-	(374)
Other gains/ (losses)	5	-	-	6
Net result	22(a)	74,813	30,213	66,016
TOTAL COMPREHENSIVE INCOME				
		74,813	30,213	66,016

* Comparative figures were restated for the effects of prior period error. Refer Note 30.

The accompanying notes form part of these financial statements.

Biodiversity Conservation Trust
Statement of Financial Position
As at 30 June 2023

	Notes	Actual 2023 \$'000	Budget 2023 \$'000	*Restated Actual 2022 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	7	238,280	146,877	152,209
Financial assets at fair value	8	237,631	169,478	182,034
Receivables	9	491	67	431
Land and buildings held for sale	11	7,042	8,851	4,549
Inventories	12	16,669	25,651	24,284
Total current assets		500,113	350,924	363,507
Non-current assets				
Plant and equipment	13	217	84	179
Intangibles	14	2,934	686	1,968
Right of use assets	15(a)	341	458	279
Total non-current assets		3,492	1,228	2,426
Total assets		503,605	352,152	365,933
LIABILITIES				
Current liabilities				
Payables	18	5,664	2,368	4,462
Contract liabilities	10	738	242	6,039
Borrowings	19	124	121	95
Provisions	20	159,320	104,121	92,435
Total current liabilities		165,846	106,852	103,031
Non-current liabilities				
Payables	18	38	-	31
Borrowings	19	223	362	186
Provisions		-	32	-
Total non-current liabilities		261	394	217
Total liabilities		166,107	107,246	103,248
Net assets		337,498	244,906	262,685
EQUITY				
Accumulated funds		337,498	244,906	262,685
Total equity		337,498	244,906	262,685

* Comparative figures were restated for the effects of prior period error. Refer Note 30.

The accompanying notes form part of these financial statements.

Biodiversity Conservation Trust
Statement of Changes in Equity
For the year ended 30 June 2023

	Accumulated funds \$'000	Total \$'000
Balance at 1 July 2022	262,685	262,685
Net result for the year	74,813	74,813
Total comprehensive income for the year	74,813	74,813
Balance at 30 June 2023	337,498	337,498
	Restated Accumulated funds \$'000	*Restated Total \$'000
Balance at 1 July 2021	187,980	187,980
Effect of prior period error (refer Note 30)	8,689	8,689
Restated balance 1 July 2021	196,669	196,669
Net result for the year (As restated)*	66,016	66,016
Total comprehensive income for the year	66,016	66,016
Balance at 30 June 2022	262,685	262,685

** Restated for the effects of prior period error. Refer Note 30.*

The accompanying notes form part of these financial statements.

Biodiversity Conservation Trust
Statement of Cash Flows
For the year ended 30 June 2023

	Notes	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel services		(18,738)	(18,156)	(15,802)
Grants and subsidies		(11,929)	(11,972)	(9,881)
Other operating expenses		(24,998)	(46,687)	(13,176)
Finance costs		-	(12)	-
Biodiversity credits		(1,099)	-	(11,595)
Purchase of biodiversity credits as inventory		-	-	(19)
Purchase of biodiversity credits for acquittals		(12,774)	-	(6,894)
Total Payments		(69,538)	(76,827)	(57,367)
Receipts				
Developers' payments - biodiversity credits		85,279	-	69,824
Other receipts		9,397	2,885	5,801
Interest received		6,138	11,854	239
Grants and contributions		93,473	92,395	118,910
Total Receipts		194,287	107,134	194,774
NET CASH FLOWS FROM OPERATING ACTIVITIES	22a	124,749	30,307	137,407
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property held for sale		1,332	15,000	7,574
Proceeds from sale of plant and equipment		-	(15,000)	-
Purchases of property held for sale and plant and equipment		(3,813)	-	(2,775)
Purchase of Intangible assets		(1,308)	-	(1,305)
Net purchase of financial assets	22b	(34,737)	-	(67,122)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(38,526)	-	(63,628)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of lease liability		(152)	(83)	(218)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(152)	(83)	(218)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		86,071	30,224	73,561
Opening cash and cash equivalents		152,209	116,653	78,648
CLOSING CASH AND CASH EQUIVALENTS	7	238,280	146,877	152,209

The accompanying notes form part of these financial statements.

Biodiversity Conservation Trust

Notes to the financial statements

For the year ended 30 June 2023

1. Summary of significant accounting policies

(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. Refer note 28.

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 17 and note 27. 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.

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.

The Department of Planning and Environment (DPE) provides personnel services to the BCT. 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*.

The BCT's financial statements have been authorised for issue by the Board on 7 November 2023.

(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)
- Treasurer's Directions issued under the GSF Act.

Plant and equipment, 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.

Biodiversity Conservation Trust
Notes to the financial statements
For the year ended 30 June 2023

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.

Biodiversity Conservation Trust

Notes to the financial statements

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(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.

The developers' payments provision remeasurement loss and the gain/(loss) on acquittals in the prior year was restated for the effects of prior period error. The realised portion of earnings from TCorpIM funds was also reclassified out of the unrealised gains on TcorpIM funds. The cumulative effect of the error on prior periods beyond the comparative period was shown as an adjustment to the beginning balance of equity in the comparative period. Comparative information is provided in note 30.

(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.

As disclosed in the 2022-23 NSW State Budget Papers, the total operations of the BCT contribute to the State outcome: *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*. Refer note 6.

(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 Department of Planning and Environment (DPE) 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 2023

1. Summary of significant accounting policies (continued)

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

(i) Effective for the first time in FY2022-23

The following amendments and interpretations apply for the first time in 2022-23 and have been assessed to not have a material impact on the financial statements of the BCT.

- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments* (effective from 1 January 2022)
- AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* (effective from 1 January 2022)
- AASB 2021-7a *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (effective from 1 January 2022)
- AASB 2022-3 *Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15*

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective (NSW Treasury mandate TPG 23-04):

- AASB 17 *Insurance Contracts* (effective from 1 January 2023)
- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* (effective from 1 January 2024)
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* (effective from 1 January 2023)
- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (effective from 1 January 2023)
- AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards* (effective from 1 January 2023)
- AASB 2021-7b *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (effective from 1 January 2023)
- AASB 2021-7c *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (effective from 1 January 2023)
- AASB 2022-1 *Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information* (effective from 1 January 2023)
- AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback* (effective from 1 January 2024)
- AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants* (effective from 1 January 2024)
- AASB 2022-7 *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards* (effective from 1 January 2023)
- AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* (effective from 1 January 2023)
- AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector* (effective from 1 July 2026)
- AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* (effective from 1 January 2024)

BCT has assessed the impact of the new standards and interpretations issued but not yet effective and considers the impact to be not material. However, when AASB 2021-2 is adopted, there will be a disclosure amendment due to the change in the presentation of accounting policies as “material accounting policies” instead of “significant accounting policies”.

Biodiversity Conservation Trust

Notes to the financial statements

For the year ended 30 June 2023

1. Summary of significant accounting policies (continued)

(i) Impact of COVID-19 on Financial Reporting for 2022-23

COVID-19 has not resulted in any significant impact on the BCT's operations as it is funded by cluster grants from DPE. COVID-19 has slightly impacted on timing for various tenders and reduced the number of face-to-face interactions with landholders. COVID-19 has not impacted the value of BCT's assets.

(j) 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 manages 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 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 31.

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.

Biodiversity Conservation Trust
Notes to the financial statements
For the year ended 30 June 2023

2. Expenses excluding losses

Operating expenses

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

(a) Personnel services expenses

	2023	2022
	\$'000	\$'000
Salaries and wages (including annual leave)	16,070	14,202
Redundancy payments	273	-
Superannuation – defined contribution plans	1,579	1,333
Long service leave	868	(3)
Workers' compensation insurance	70	51
Payroll tax and fringe benefits tax	1,026	752
Total personnel services	19,886	16,335

Personnel services are received from DPE (Refer note 1(a)). Personnel services are recognised in the period in which they are incurred.

(b) Other operating expenses

	2023	2022
	\$'000	\$'000
Biodiversity projects – contractors	747	843
Insurance	121	77
Consultants	125	80
Fees and services*	4,255	3,484
Corporate service fees**	2,318	1,425
Biodiversity credits for immediate retirement***	7,347	10,541
Fleet costs	18	27
Advertising, publications and printing	105	81
Travel costs	555	413
Legal costs	350	285
Auditor's remuneration (audit of the financial statements)	116	69
Maintenance	156	43
Expenses relating to short term leases	98	72
Other occupancy costs	641	699
General administration	594	564
Total other operating expenses	17,546	18,703

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

**BCT received and paid for corporate, finance, Information Technology (IT) and human resources services from the Department of Planning and Environment.

***The Department of Planning and Environment commissions and funds the BCT to purchase biodiversity credits for retirement under various place-based biodiversity offset schemes. The \$7.347 million consists of \$6.347 million CPCP credits retired and \$1.000 million koala credits purchased and retired under the Koala program. Refer Note 3.

Biodiversity Conservation Trust
Notes to the financial statements
For the year ended 30 June 2023

2. Expenses (continued)

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.

Variable lease payments are not included in the measurement of the lease liability. These payments are recognised in the period in which the event or condition that triggers those payments occurs.

(c) Depreciation and amortisation expense

	2023	2022
	\$'000	\$'000
Depreciation and amortisation:		
Plant and equipment	53	32
Intangibles	342	52
Right-of-use asset	139	199
Total depreciation and amortisation	534	283

For recognition and measurement policies on depreciation refer to notes 13, 14 and 15.

Biodiversity Conservation Trust
Notes to the financial statements
For the year ended 30 June 2023

2. Expenses (continued)

(d) Grants and subsidies

	2023	2022
	\$'000	\$'000
Payments to landholders	11,929	9,881
Total grants and subsidies	11,929	9,881

These payments include \$10.200 million (2022: \$8.181 million) in annual payments to landholders with funded conservation agreements with the BCT, \$1.653 million (2022: \$1.532 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, \$0.076 million (2022: \$0.003 million) in management funding payments to landholders with contracts entered with the former Nature Conservation Trust (NCT) and \$nil (2022: \$0.165 million) in grants under the BCT's Education Program.

Recognition and measurement

Grants are generally 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.

(e) Finance costs

	2023	2022
	\$'000	\$'000
Interest expense from lease liabilities	17	13
Total finance costs	17	13

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

	2023	2022
	\$'000	\$'000
Interest income	6,138	239
Total interest income	6,138	239

Recognition and measurement

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired.

Biodiversity Conservation Trust
Notes to the financial statements
For the year ended 30 June 2023

3. Revenue (continued)

(b) Grants and contributions

	2023	2022
	\$'000	\$'000
Personnel services assumed by the State of New South Wales (Crown)	848	53
Grants with sufficiently specific performance obligation	9,796	-
Grants without sufficiently specific performance obligations*	83,677	118,910
Total grants and contributions	94,321	118,963

*As at 30 June 2023, the BCT received grants of \$50.07 million (2022: \$51.2 million) from the Climate Change Fund, \$23.681 million (2022: \$23.5 million) of NSW Government funding through Department of Planning and Environment, \$8.866 million (2022: \$7.8 million) from the Western Sydney Growth Centres program, \$9.796 million (2022: \$21.1 million) from the Cumberland Plain Conservation Plan and \$1.06 million (2022: \$15.3 million) from the Koala Program.

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.

The BCT did not have any revenue from grants with sufficiently specific milestones/performance obligations (as defined in the accounting standards).

Receipt of volunteer services is recognised when and only when the fair value of those services can be reliably determined, and the services would have been purchased if not donated. Volunteer services are measured at fair value. BCT has not recognised any volunteer services in the financial statements as at 30 June 2023 (2022: Nil).

(c) Other revenue

	2023	2022
	\$'000	\$'000
NCT funding agreements transferred to BCT	76	3
Administration fees - developers' payments	4,157	2,978
BSPF Fund Manager's fee	635	548
Fees for service (Offsets agreement processing)	239	401
BSAs / CAs application fees	81	136
BSAs annual reporting fees	227	124
Donations received by the BCT Public Fund	50	6
Miscellaneous	77	39
Total other revenue	5,542	4,235

Biodiversity Conservation Trust

Notes to the financial statements

For the year ended 30 June 2023

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 10 and 25.

(i) 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 (FY2022: 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 2023

(d) Gain/(loss) from TCorpIM Funds

	2023	2022
	\$'000	\$'000
Realised gain (distributions) reinvested	4,988	4,880
Unrealised gain/(loss) from TCorpIM Funds	15,872	(17,336)
Total gain/(loss) from TCorpIM Funds	20,860	(12,456)

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 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 derived 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.

Biodiversity Conservation Trust
Notes to the financial statements
For the year ended 30 June 2023

4. Gain / (loss) on disposal and developers' payments

(a) Gain / (loss) on disposal

	2023	2022*
	\$'000	\$'000
Proceeds from disposal of current/non-current assets:		
Land and buildings held for sale	1,332	7,574
Plant and equipment	-	-
Carrying value of current/non-current assets disposed of:		
Land and buildings held for sale	(1,204)	(6,851)
Plant and equipment	(25)	(105)
Net gain on disposal	103	618

* Restated to align with cash flows. Net gain is unchanged.

(b) Loss on developers' payments acquittals

	2023	Restated
	\$'000	2022
		\$'000
Cost of credits used to acquit obligations	(12,880)	(7,651)
Less: obligations fully acquitted	3,233	3,438
Less: obligations partially acquitted	7,408	3,839
Net (loss) on developers' payments acquittals	(2,239)	(374)

The BCT has restated the losses on acquittals of developers' payments offset obligations as a result of a prior period error. The cost basis in determining any loss on acquittal was also restated to equal the amount paid in by developers.

5. Other gains / (losses)

	2023	2022
	\$'000	\$'000
Derecognition of right-of-use assets and lease liabilities with Property NSW	-	6
Net gain on disposal	-	6

* The net gain was recognised from the derecognition of the right-of-use asset and lease liability with Property NSW as at 30 June 2022.

	Buildings
	2022
	\$'000
Right-of-use asset	
Gross carrying value	(267)
Less: accumulated depreciation and accumulated impairment provision	136
Net book value	(131)
Amortised balance of incentives received	-
Lease liability	137
Net gain	6

Biodiversity Conservation Trust

Notes to the financial statements

For the year ended 30 June 2023

6. State Outcomes delivered by the Planning and Environment cluster

State Outcome: Stewardship of New South Wales's built and natural environment.

Description of the State Outcome: 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; 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. The BCT distributes funds to local rural communities through annual conservation management payments, grants and other financial instruments.

The total operations of the BCT contribute to the above, hence separate State Outcome statements are not required. Refer note 1(f).

Biodiversity Conservation Trust
Notes to the financial statements
For the year ended 30 June 2023

7. Current assets – cash and cash equivalents

	2023	2022
	\$'000	\$'000
Cash at bank and on hand	238,280	152,209
Total cash and cash equivalents	238,280	152,209

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.

	2023	2022
	\$'000	\$'000
Cash and cash equivalents (per statement of financial position)	238,280	152,209
Closing cash and cash equivalents (per statement of cash flows)	238,280	152,209

Refer notes 17 and 27 for details on restricted assets. Refer note 23 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

8. Current assets – financial assets at fair value

	2023	2022
	\$'000	\$'000
TCorpIM Funds - Long Term Growth Fund	237,631	182,034
Total financial assets at fair value	237,631	182,034

Details regarding market risk are disclosed in note 23.

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 2023, the BCT holds 238,849,486.60 units in the TCorpIM Long Term Growth Fund at \$0.99490 per unit (30 June 2022: 198,787,564 units held at \$0.91572 per unit).

Classification and measurement

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or 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 as part of the operating result due to a net unrealised gain or loss incurred during any year.

Biodiversity Conservation Trust
Notes to the financial statements
For the year ended 30 June 2023

9. Current assets – receivables

	2023	2022
	\$'000	\$'000
Sale of goods and services	98	18
BCT management fees for BSAs	393	413
Total receivables	491	431

Details regarding credit risk of trade debtors that are neither past due nor impaired are disclosed in note 23.

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.

Impairment

The BCT holds receivables with the objective of collecting the contractual cash flows and therefore measures them at amortised cost. The BCT assesses the collectability of its receivables based on business and economic conditions including the impact of COVID-19 and recent natural disasters and with consideration to the following:

- increased credit risk associated with debtors as a result of poor trading conditions
- higher receivables balances (i.e., exposure at default) due to recent credit deferment policies of government and/or late payment
- lost time value of money, if contractual payment dates are extended or amounts are expected to be received later than when contractually due.

As at 30 June 2023, the BCT believes that these conditions have not significantly affected the collectability of its receivables.

Biodiversity Conservation Trust
Notes to the financial statements
For the year ended 30 June 2023

10. Contract assets and liabilities

	2023	2022
	\$'000	\$'000
Contract liabilities:		
Cumberland Plain Conservation Plan (CPCP)	538	5,763
Nature Conservation Trust (NCT)	200	276
Total	738	6,039

Recognition and measurement

BCT does not have contract assets as at 30 June 2023 (30 June 2022: 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)(i) and note 25(b).

These remaining obligations from the previous NCT have been presented as contract liabilities as at 30 June 2023 and 30 June 2022 in accordance with AASB 15.

	2023	2022
	\$'000	\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	5,839	3
Revenue recognised from performance obligations satisfied in previous periods	-	-
Transaction price allocated to the remaining performance obligations from contracts with customers	738	6,039

11. Current assets – land and buildings held for sale

	2023	2022
	\$'000	\$'000
Land and buildings	7,042	4,549
Total land and buildings held for sale	7,042	4,549

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

At 30 June 2023, the BCT held four parcels of land (and any associated buildings) classified as land held for sale (30 June 2022: 3 parcels), where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Land and buildings held for sale are recognised in accordance with AASB 5 and AASB 13 at the lower of their carrying amount and fair value less costs of disposal. Impairment on land and buildings held for sale are assessed annually and any loss is expensed in the Statement of Comprehensive Income. Refer note 16. The BCT intends to sell all parcels of land (and any associated buildings) held at 30 June 2023 in the following year. These assets are not depreciated while they are classified as held for sale.

Biodiversity Conservation Trust
Notes to the financial statements
For the year ended 30 June 2023

12. Current assets – inventories

	2023	2022
	\$'000	\$'000
Held for distribution		
Biodiversity credits	16,669	24,284
Total inventories	16,669	24,284

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.

13. Non-current assets – property, plant and equipment

	Plant and equipment	Total
	\$'000	\$'000
At 1 July 2021 - fair value		
Gross carrying amount	98	98
Accumulated depreciation and impairment	(14)	(14)
Net carrying amount	84	84
Year ended 30 June 2022		
Net carrying amount at beginning of year	84	84
Additions	232	232
Disposals	(105)	(105)
Depreciation expense	(32)	(32)
Net carrying amount at end of year	179	179

At 1 July 2022 - fair value		
Gross carrying amount	225	225
Accumulated depreciation and impairment	(46)	(46)
Net carrying amount	179	179
Year ended 30 June 2023		
Net carrying amount at beginning of year	179	179
Additions	116	116
Disposals	(25)	(25)
Depreciation expense	(53)	(53)
Net carrying amount end of year	217	217
At 30 June 2023 - fair value		
Gross carrying amount	312	312
Accumulated depreciation and impairment	(95)	(95)
Net carrying amount	217	217

Biodiversity Conservation Trust
Notes to the financial statements
For the year ended 30 June 2023

13. Non-current assets – property, plant and equipment (continued)

Recognition and measurement

(i) Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and 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.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

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

Property, 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) Major inspection costs

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

(iv) Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

(v) Depreciation of property, 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 6.7 to 25 per cent (2022: 6.7 to 7.7 per cent).

All material identifiable components of assets are depreciated separately over their useful lives.

(vi) 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 15.

13. Non-current assets – property, plant and equipment (continued)

Recognition and measurement (continued)

(vii) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with TPP21-09 *Valuation of Physical Non-current Assets at Fair Value* Policy and Guidelines Paper and Treasurer's Direction *Valuation of Physical Non-Current Assets at Fair Value* (TD21-05). This policy adopts fair value in accordance with AASB 13 *Fair value measurement* and AASB 116 *Property, 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 property, plant and equipment are reviewed at each financial year end.

(viii) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of assets* is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material.

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.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

Biodiversity Conservation Trust
Notes to the financial statements
For the year ended 30 June 2023

14. Non-current assets – intangibles

	Software \$'000	Work in progress \$'000	Total \$'000
At 1 July 2022 - fair value			
Gross carrying amount	825	1,195	2,020
Accumulated depreciation and impairment	(52)	-	(52)
Net carrying amount	773	1,195	1,968
Year ended 30 June 2023			
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)
Net carrying amount at end of year	2,771	163	2,934
At 30 June 2023 - fair value			
Gross carrying amount	3,165	163	3,328
Accumulated amortisation and impairment	(394)	-	(394)
Net carrying amount	2,771	163	2,934

	Software \$'000	Work in progress \$'000	Total \$'000
At 1 July 2021 - fair value			
Gross carrying amount	-	686	686
Accumulated depreciation and impairment	-	-	-
Net carrying amount	-	686	686
Year ended 30 June 2022			
Net carrying amount at beginning of year	-	686	686
Additions	383	951	1,334
Transfer from work in progress	442	(442)	-
Amortisation expense	(52)	-	(52)
Net carrying amount at end of year	773	1,195	1,968

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 initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the BCT's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses. 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. Software assets are subsequently measured at fair value only if there is an active market. As there is no active market for the BCT's intangible software assets, the assets are carried at cost less any accumulated amortisation and impairment losses. 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

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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.

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15. Leases

Entity as lessee

The BCT leases various properties, equipment and 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.

The BCT has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new.

During the financial year ended 30 June 2022, BCT accepted changes in the office accommodation arrangements with Property NSW (PNSW). The main change was the introduction of the “substitution right” clause for PNSW to relocate BCT during the term of the agreement. This clause, effective from 30 June 2022, provides PNSW with a substantive substitution right and in effect removes the ability of BCT to control the use of an identified accommodation area for a specified period. BCT has made a judgment that PNSW can obtain benefits from exercising the substitution right when it achieves office accommodation efficiency at the whole-of-government level and/or its other service objectives. It is also considered practical for PNSW to exercise the substitution right due to the general nature of the relevant office accommodation.

As a result of the above, the corresponding right-of-use assets and lease liabilities were derecognised on 30 June 2022, the effective date of the new clause. The net impact of the derecognition was recognised in note 5 “other gains/losses”. Further, from 1 July 2022, the accommodation charges are recognised as expenses when incurred over the agreement duration.

(a) Right-of-use assets under leases

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

	Buildings \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2022	-	279	279
Additions	-	201	201
Depreciation expense	-	(139)	(139)
Balance at 30 June 2023	-	341	341
	Buildings \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2021	5	376	381
Additions	193	35	228
Depreciation expense	(67)	(132)	(199)
Derecognition of right-of-use asset	(131)	-	(131)
Balance at 30 June 2022	-	279	279

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15. Leases (continued)

(b) Lease liabilities

The following table presents liabilities under leases.

	2023	2022
	\$'000	\$'000
Balance at 1 July	281	389
Additions	201	228
Interest expenses	17	13
Payments	(152)	(212)
Derecognition of lease liabilities	-	(137)
Balance at 30 June	347	281

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

	2023	2022
	\$'000	\$'000
Depreciation expense of right-of-use assets	139	199
Interest expense on lease liabilities	17	13
Expense relating to short-term leases	98	72
Gains or losses arising from derecognising right-of-use assets and lease liabilities with Property NSW	-	(6)
Total amount recognised in the Statement of Comprehensive Income	254	278

The BCT had total cash outflows for leases of \$0.15 million in FY2023 (FY2022: \$0.22 million).

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15. Leases (continued)

Recognition and measurement

The BCT assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. 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
- Buildings 2 to 3 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.

The right-of-use assets are also subject to impairment. 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. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

(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.

15. 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.

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16. 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 23 for further disclosures regarding fair value measurements of financial assets.

(a) Fair value hierarchy

30 June 2023	Level 1	Level 2	Level 3	Total Fair Value
	\$'000	\$'000	\$'000	\$'000
Land and buildings held for sale (Note 11)	-	7,042	-	7,042
Total	-	7,042	-	7,042

30 June 2022	Level 1	Level 2	Level 3	Total Fair Value
	\$'000	\$'000	\$'000	\$'000
Land and buildings held for sale (Note 11)	-	4,549	-	4,549
Total	-	4,549	-	4,549

There were no transfers between level 1 or 2 during the current year and the previous year.

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

Fair value measurement and hierarchy (continued)

(b) Valuation techniques, inputs and processes

Asset class	Valuation technique	Comments
Current assets-land and buildings held for sale	Market	Based on market evidence

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 2023 was completed by management based on an assessment of market movement by an independent valuer and no adjustment for impairment was needed because market values were higher than the carrying amounts.

17. Restricted assets

	2023	2022
	\$'000	\$'000
Cash (BCF)	238,039	151,209
Cash (Biodiversity Conservation Trust Public Fund)	56	6
TCorpIM Long Term Growth Fund	237,631	182,034
Total restricted assets	475,726	333,249

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 8.

18. Current / Non-current liabilities – payables

	2023	2022
	\$'000	\$'000
Current		
Creditors	1,908	694
Personnel services	2,550	2,257
GST payable	1,206	1,511
Total current payables	5,664	4,462

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18. Current / Non-current liabilities – payables (continued)

	2023	2022
	\$'000	\$'000
Non-current		
Personnel services	38	31
Total Non-current payables	38	31

Current personnel services relate to the amount payable to DPE for employee entitlements of \$2.155 million (2022: \$2.01 million) and accrued salaries of \$0.395 million (2022: \$0.24 million). Non-current personnel services liabilities of \$0.038 million (2022: \$0.03 million) relate to the non-current portion of employee long service leave entitlements. Refer note 2(a).

Details regarding liquidity risk, including a maturity analysis of the above payables, are disclosed in note 23.

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.

19. Current / Non-current liabilities – borrowings

	2023	2022
	\$'000	\$'000
Current borrowings		
Lease liability (See Note 15)	124	95
Total current borrowings	124	95
Non-current borrowings		
Lease liability (See Note 15)	223	186
Total Non-current borrowings	223	186

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19. Current / Non-current liabilities – borrowings (continued)

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

	Leases	Total liabilities
	\$'000	from financing
		activities
		\$'000
1 July 2021	389	389
Cash flows	(212)	(212)
New leases	228	228
Interest expenses	13	13
Derecognition of leases	(137)	(137)
30 June 2022	281	281
Cash flows	(152)	(152)
New leases	201	201
Interest expenses	17	17
30 June 2023	347	347

20. Current liabilities – provisions

	2023	Restated
	\$'000	2022
		\$'000
Current		
Developers' payments offset obligations	159,320	92,435
Total provisions	159,320	92,435

Movements in provisions (other than employee leave benefits)		
Movements in the provision during the financial year are set out below:	2023	Restated
	\$'000	2022
		\$'000
Carrying amount at 1 July	92,435	36,236
Less: partial acquittals	(7,408)	(3,839)
Less: full acquittals	(5,472)	(3,813)
Less: loss on acquittals (Refer note 4b)	2,239	374
Additional developers' payments received	77,526	63,477
Carrying amount at 30 June	159,320	92,435

Biodiversity Conservation Trust

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20. Current liabilities – provisions (continued)

Recognition and measurement

(i) 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 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).

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'.

The developers' payments offset obligations and the loss on acquittals in the prior year were restated for the effects of prior period error. The cumulative effect of the error on prior periods beyond the comparative period was shown as an adjustment to the beginning balance of equity in the comparative period. Refer note 30.

21. Contingent liabilities and assets

A contingent liability is a potential liability that may occur depending upon the outcome of uncertain future events. The BCT is not aware of any contingent liabilities at 30 June 2023 (Nil as at 30 June 2022).

A contingent asset is a possible asset that may arise because of a gain that is contingent on future events, not under the BCT's control. The BCT is not aware of any contingent assets at 30 June 2023 (Nil as at 30 June 2022).

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22. Reconciliation of cash flows from operating activities to net result

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

	2023	Restated
	\$'000	2022
		\$'000
Net cash from operating activities	124,749	137,407
Depreciation	(534)	(283)
Finance costs	(17)	(13)
Gain/(loss) on derecognition of ROU assets	-	6
Increase/(decrease) in receivables (including accrued project cost in 2022)	60	394
(Increase)/decrease in payables	(1,209)	(2,094)
(Decrease)/increase in inventories	(7,615)	(1,367)
(Increase)/decrease in provisions	(66,885)	(56,199)
Decrease/(increase) in contract liabilities	5,301	3
Gain on disposal of assets held for sale and PPE	103	618
Unrealised (loss)/gain from TCorpIM Funds measured at fair value	15,872	(17,336)
Realised gain (distributions) reinvested	4,988	4,880
Net result	74,813	66,016

(b) Net purchase of financial assets

	2023	2022
	\$'000	\$'000
Increase in TCorpIM LTGF funds	55,597	54,666
Realised gain (distributions) reinvested	(4,988)	(4,880)
Unrealised loss/(gain) for the period	(15,872)	17,336
Net purchase of financial assets per statement of cash flows	34,737	67,122

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23. 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

Financial Assets	Note	Category	Carrying	Carrying
			Amount	Amount
Class:			30 June 2023	30 June 2022
			\$'000	\$'000
Cash and cash equivalents	7	N/A	238,280	152,209
Receivables ¹	9	Receivables (at amortised cost)	98	18
Financial assets at fair value	8	Fair value through profit or loss - mandatory classification	237,631	182,034
Financial Liabilities			\$'000	\$'000
Class:				
Payables ²	18	Financial liabilities (at amortised cost)	4,496	2,982
Borrowings	19	Financial liabilities (at amortised cost)	347	281

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.

23. 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 2023 (and 30 June 2022) 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. The applicable rate of interest for the period to 30 June 2023 was 11.46% (30 June 2022: 8.07%). The rate of interest is determined by the Office of State Revenue.

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23. Financial instruments (continued)

(c) Financial risks (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
2023								
Payables	-	4,496	-	-	4,496	4,458	38	-
Borrowings	4.72%	347	347	-	-	124	223	-
		4,843	347	-	4,496	4,582	261	-
2022								
Payables	-	2,982	-	-	2,982	2,951	31	-
Borrowings	4.18%	281	281	-	-	95	186	-
		3,263	281	-	2,982	3,046	217	-

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the BCT 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 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 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 +1.00% or -0.05% is used (2022: +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.

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23. Financial instruments (continued)

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

(iii) **Market risk (continued)**

	Carrying amount \$'000	-0.05% Profit \$'000	Equity \$'000	+1.00% Profit \$'000	Equity \$'000
30 June 2023					
Financial assets:					
Cash in bank	238,280	(119)	(119)	2,383	2,383
	Carrying amount \$'000	-0.05% Profit \$'000	Equity \$'000	+1.00% Profit \$'000	Equity \$'000
30 June 2022					
Financial assets:					
Cash in bank	152,209	(76)	(76)	1,522	1,522

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

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 2023	30 June 2022
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	237,631	182,034

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).

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23. Financial instruments (continued)

(c) Financial risks (continued)

TCorpIM Funds (continued)

	Impact on net result / equity			
	Volatility	2023 \$'000	Volatility	2022 \$'000
Note 23(c) TCorpIM Funds				
TCorpIM Funds - Long Term Growth Fund	+/-10.4%	24,714	+/-10.5%	19,114

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).

2023	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Financial assets at fair value TCorpIM Funds		\$237,631		
2022	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Financial assets at fair value TCorpIM Funds		\$182,034		

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.

24. 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:

	2023 \$'000	2022 \$'000
Short-term employee benefits		
Salaries	644	686
Redundancy payment	199	-
Other monetary allowances	-	-
Non-monetary benefits	-	-
Total remuneration	843	686

The key management personnel compensation excludes the Minister for 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

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entities controlled or jointly controlled thereof during the year. The total key management personnel compensation in 2023 includes redundancy payments of \$0.199 million (2022: nil).

b. Related party transactions

As at 30 June 2023, the BCT received grants of \$50.07 million (2022: \$51.2 million) from the Climate Change Fund, \$23.681 million (2022: \$23.5 million) of NSW Government funding through Department of Planning and Environment, \$8.866 million (2022: \$7.8 million) from the Western Sydney Growth Centres program, \$9.796 million (2022: \$21.1 million) from the Cumberland Plain Conservation Plan and \$1.06 million (2022: \$15.3 million) from the Koala Program. These transactions support the BCT in meeting its objectives to deliver the State Outcome as detailed in note 6. The BCT also receives personnel services from DPE.

For the year ended 30 June 2023, the BCT paid \$11.89 million (year to 30 June 2022: \$3.82 million) to the Department of Planning and Environment for corporate, finance, Tax (BAS), IT, office space leases and human resources services.

The above transactions are disclosed as intangibles, leases, fees for services, general operating expenses, grants received, personnel and corporate services expenses, and are disclosed in relevant notes to the financial statements.

25. 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 2023, the BCT had entered 168 funded conservation agreements with landholders. In addition, the BCT had offered or committed to enter a further 19 funded conservation agreements which had not been signed by the landholders as at 30 June 2023, 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 expected payments to be made in the 2023-24 financial year total \$13.8 million (2022: \$8.7 million). Refer note 27.
- (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 (2022: 12) such agreements with a total outstanding obligation of \$0.20 million (2022: \$0.28 million). Refer notes 3(c) and 10.

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26. 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
Net result	
Actual comprehensive income was \$74.8 million compared to budget of \$30.2 million - a variance of \$44.6 million.	
The above variance was driven mainly by expenses for procurement of place-based offsets budgeted in 2022-23 but expected to be spent in 2023-24, and higher than anticipated revenues from fees, Growth Centres grants and TCorpIM earnings.	
Expenses and losses:	
Total expenses including losses of \$52.0 million vs. budget of \$76.9 million. The \$24.9 million favourable variance is mainly due to expenses for procurement of Cumberland Plain Conservation Plan (CPCP) offsets of \$20.2 million and Growth Centres offsets of \$8.2 million budgeted in 2022-23 but is now expected to be spent in 2023-24, offset mainly by an unbudgeted CPCP offset from strategic credits of (\$1.3) million, and (\$2.2) million loss on acquittals of developers' payments offset obligations.	24.9
Revenue:	
Higher Growth Centres grants and other revenues from fees received of \$10.9 million, higher than budgeted TCorpIM earnings of \$9.0 million.	19.7
Total Net Result	44.6
Assets and liabilities	
Actual net assets of \$337.5 million against the budget of \$244.9 million – a variance of \$92.6 million	
<i>Total actual assets of \$503.6 million against a budget of \$352.1 million giving a favourable variance of \$151.5 million</i>	
- Increase in financial assets (TCorp investments), increase in cash due to higher than budgeted receipts from developer payments into Biodiversity Conservation Fund, cash retained from the positive operating result and retained cash from cash brought forward from the previous financial year	151.5
<i>Total liabilities of \$166.1 million against a budget of \$107.2 million, resulting in an unfavourable variance of \$58.9 million</i>	
- Mainly due to higher than budgeted developers' contributions to offset their biodiversity obligations recorded as provisions as well as increase in other payables.	(58.9)
Total Net Assets	92.6
Cash Flow	
Closing cash of \$238.3 million against a budget of \$146.9 million giving a variance of \$91.4 million	
Higher opening cash and cash equivalents balance of \$152.2 million compared to \$116.6 million budget	35.6
Cash flows from Operating Activities:	
Lower than anticipated operating expenses including purchase of place-based biodiversity credits budgeted in 2022-23 but now expected to be incurred in 2023-24 - \$20.1 million. Unbudgeted purchase of credits for acquittals – (\$12.8) million. Higher than anticipated receipts from developers (BCF payments) - \$85.1 million. Higher than budgeted Growth Centres grants and other fee revenues - \$2.0 million	94.4
Cash flow from Investing Activities:	
Higher than budgeted net purchase of financial assets (TCorp) – (\$34.7) million, higher net purchases of assets held for sale than budget – (\$3.8) million, purchase of intangibles (software & systems improvements) – (\$1.3) million; offset by proceeds from sales of assets held for sale properties - \$1.3 million.	(38.5)
Cash flow from Financing Activities:	
Higher than budgeted lease liability (AASB 16) payments	(0.1)
Total Net Cash flow	91.4

27. 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 2023, a total of \$218.4 million from the BCT's net assets have been allocated by management and the Board to fund the future annual management payments under these agreements. This is 120 per cent of the estimated present value of future conservation management payments as determined by the actuaries. This consists of \$194.7 million in TCorpIM funds, \$16.7 million in strategic biodiversity credits inventory and \$7.0 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. For the purposes of the analysis below, it is assumed that all investments earn the same rate of return, being the TCorpIM Funds' forecast rates.

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 PV-CAPs as at 30 June 2023 using risk-free rates and at a range of discount rates the BCT Board considers reasonably possible, 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.

As at 30 June 2023, the BCT had entered 168 funded conservation agreements with landholders. In addition, the BCT has offered or committed to enter a further 21 funded conservation agreements, which had not yet been signed by the landholders as at 30 June 2023, but which are likely to be signed in the next financial year.

Tables 27.1 and 27.2 show the PV-CAPs and net position against the assets, at a range of discount rates, as at 30 June 2023 for signed and registered agreements and for unregistered agreements respectively.

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27. Future payments under funded conservation agreements (continued)

Table 27.1 – PV-CAPs for signed and registered conservation agreements at a range of nominal discount rates*

Assets	Discount Rate	Estimated PV-CAPs	Adequacy	Adequacy %
\$181.5 million	3.00%	\$1,305.6 million	-\$1,124.1 million	14%
	3.50%	\$604.8 million	-\$423.3 million	30%
	4.00%	\$403.5 million	-\$222.0 million	45%
	Risk-free rates	\$311.0 million	-\$129.5 million	58%
	4.50%	\$307.5 million	-\$126.0 million	59%
	5.00%	\$250.9 million	-\$69.4 million	72%
	5.50%	\$213.5 million	-\$32.0 million	85%
	6.00%	\$186.8 million	-\$5.3 million	97%
	6.50%	\$166.7 million	\$14.8 million	109%
	7.00%	\$151.0 million	\$30.5 million	120%
7.50%	\$138.3 million	\$43.2 million	131%	

Table 27.2 – PV-CAPs for unregistered conservation agreements at a range of nominal discount rates*

Assets	Discount Rate	Estimated PV-CAPs	Adequacy	Adequacy %
\$36.9 million	3.00%	\$211.3 million	-\$174.4 million	17%
	3.50%	\$102.4 million	-\$65.5 million	36%
	4.00%	\$71.0 million	-\$34.1 million	52%
	Risk-free rates	\$56.6 million	-\$19.7 million	65%
	4.50%	\$55.9 million	-\$19.0 million	66%
	5.00%	\$46.9 million	-\$10.0 million	79%
	5.50%	\$40.9 million	-\$4.0 million	90%
	6.00%	\$36.6 million	\$0.3 million	101%
	6.50%	\$33.3 million	\$3.6 million	111%
	7.00%	\$30.7 million	\$6.2 million	120%
7.50%	\$28.6 million	\$8.3 million	129%	

*The following assumptions and calculations are made for tables 27.1 and 27.2: an assumed future inflation rate of 2.6% per annum; risk-free rates for all future years are derived from spot redemption yields of publicly traded Commonwealth bonds as at 30 June 2023. The longest maturity government bonds typically have maturities to 30 years from the valuation date, so an assumption is required for long-term risk-free rates after 30 years. A long-term risk-free forward rate of 4.5% per annum has been adopted for this purpose; and the percentage adequacy is calculated as the assets divided by estimated present value of payments.

**Risk-free rates used for discounting future cash flows vary from 3.94% per annum to 4.51% per annum depending on the timing of the cash flow. A single flat discount rate of 4.47% per annum produces approximately the same valuation result as the risk-free rates.

Three rates included in tables 27.1 and 27.2 (3.0%, 3.5% and 4.0%) are lower than the implied single discount rate that would match risk-free rates. The BCT's actuaries advise it is unlikely that long term interest rates would fall and remain at that level over the long term without some reduction in the rate of inflation (assumed to be 2.6%) and that therefore the estimates of present values at these rates are considered conservative.

Based on the latest actuarial report and based on investment strategies being used by the BCT, the total adequacy ratio for the assets held for funded conservation agreements (signed and unsigned) as at 30 June 2023 is 120 per cent. This was calculated using a discount rate of 6.99%, which is based on the latest TCorp investment return forecasts for the TCorpIM Funds net of a provision of 0.11% for management fee.

27. Future payments under funded conservation agreements (continued)

As demonstrated in tables 27.1 and 27.2, the BCF may have lower adequacy under certain investment return scenarios.

Future investment returns are inherently uncertain and, as a result, the value of assets held in the BCF for funded conservation agreements may be higher or lower than the PV-CAPs at any particular time.

The BCT's prudential policies and risk mitigation strategies are aimed at optimising the net position of the BCF. The BCT will actively monitor the adequacy of the BCF and regularly:

- receives updated TCorp projections on investment returns and volatility
- receives TCorp investment advice to optimise fund investment settings
- commissions independent actuarial advice on inflation and discount rate assumptions and modelling of the adequacy of the fund.

The present value of future conservation agreement payments has been calculated using future inflation of 2.6% p.a. based on TCorp's latest inflation assumption, which TCorp has advised is consistent with their investment return forecast. Assuming no change to discount rates, if the current valuation were to use a 3.0% p.a. inflation assumption instead of 2.6% p.a., the present value of registered and unregistered conservation agreements would increase by approximately \$15.0 million (8.2%).

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28. Funds, assets and future payments of the Biodiversity Stewardship Payments Fund (BSPF)

Funds 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. Refer note 1(a).

Movement in Funds		
	2023	2022
	\$'000	\$'000
Balance at start of the period	191,819	176,226
Add: receipts (TFDs) by the Fund	79,983	40,627
Add: earnings on invested amounts in the Fund	22,082	(14,629)
Less: annual management payments and expenses	(14,159)	(9,857)
Less: remuneration of the fund manager	(635)	(548)
Balance invested in the Fund	279,090	191,819
Statement of Financial Position		
	2023	2022
	\$'000	\$'000
ASSETS		
Current assets		
Cash and cash equivalents	17,512	16,216
Short term deposits	-	-
Total cash and cash equivalents	17,512	16,216
Financial assets at fair value		
TCorpIM Long Term Growth Fund	262,217	175,947
Total financial assets at fair value	262,217	175,947
GST receivables	87	69
Total receivables	87	69
Total current assets	279,816	192,232
LIABILITIES		
Current liabilities		
Accrued expenses	726	413
Total current liabilities	726	413
Net assets	279,090	191,819

The Biodiversity Stewardship Payments Fund (BSPF)

Under Section 6.35 of the Biodiversity Conservation Act 2016, the BCT has been appointed as Fund Manager of the Biodiversity Stewardship Payments Fund (BSPF). This appointment is at the discretion of the Minister for the Environment. The funds in the BSPF are held on behalf of biodiversity stewardship sites and cannot be used to fund BCT operations. They are therefore not included in the financial statements of BCT. However, as manager of the funds invested in the BSPF, any market risk is relevant to the BCT in the performance of its duties as Fund Manager.

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28. Funds, assets and future payments of the Biodiversity Stewardship Payments Fund (BSPF) (continued)

Monies held in the BSPF are invested in TCorpIM Funds:

Facility	Investment Sectors	Investment Horizon	30 June 2023	30 June 2022
Long-term growth facility	Cash, Australian nominal bonds, differentiated credit, high yield credit, Australian equities, developed market equities, emerging market equities, core alternatives, and defensive alternatives	Greater than 7 years	262,217	175,947

The unit price of the 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 Long-term Growth Fund (LTGF) balances the BSPF's exposure to risk and returns, as it allows diversification across a pool of assets with different investment horizons and a mix of investments.

If a biodiversity stewardship site account has an operational deficit greater than 20 per cent (i.e. an adequacy ratio of less than 80%), 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 of time. 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 the BCT continues to make full payments to landholders.

The net assets held in the BSPF, along with the investment earnings on those assets invested in NSW Treasury Corporation investment management funds (TCorpIM funds), are used to make annual payments to Biodiversity Stewardship Agreement (BSA) holders. Future biodiversity stewardship payments under BSAs become payable from the BSPF to landholders when they complete agreed biodiversity stewardship management actions.

The BCT commissioned actuarial advice to calculate the present value of the future biodiversity stewardship agreement payments (PV-BSAPs) as at 30 June 2023 using risk-free rates and at a range of discount rates the BCT Board considers reasonably possible, assuming all future management actions are undertaken in accordance with agreements and therefore all future management payments are to be made. The discount rates provided also have regard to the fact that these agreements are for an in-perpetuity term and in-perpetuity investments are more sensitive to movements in discount rates.

BSPF net assets for active BSAs consist of balances in TCorp, Westpac and GST receivables less accrued liabilities as at 30 June 2023 which amounted to \$256.6 million. Included in this figure are variations to three active BSAs which amounted to \$0.7 million.

For active BSAs—which is where the total fund deposit has been received in the BSPF and biodiversity stewardship agreement payments are being made—Table 28.1 shows the PV-BSAPs, net positions and adequacy ratios relative to the net assets held as at 30 June 2023.

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28. Funds, assets and future payments of the Biodiversity Stewardship Payments Fund (BSPF) (continued)

Table 28.1 – PV-BSAPs, net positions and adequacy ratios for active biodiversity stewardship agreements at a range of nominal investment return rates*

Assets	Discount rate	Estimated PV-BSAPs	Adequacy	Adequacy %
\$256.6 million	3.00%	\$1,788.4 million	-\$1,531.8 million	14%
	3.50%	\$825.7 million	-\$569.1 million	31%
	4.00%	\$549.7 million	-\$293.1 million	47%
	Risk-free rates	\$422.9 million	-\$166.3 million	61%
	4.50%	\$418.4 million	-\$161.8 million	61%
	5.00%	\$341.4 million	-\$84.8 million	75%
	5.50%	\$290.6 million	-\$34.0 million	88%
	6.00%	\$254.4 million	\$2.1 million	101%
	6.50%	\$227.4 million	\$29.2 million	113%
	7.00%	\$206.2 million	\$50.4 million	124%
7.50%	\$189.3 million	\$67.3 million	136%	

BSPF net assets of \$121.0 million for inactive BSAs consist of balances (partial TFD payments made) held in TCorp and Westpac as at 30 June 2023 which amounted to \$22.5 million, plus \$98.5 million of expected total fund deposit (TFD) payments.

For inactive BSAs—where an agreement has been signed and passive management requirements are in place but where the full total fund deposit has not yet been received, biodiversity stewardship payments are not yet being made and active management is not yet required—Table 28.2 shows the PV-BSAPs, net positions and adequacy ratios relative to the expected assets for these BSAs.

Table 28.2 – PV-BSAPs, net positions and adequacy ratios for inactive biodiversity stewardship agreements at a range of nominal investment return rates*

Expected Assets	Discount rate	Estimated PV-BSAPs	Adequacy	Adequacy %
\$121.0 million	3.00%	\$854.5 million	-\$733.5 million	14%
	3.50%	\$401.6 million	-\$280.6 million	30%
	4.00%	\$271.7 million	-\$150.6 million	45%
	Risk-free rates	\$211.9 million	-\$90.9 million	57%
	4.50%	\$209.7 million	-\$88.7 million	58%
	5.00%	\$173.3 million	-\$52.2 million	70%
	5.50%	\$149.2 million	-\$28.2 million	81%
	6.00%	\$132.0 million	-\$11.0 million	92%
	6.50%	\$119.1 million	\$1.9 million	102%
	7.00%	\$109.0 million	\$12.0 million	111%
7.50%	\$100.9 million	\$20.1 million	120%	

*The following assumptions and calculations were made for tables 28.1 and 28.2: an assumed future inflation rate of 2.6% per annum; risk-free rates for all future years are derived from spot redemption yields of publicly traded Commonwealth bonds as at 30 June 2023. The longest maturity government bonds typically have maturities to 30 years from the valuation date, so an assumption is required for long-term risk-free rates after 30 years. A long-term risk-free forward rate of 4.5% per annum has been adopted for this purpose; and the percentage adequacy is calculated as the assets divided by estimated present value of payments.

**Risk-free rates used for discounting future cash flows vary from 3.94% per annum to 4.51% per annum depending on the timing of the cash flow. A single flat discount rate of 4.47% per annum produces approximately the same valuation result as the risk-free rates.

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28. Funds, assets and future payments of the Biodiversity Stewardship Payments Fund (BSPF) (continued)

Three rates included in tables 28.1 and 28.2 (3.0%, 3.5% and 4.0%) are lower than the implied single discount rate that would match risk-free rates. The BCT’s actuaries advise it is unlikely that long term interest rates would fall and remain at that level over the long term without some reduction in the rate of inflation (assumed to be 2.6%) and that therefore the estimates of present values at these rates are considered conservative.

Based on the latest actuarial report, and based on the current investment strategies deployed, the BSPF’s total adequacy ratio for active and inactive BSAs as at 30 June 2023 is 117 per cent. The adequacy ratio for active BSAs is 122% and for passive BSAs is 109%. These ratios were calculated using a discount rate of 6.88%, which is based on the latest TCorp investment return forecasts for the TCorpIM LTGF net of a provision of 0.11% for Fund Manager fees.

Thirty-nine of the 183 active BSAs have adequacies of more than 130 percent some of which may be a result of payment timing impacts. Eight BSAs have less than 100 percent adequacy, with one having less than 80 percent. Market fluctuations may impact on future fund adequacy.

As demonstrated in tables 28.1 and 28.2, the BSPF may have lower adequacy under certain investment return scenarios. Future investment returns are inherently uncertain and, as a result, the value of assets of the BSPF may be higher or lower than the PV-BSAPs at any particular time. Given this volatility, the BCT will continue to work with the Department of Planning and Environment, NSW Treasury, the Minister and the NSW Government to explore options and implement any agreed measures to strengthen the adequacy position of the fund.

The BCT’s prudential policies and risk mitigation strategies are aimed at optimising the net position of the BSPF. The BCT actively monitors the adequacy of the BSPF and regularly:

- receives updated TCorp projections on investment returns and volatility
- receives TCorp investment advice to optimise fund investment settings
- commissions independent actuarial advice on inflation and discount rate assumptions and modelling of the adequacy of the fund.

The adequacy ratio for BSAs has been calculated using future inflation of 2.6% p.a. based on TCorp’s latest inflation assumption, which TCorp has advised is consistent with their investment return forecast. Assuming no change to discount rates, if the current valuation were to use a 3.0% p.a. inflation assumption instead of 2.6% p.a., the adequacy level of active BSAs would reduce from 117.3% to 108.2%.

Tables 28.1 and 28.2 are presented as aggregates to illustrate the sensitivity of the fund to a variety of factors like long-term TCorp earnings assumptions, inflation rate and discount rate, but the BCT does not manage the BSPF as a pool or pool its investments in TCorp. The net assets presented in these tables also include the estimated TFDs expected from inactive BSAs that are not yet on hand as at 30 June. This is illustrated in the following table:

	Amount \$ millions
Net assets per actuarial tables (Table 28.1 and 28.2)	377.6
Net assets per BSPF statement of financial position	279.1
Difference (expected TFDs from inactive BSAs)	98.5

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29. Events after the reporting period

In August 2023, the government announced changes to the structure of DPE that are effective from 1 January 2024. These changes include transfer of certain functions to a new Department of Climate Change, Energy, the Environment and Water with the remaining functions of the existing DPE to be retained by the Department of Planning, Housing and Infrastructure. From 1 January 2024, the Trust is likely to receive corporate and specialist services from the two departments. These changes will not have any impact on the operations, assets, liabilities and financial performance of the Trust.

30. Changes in comparatives due to prior period error

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 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).

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'.

In the 2022 financial statements the BCT revalued the developers' payments offset obligations using the BCF Charge System, and in prior year financial statements the developers' payments offset obligations were revalued using the Biodiversity Offsets Payment Calculator. The revaluation was to reflect the estimated cost to the BCT to procure the relevant number and class of biodiversity credits otherwise required to be retired (by the developer).

Subsequent to the completion of the 30 June 2022 financial statements, the BCT has assessed, and confirmed via external advice, that the financial liability of the BCT in relation to developers' payments offset obligations is limited to spending the dollar amount paid into the BCF by developers, rather than a requirement to secure a specified number of biodiversity credits.

Based on external advice, the BCT has further determined it is limited under the BC Act in its ability to pool funds paid in by developers across different credit classes. Accordingly, the BCT has changed its accounting for developers' payments offset obligations such that the provision is now measured only up to the amount paid into the BCF by developers. The loss on acquittals has also been restated to reflect acquittals per credit type paid for by developers based solely on the amounts applied. Where the amount used to buy credits was less than the amount paid in, it would be treated as a partial acquittal without recognising any gain.

In accordance with AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' the BCT has restated the prior year financial statements to reflect this updated interpretation.

This change impacts: the developers' payments offset obligations provision included within Provisions on the Statement of Financial Position; the developers' payments provision remeasurement loss included within Expenses in the Statement of Comprehensive Income; and the gain on developers' payments offset obligations acquittals included within Other Gains in the Statement of Comprehensive Income. Associated totals and subtotals are also impacted. The beginning balance of 2021-22 Equity was also adjusted for the cumulative effects of the aforementioned change to 2020-21 and prior periods.

While there is no change to the Statement of Cash Flows, the reconciliation of cash flows from operating activities to net result is impacted as a result of the change in the net result and the change in the movement in provision.

Consistent with 2022-23, the realised portion of TCorp earnings was also reclassified to a separate line in the Statement of Comprehensive income in line with Treasury's directions. This reclassification is not related to the prior period error.

The following tables illustrate the effects of the prior period adjustments to the Statement of Comprehensive Income and the Statement of Financial Position and the Cash Flow Reconciliation.

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Restated Statement of Comprehensive Income for the year ended 30 June 2022

	Per Audited Financials	Prior Year Adjustment	Restated
	2022	2022	2022
	\$'000	\$'000	\$'000
Continuing operations			
Expenses excluding losses			
Operating expenses			
Personnel services	16,335	-	16,335
Other operating expenses	18,703	-	18,703
Depreciation and amortisation expense	283	-	283
Grants and subsidies	9,881	-	9,881
Finance costs	13	-	13
Developers' payments provision remeasurement loss	68,154	(68,154)	-
Unrealised loss from TCorpIM Funds measured at fair value through profit or loss*	12,456	4,880	17,336
TOTAL EXPENSES EXCLUDING LOSSES	125,825	(63,274)	62,551
Revenue			
Interest revenue	239	-	239
Grants and contributions	118,963	-	118,963
Other revenue	4,235	-	4,235
Realised gain on TCorpIM (reinvested)*	-	4,880	4,880
TOTAL REVENUE	123,437	4,880	128,317
Operating result	(2,388)	68,154	65,766
Gain on disposal	618	-	618
(Loss)/gain on developers' payments offset obligations acquittals	1,368	(1,742)	(374)
Other gains	6	-	6
Net result	(396)	66,412	66,016
TOTAL COMPREHENSIVE INCOME	(396)	66,412	66,016

*Reclassified realised portion of TCorp earnings to a separate line. This is not related to prior period error.

Biodiversity Conservation Trust
Notes to the financial statements
For the year ended 30 June 2023

Restated Statement of Financial Position as at 30 June 2022

	Per Audited Financials	Prior Year Adjustment	Restated
	2022	2022	2022
	\$'000	\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents	152,209	-	152,209
Financial assets at fair value	182,034	-	182,034
Receivables	431	-	431
Land and buildings held for sale	4,549	-	4,549
Inventories	24,284	-	24,284
Total current assets	363,507	-	363,507
Non-current assets			
Plant and equipment	179	-	179
Intangibles	1,968	-	1,968
Right of use assets	279	-	279
Total non-current assets	2,426	-	2,426
Total assets	365,933	-	365,933
LIABILITIES			
Current liabilities			
Payables	4,462	-	4,462
Contract liabilities	6,039	-	6,039
Borrowings	95	-	95
Provisions	167,536	(75,101)	92,435
Total current liabilities	178,132	(75,101)	103,032
Non-current liabilities			
Payables	31	-	31
Borrowings	186	-	186
Total non-current liabilities	217	-	217
Total liabilities	178,349	(75,101)	103,249
Net assets	187,584	75,101	262,685
EQUITY			
Accumulated funds	187,584	75,101	262,685
Total equity	187,584	75,101	262,685

Biodiversity Conservation Trust
Notes to the financial statements
For the year ended 30 June 2023

Restated Statement of Financial Position as at 30 June 2021

	Per Audited Financials	Impact of the Correction	Restated
	2021	2021	2021
	\$'000	\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents	78,648	-	78,648
Financial assets at fair value	127,368	-	127,368
Receivables	66	-	66
Land and buildings held for sale	8,851	-	8,851
Inventories	25,651	-	25,651
Total current assets	240,584	-	240,584
Non-current assets			
Plant and equipment	84	-	84
Intangibles	686	-	686
Right of use assets	381	-	381
Total non-current assets	1,151	-	1,151
Total assets	241,735	-	241,735
LIABILITIES			
Current liabilities			
Payables	2,367	-	2,367
Contract liabilities	6,042	-	6,042
Borrowings	137	-	137
Provisions	44,925	(8,689)	36,236
Total current liabilities	53,471	(8,689)	44,782
Non-current liabilities			
Payables	32	-	32
Borrowings	252	-	252
Total non-current liabilities	284	-	284
Total liabilities	53,755	(8,689)	45,066
Net assets	187,980	8,689	196,669
EQUITY			
Accumulated funds	187,980	8,689	196,669
Total equity	187,980	8,689	196,669

Biodiversity Conservation Trust
Notes to the financial statements
For the year ended 30 June 2023

31. 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:

	2023	2022
	\$'000	\$'000
Balance at 01 July	-	-
Receipts:		
BSPF Fund Manager's fee	635	548
BSAs annual reporting fees	227	124
Total receipts	862	672
Expenses:		
Site audits, surveys, on-going landholder support, funds management, etc.	862	672
Balance at 30 June	-	-

These transactions only relate to those being managed by the BCT. The Department of Planning and Environment also collects and holds monies for other activities permitted under this section of the Act.

End of audited financial statements.