

Annual Report 2017-18



INDIGENOUS ACKNOWLEDGEMENT

In the spirit of respecting and strengthening partnerships with Australia's First Peoples, the NSW Biodiversity Conservation Trust (BCT) would like to acknowledge all Traditional Owners of the land of NSW. The BCT pays its respects to the Nations and their Elders, past and present, who hold the authority, memories, knowledge and traditions of a living Aboriginal culture. The Trust offers its deepest appreciation and respect for the First Peoples' continued connection and responsibility to the land and waters in this country.

PHOTOGRAPHIC CREDITS

Cover image: In 2018, landowner Helen Huggins was successful in entering a Conservation Agreement with the Biodiversity Conservation Trust to undertake conservation management actions protecting the biodiversity values on parts of her property 'Savenake Station' in the Murray-Riverina region of NSW. Photo by Stuart Cohen © NSW Biodiversity Conservation Trust.

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ACRONYMS

BAM	Biodiversity Assessment Metric	BOP	Biodiversity Offsets Program	DPE	Department of Planning and Environment
BCF	Biodiversity Conservation Fund	BSA	Biodiversity Stewardship Agreement	EOI	Expression of Interest
BCIS	Biodiversity Conservation Investment Strategy	BSPF	Biodiversity Stewardships Payment Fund	FRO	Fixed Rate Offer
BCT	Biodiversity Conservation Trust	COAG	Council of Australian Governments	LTSP	Landholder Technical Support Package
		CPG	Conservation Partners Grant	NCT	Nature Conservation Trust
		CPP	Conservation Partners Program	OEH	Office of Environment and Heritage
				PIA	Priority Investment Area

Message from the Chair



It is with pleasure that I present the first annual report of the Biodiversity Conservation Trust of NSW (BCT).

NSW has one of the world's most diverse and beautiful natural environments, including its native plants and animals. Yet

despite its natural wealth, NSW has nearly 1,000 species on the verge of extinction. This presents a considerable challenge to our society and economy, one which requires collaboration across the public and private sectors to achieve significant conservation outcomes.

The NSW Government has recognised and responded to this challenge. The BCT was founded on 25 August 2017 under the *Biodiversity Conservation Act 2016*, as part of the NSW Government's land management and biodiversity conservation reforms.

The government is investing \$240 million over the five years to 2020-21 and \$70 million (escalated) each year thereafter in the BCT's private land conservation programs. The BCT is guided by the Minister's Biodiversity Conservation Investment Strategy (February 2018) in investing these funds. The BCT also receives funding from developers and government to deliver biodiversity offsets.

For its first six months the BCT was in a start-up and planning phase. On 2 March 2018 the Minister for the Environment launched the BCT's approved business plan and announced the BCT's first tranche of programs to be rolled out in 2018, worth \$37 million.

Our vision is to maximise the biodiversity conservation outcomes that can be achieved with the public and

private resources entrusted in the BCT. We are here to support private land conservation, to deliver a healthy, productive and resilient environment across NSW.

The BCT launched its first conservation tenders, fixed rate offers, grants and other programs in the second half of 2017-18. By 30 June 2018, the BCT had entered 18 new funded and unfunded conservation agreements with landholders covering 4,871 hectares of land with high biodiversity values.

There has been strong landholder interest in all the BCT's initial offerings. The level of engagement from landholders suggests our initial program model is effective and can be further built upon as the BCT grows. The outcomes achieved suggest the concept of earning income to protect rare bushland and endangered wildlife is appealing to many landholders.

I am proud of the achievements of the BCT in its first year of operations. We have delivered real and significant private land conservation outcomes in NSW, establishing an important foundation upon which we will continue to build to protect priority habitats and ecosystems across NSW.

A handwritten signature in black ink that reads "Robert Hill". The signature is fluid and cursive, with a large initial 'R'.

The Hon Robert Hill AC

Chairperson of the Board of the
NSW Biodiversity Conservation Trust

Message from the Chief Executive



I am proud to reflect on the achievements of the BCT after its first year of operations.

First, I acknowledge and pay my respects to the past, present and emerging Indigenous custodians of the land and biodiversity of NSW. I also acknowledge that the BCT is building on a significant legacy of

private land conservation in NSW: through the efforts of many private landholders and non-government conservancies, and the programs of the NSW National Parks and Wildlife Service, Office of Environment and Heritage (OEH), and former Nature Conservation Trust (NCT).

The BCT has had a busy and exciting first year, building our staff and governance framework, developing our strategy, and executing our first business plan with the guidance and direction of our Board.

As Chief Executive I have concentrated on building a positive organisational culture, with a focus on people, purpose and public value.

Our ability to engage and collaborate effectively with people - our staff, board, partners, stakeholders and our current and prospective landholders - is and will remain vital to the ongoing success of the BCT.

We have a clear legislated role and significant NSW Government investment in our private land conservation programs. Our principal purpose is to protect and enhance biodiversity. We will ensure we remain focused on this purpose.

My final theme is public value. The NSW Government is entrusting us with significant sums of public money. We also receive funds from developers and government to secure biodiversity offsets. It is our duty to maximise public value. To do this, we will be creative, ethical and rigorous in the way we do our work. The BCT will aim to be effective and efficient, and to be highly transparent and accountable for the work that we do and how we do it.

We have done much in our first year to establish the BCT. Our Board has ensured that we are well governed and focussed on outcomes. The detail of what we have achieved is set out in this report.

The key achievement is that, in just five months of operation (from March to June 2018), our new biodiversity tender processes led to 15 funded conservation agreements being signed. The BCT has invested \$11 million in these agreements, which will conserve 4,307 hectares of land and diversify income for the landholders. We are now poised to achieve considerably more biodiversity conservation outcomes in 2018-19 and beyond.

I am very proud of the team we have established and all that the BCT has achieved in its first year.

A handwritten signature in black ink, appearing to read 'P. Elton'.

Paul Elton

Executive Director and Chief Executive



Endangered Swift Parrots that winter in NSW, photo: Cris Tzaros

Key achievements in 2017-18

Program	Mechanism	Outcomes
Conservation Management Program	Conservation Tenders	<ul style="list-style-type: none"> Invested \$7 million in 6 conservation agreements with landholders to conserve and manage 2,167 hectares of land with high biodiversity conservation values in the Murray-Riverina region Invested \$4 million in 9 conservation agreements with landholders to conserve and manage 2,139.5 hectares of land with high biodiversity conservation values in the Northern Inland region Commenced conservation tenders in the Central Tablelands and for koala habitat in the Port Macquarie region
	Fixed Rate Offers	<ul style="list-style-type: none"> Announced fixed rate offers on 16 May 2018 targeting areas of outstanding environmental value across priority areas in NSW Received 33 eligible expressions of interest from landholders across NSW
Conservation Partners Program	Landholder applications	<ul style="list-style-type: none"> Received 48 applications for conservation agreements and 5 applications for wildlife refuge agreements Entered 3 unfunded conservation agreements covering over 500 hectares
	Revolving fund	<ul style="list-style-type: none"> Purchased three new properties with a total of 2,000 hectares of land with high conservation value
	Conservation Partners Grants	<ul style="list-style-type: none"> Launched grants on 16 May 2018 Received 16 applications for grants
Biodiversity Offsets Program	Developer payments	<ul style="list-style-type: none"> Received contributions from developers worth \$381,000 to acquire 168 biodiversity credits



Landholders Helen and Owen Huggins entered a permanent conservation agreement to protect biodiversity on their property near Deniliquin. Photo: Stuart Cohen

The importance of biodiversity

'Biodiversity' is the variety of life on Earth, in all its forms and interactions. It is the most complex feature of our planet and includes living organisms from all sources including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part (Convention on Biological Diversity, IUCN). It is these complex interactions of species, communities and ecosystems which have made the Earth habitable, and which provide the fundamental building blocks for survival.

Over seventy per cent of land in NSW is privately owned or leased. Much of the biodiversity that is not yet adequately represented in our protected area system is on that private land. As such, conservation efforts on private land play a vital role in protecting biodiversity, improving and connecting landscapes, building resilience to climate change, and diversifying income for landholders. Private land conservation can help to build an integrated protected area system across public, Indigenous and private land.

Biodiversity Conservation Trust

The NSW Government established the Biodiversity Conservation Trust of New South Wales (BCT) on 25 August 2017 under the *Biodiversity Conservation Act 2016* (the Act), as part of its land management and biodiversity conservation reforms.

Part 10 of the Act establishes the status, powers and functions of the BCT, and sets out its object and principal purpose.

Our purpose

The Biodiversity Conservation Trust's principal purpose 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
- promoting public knowledge, appreciation and understanding of biodiversity, and the importance of conserving biodiversity.

The Act establishes governance arrangements for the BCT, including a Board to manage the affairs of the BCT. Part 10 also establishes the Biodiversity Conservation Fund and the BCT Public Fund. Part 6 of the Act establishes roles for the BCT in the NSW Biodiversity Offsets Scheme.

The BCT is funded in three ways:

- The NSW Government is investing \$240 million over the five years to 2020-21, and \$70 million each year thereafter (escalated), to fund the BCT to deliver a private land conservation program.
- Developers and the government can fund the BCT to secure offsets to counteract the biodiversity losses from development.
- People, companies or philanthropists can make donations to the BCT Public Fund to support the BCT's biodiversity conservation objectives.

Initially, the BCT was in an establishment and planning phase. Under the Act, the BCT was required to present its first business plan to the Minister by 25 February 2018.

On 2 March 2018, the Minister for the Environment, the Hon Gabrielle Upton MP, launched the BCT's business plan, outlining our vision, strategic goals, key performance indicators and programs. Minister Upton also announced the first round of BCT programs to be rolled out in 2018 with a value of \$37 million.

Our vision

The BCT's vision is to maximise the biodiversity conservation outcomes achieved with the public and private resources entrusted to the BCT to support private land conservation, to deliver a healthy, productive and resilient environment across NSW.

Under Part 5 of the Act, the Minister is to make a Biodiversity Conservation Investment Strategy (BCIS). The strategy guides the BCT's investment of NSW Government funds in biodiversity conservation.

BCIS targets

Under the BCIS, the Minister set four targets for the BCT:

- By 2022, private land conservation agreements will protect examples of 30 NSW Landscapes that are either not represented within, or are inadequately protected in, the protected area system in 2017.
- By 2022, diversified income streams will improve the financial sustainability of participating landholders relative to similar local businesses.
- By 2037, private land conservation agreements will protect examples of 90 NSW Landscapes which are either not represented within, or are inadequately protected in, the protected area system in 2022.
- By 2037, diversified income and investment streams will improve the financial sustainability of regional and rural communities.

In 2017-18, the BCT entered 18 (15 funded and three unfunded) conservation agreements that sample 13 inadequately represented NSW landscapes. While this is good progress, it should not be read to mean that these landscapes are now adequately represented. The BCT will provide more comprehensive analysis of the biodiversity conservation outcomes being achieved in future reports.

The BCT is currently in the process of developing a way to measure the financial sustainability of participating landholders and is intending to report on progress towards this target in its next annual report.



Progress against Business Plan goals

BCT ACHIEVEMENTS IN 2017-18.



NSW landscape, photo: Stuart Cohen

Goal 1: Encourage landowners to enter agreements to conserve biodiversity and support productive landscapes

Develop and deliver a Conservation Management Program, consistent with the Biodiversity Conservation Investment Strategy

The BCT's Conservation Management Program commenced in March 2018. This is the principal program through which most of the NSW Government's investment in private land conservation flows. It is guided by the investment principles and priority investment areas identified in the BCIS and supported by three delivery mechanisms: conservation tenders, fixed rate offers and the revolving fund.

In 2017-18, four conservation tenders were launched in Priority Investment Areas in parts of the Murray-Riverina, Northern Inland and Central Tablelands; and for priority koala habitat around Port Macquarie.

While not all agreements were finalised by the end of the 2017-18 reporting period, the outcomes of these tenders were:

- Murray-Riverina: entered 11 funded conservation agreements worth \$13 million covering nearly 5,000 hectares
- Northern Inland: entered 12 funded conservation agreements worth \$4.5 million covering nearly 2,700 hectares
- Central Tablelands: entered 11 funded conservation agreements worth \$14.7 million covering nearly 3,500 hectares
- Port Macquarie: entered five funded conservation agreements worth \$6.3 million covering 173 hectares.

These initial tenders were highly subscribed by landholders wishing to diversify their income streams and receive funds in exchange for undertaking conservation management actions on their land. These agreements cover landscapes and ecosystems that will now be managed to protect and preserve the biodiversity that they support.

A standing Fixed Rate Offer was made available in May 2018 for Priority Investment Areas 1 to 3 in parts of NSW. As at 30 June 2018, the BCT had received 33 eligible expressions of interest.

Develop and deliver a Conservation Partners Program

In May 2018, the BCT commenced its Conservation Partners Program for landholders wishing to enter into a Wildlife Refuge Agreement or an in-perpetuity Conservation Agreement to protect biodiversity on their land. This program is available for any landholder who is not seeking or is ineligible for conservation management payments.

At commencement, the BCT inherited 99 unprocessed applications from OEH. The BCT has since received 48 further applications for conservation agreements and five applications for wildlife refuge agreements under the Conservation Partners Program. As at 30 June 2018, the BCT had entered three conservation agreements covering over 500 hectares. The BCT will invest additional resources during 2018-19 to process the outstanding applications.

Through its Revolving Fund, the BCT purchased three properties with 2,000 hectares of land with high conservation value. Conservation agreements will be established on parts of these properties before being on-sold to landholders willing to undertake the conservation management actions.

Under its Conservation Partners Program, the BCT will also continue to support the more than 1,700 landholders with existing Conservation Agreements, Trust Agreements, Registered Property Agreements and Wildlife Refuges established under previous OEH and NCT programs.

Develop delivery pathways for landholder participation

The BCT has established a range of delivery mechanisms to support landholder participation in private land conservation. These include conservation tenders, fixed rate offers, landholder applications, the revolving fund and purchasing biodiversity credits.

The BCT remains open to refining or developing new delivery pathways based on lessons from operational experience or from feedback or suggestions from our landholders, stakeholders and partners.

Communication and stakeholder engagement

Effective communication and stakeholder engagement is vital to the BCT's success. In 2018, the BCT established a range of effective communication channels and continues to develop a comprehensive framework for communicating and engaging with its landholders and stakeholders.

The BCT Board met twice in regional areas during 2017-18, meeting directly with landholders and stakeholders from our Northern Inland and Murray-Riverina regions.

BCT staff hosted several information sessions in each of the regions where conservation tenders were conducted in 2018. Specific briefing events were well attended and hosted landholders in areas around Bathurst, Cowra, Mudgee, Orange, Deniliquin, Corowa, Barham, Jerilderie, Bonny Hills, Kempsey, Port Macquarie and Mount Annan.

BCT staff attended community field days and attended a broad range of stakeholder meetings across the state.

The BCT set up a 1300 phone line to support landholder enquiries. From the announcement of its initial programs on 25 August 2017 until 30 June 2018, 1,340 calls were fielded from interested landholders, developers and members of the public. A generic 'info@' email was also established to encourage communications from landholders.

The BCT has built and will continue to refine a new website to share information about all our programs with our landholders and stakeholders.

A range of fact sheets and resource documents was developed to assist landholders to participate in BCT programs. These included brochures, fact sheets, regional maps, guides for landholders, advice on preparing a bid, and expression of interest and application forms.

The BCT also worked with an external public research provider to better understand the views, concerns, expectations and aspirations of different landholders across NSW.

The BCT will continue to build its communication and engagement activities in 2018-19.

CASE STUDY 1

Conservation Agreement supports grazier to protect globally significant wetlands

Will Hooke's property 'Wargam' comprises 11,700 hectares around Boorooban in the western Riverina area of NSW. Primarily, his property is a grazing property producing Merino sheep.

During the past year, Will became aware of the newly established Biodiversity Conservation Trust (BCT) of NSW, and locals advised him that when the Trust's programs were launched, there would be good opportunities on offer. He started to actively monitor the BCT website to find out when these would be available.

Will attended a BCT information session at Barham to understand exactly how the planned conservation tenders would work.

Through this program, Will applied for a conservation agreement on his property. If successful, this would attract an agreed annual payment from the BCT in exchange for him protecting a total of 4% of his property with important wetlands for permanent conservation.

Will said: "The obvious benefits are to protect these sites, which are mainly lakes. After the wet years of 2010-2011, we realised how environmentally valuable the lakes were to the area.

"Overall, it achieves our objective to protect the area forever. Also, it didn't devalue the property in any way."

"Parts of the land is core habitat for Plains Wanderers, and there's also primary breeding grounds for Southern Bell Frogs. [Australasian] Bitterns have also been tracked there by the well-known 'Bitterns in Rice' program operated by Matt Herring.

"There are a lot of endangered animals and plants here, we've had ecologists out to do ecological surveys. These are quite renowned wetlands which are valuable in the area."

Will's application for a conservation tender was evaluated by BCT regional staff, and his bid to protect the environmental values of the wetland habitats on his property resulted in a conservation agreement being made.

Under the agreement, Will undertakes specific conservation management actions including limiting

grazing on specific areas at certain times of the year. He also manages the ground cover in areas of the property and undertakes weed management and monitoring.

"This is an opportunity that financially justifies itself with the in-perpetuity payments. It benefits us directly and gives us a reason to exclude that area in order to receive the financial benefits, while still having the ability to graze there at certain times.

"Overall, it achieves our objective to protect the area for ever. Also, it didn't devalue the property in any way.

"The BCT program offers the protection of the birds and wildlife on our property and helps us to preserve their habitats.



Water habitat, photo: Will Hooke

"The BCT has added value to our property," Will said.

"I think this is a fantastic program. I think it shows that the NSW Government has taken the lead; they've realised the reality for us.

"It's like the old saying that for farmers to be green, they can't be in the red.

"The program has created opportunities for farmers to help. We've been looking after these areas for a long time and know how to protect them.

"We can now financially justify excluding the stock at those times of the year when it's needed.

"We want to put the effort in, it's nice to know these areas are protected for ever".



Photo: Ben Lynch

Goal 2: Deliver a strategic biodiversity offsetting service

Biodiversity Offsets Program

The Act establishes the Biodiversity Offsets Scheme. The scheme requires developers to avoid, minimise and offset the impacts of development and other activities on biodiversity. The scheme is administered and regulated by OEH.

The BCT has two key functions under the scheme:

- assist landholders who wish to enter Biodiversity Stewardship Agreements (BSAs) to generate and sell biodiversity credits, and administer those agreements
- secure offsets with funds deposited into the Biodiversity Conservation Fund by developers.

The scheme commenced on 25 February 2018. As such there has only been a small level of activity in the reporting period.

Sixty-two biobanking agreements previously managed by OEH were transferred to the BCT as BSAs. An additional 27 biobanking agreements were assessed and approved by OEH under transitional arrangements during the period, and transferred to BCT to manage. This represents a 48% increase in the land protected.

Three payments, totalling \$381,000 were made into the Biodiversity Conservation Fund for 168 credits. The BCT lists its offset obligations on the 'Credits Wanted' register maintained by OEH.



Freckled Duck on Wategam, photo: Will Hooke

CASE STUDY 2

Biodiversity Stewardship Agreement on Andy and Will's Wollondilly property

Will and Andy Davies run the family farm at Wollondilly on the Cumberland Plains. The 146-hectare property, 'Summer Hill', is primarily a cattle grazing farm (operated by Will), but also contains 72 hectares of remnant Cumberland Plain Woodland forest – managed by Andy along with his partner, Sarith Dekker.



Andy and Will Davies, photo: Simon Bennett, Wollondilly Advertiser

In 2012, their mother found out about a biobanking scheme offered by the NSW Office of Environment and Heritage. After arranging for a site assessment and completing the application process, a biobanking agreement was established, and the owners were able to generate an annual conservation payment in exchange for undertaking agreed conservation management actions to protect the forested area of the property.

In recent times Andy heard about some changes to the biobanking scheme and was concerned about its future. He was put in touch with the newly created NSW Biodiversity Conservation Trust, and Regional Coordinator Ally Osborne visited the Summer Hill property. Ally was impressed with the biodiversity values of the property and explained that the existing biobanking arrangements were being transitioned to the Trust's new Biodiversity Stewardship Agreements. This would remain an 'in-perpetuity' agreement attracting annual conservation management payments to the owners under the Biodiversity Offsets Program.

Andy said: "Every communication that we had with the BCT was simple and worked well. We've already received our first annual payment from the BCT.

"There are four different ecosystems of native forest preserved on our site including endangered Shale Sandstone Transition Forest, Western Sydney Dry Rainforest and Sandstone Gully Forest as well as the critically endangered Cumberland Plain Woodland.

"We also have an endangered species of snail (the Cumberland Plain Land Snail), and many, many threatened bird species, including Powerful Owls, Gang Gangs, and Glossy Black-Cockatoos.

"Under our conservation agreement with the BCT, we protect the forest and manage any incursion of herbaceous weeds from adjoining pasture land. The vast swathe of the Cumberland Plains is covered with the African Olive weed, which outcompetes every other weed and, in fact, every plant in the area.

"Prior to this scheme, this habitat would not have had any chance of conservation. The Stewardship Agreement has guaranteed a future for this forest, and for us."

"Basically, the amount of money we earn conserving the Cumberland Plain Woodland per hectare far outweighs other agricultural pursuits in that forest.

"Plus, we didn't want to sell the land to a developer to turn the land into medium density housing, we wanted to conserve our open space."

The Biodiversity Offsets Program allows landholders to establish a biodiversity stewardship site which generates credits to sell to developers or landholders who require those credits, or to the BCT. Developers or landholders who undertake development or clearing must offset their activity by buying credits or making a payment into the Biodiversity Conservation Fund.

By generating a second income stream through the BCT's Biodiversity Offsets Program, Andy said: "It has enabled us to hold onto the farm. Even in this drought, the impact on us has been far less dramatic than people relying fully on the income of the farm.

"Prior to this scheme, this habitat would not have had any chance of conservation. The Stewardship Agreement has guaranteed a future for this forest, and for us."



Goal 3: Support our landholders to conserve biodiversity on their land

Funds and investment management

When the BCT enters a funded conservation agreement with a landholder, the present value of all future conservation management payments is set aside in the Biodiversity Conservation Fund. These monies and the proceeds from investing them via NSW Treasury Corporation are used to meet the BCT's obligation to make the annual conservation payments for the term of the agreement, including those with an in-perpetuity term.

Similarly, when a landholder with a Biodiversity Stewardship Agreement sells their biodiversity credits, a 'total fund deposit' must be made into the Biodiversity Stewardship Payments Fund. These monies and the proceeds from investing them via NSW Treasury Corporation are used to meet the BCT's obligation to make the annual biodiversity stewardship payments for the in-perpetuity term of the agreement.

The BCT Board is developing a Funds and Investment Management Framework to ensure the BCT fulfils its legislative obligation to 'act as trustee of money or other property vested in the Trust', and meet its fiduciary duty to ensure that funds are managed prudentially.

Develop and deliver a Landholder Technical Support Package

In 2017-18 the BCT established its Landholder Technical Support Package. The package provides practical and technical support to equip landholders to implement conservation management. The package includes regular site visits, telephone support, fact sheets, technical guidelines, field days and workshops to share skills and knowledge, ecological monitoring, and agreement compliance monitoring.

Ongoing support to landholders is available through the BCT regional offices with a range of expert staff. BCT's website and regular newsletters provide additional resources and information.

The BCT recognises it has more work to do in 2018-19 and beyond to reconnect with the more than 1,700 landholders with existing agreements across NSW.

Conservation Partners Grants

The BCT's Conservation Partners Grants were launched on 16 May 2018 and are available on an ongoing basis at any time. All existing and new agreement holders that do not receive income from annual conservation management payments are eligible to apply for grants.

The grants assist landholders to maintain the ecological values of their properties. For example, a landholder may need funding to manage a weed outbreak or to repair a fence to exclude neighbouring stock.

The BCT has set aside \$2.0 million in 2018-19, and \$2.5 million in future years, for the grants program.

Over 2017-18, the BCT received 16 applications for grants. Assessment of those applications was underway at the end of the financial year.



CASE STUDY 3

Conservation Agreement protects rare rainforest property in Manning River Valley

When Mike Richardson brought his ‘Belltrees’ property in the Manning River Valley in 1983, he saw a peregrine’s eerie on the cliff face and passing flocks of parrots, and knew he’d found a place where he might happily live out his days. It was obvious that the property was heavily infested with lantana and other exotic species, but importantly, it shared a long and undulating border with the neighbouring Coorabakh National Park. He was inspired.

“It was easy to fall in love with ‘Belltrees’. I had a vision of falling in love with Australia, and of becoming an expert in understanding the evolution of its plant and animal life.”

The property spanned 120 hectares in total, with 20 hectares of arable land used as a horse stud and trails. That left 100 hectares of forested land which Mike has worked to restore to its natural state.

“I’ve concentrated on the removal of all the exotic species. Basically, for a third of a century I’ve been removing lantana, and of course, other exotic species including camphor laurel, privet, mist flower, Crofton’s weed ... the list seemed endless.

“You’ve got to take a fairly industrial approach to removing these weed species; get kitted out with dungarees, boots, gloves and eye protection, because it’s pretty rough removing them by hand.

“Once they’ve all been removed, you see the return and recovery of the understory rainforest species. The lantana generally doesn’t come back because the canopy of the forest excludes it. It’s been my philosophy for years to manage the property almost like a national park in terms of weed management, fire management and removal of all exotic species. That is what has allowed the rainforest to recover and return.

“There was a Wildlife Refuge Agreement on the property when I first bought it, and I had made application in the past to have a covenant placed on the land. When Toby Eastoe from the Biodiversity Conservation Trust rang me a few weeks ago to see if I was interested in entering into a conservation agreement, I was indeed glad to hear from him.

“I adjoin the Coorabakh National Park and my property spans 400 metres in altitude, so it’s quite an important private landholding and makes a significant contribution to the national park. It makes the park more viable in terms of dealing with the impact of climate change and implementing conservation goals.

“The conservation agreement on my property is a permanent one. It gives me the incredible advantage of having technical support from the BCT and the ability to apply for grants so I can maintain the property’s conservation values. That is a really important help to me at a financial level.

“This property has many endangered plants and animals, and indeed whole ecosystems. Subtropical rainforest inhabits all the deep valleys. They are the little jewels in a larger necklace of pockets of rainforest that ultimately connect with the Gondwanan Forests of the Central Eastern Rainforest Reserves.

“The great benefits to me are knowing that this natural area that enjoys enormous biodiversity in plants and species will be protected.”

“The great benefits to me are knowing that this natural area that enjoys enormous biodiversity in plants and species will be protected.

“Over the years the rainforest has truly recovered. I have my breakfast alongside 20 King Parrots every day. I can hear Lyrebirds wherever I am on the property. There are many rare species that have returned; I have Brush-tailed Phascogales, Eastern Spotted-tailed Quolls, Koalas, Planigales, Potoroos and Bettongs. There are six different species of owls on the property. Caves hidden in the base of the escarpment conserve bat roosting and breeding sites. I fall asleep at night trying to identify the chorus of frogs. All of this is inordinately valuable to me, they represent the biodiversity.

“It’s a retreat as well as a reserve. With no light pollution or noise from petrol engines, it’s a magical place. I can see up to the stars. It’s an absolute gem.

“My conservation agreement on the 100 hectares of tall wet sclerophyll and subtropical rainforest allows me the security of knowing that the next owner cannot despoil the property. It will live forever.”





NSW landscape, photo: Scott Hartvigsen

Goal 4: Promote public knowledge, appreciation and understanding of the value of biodiversity conservation

Promoting public knowledge

In 2018 the BCT developed a range of resources that informed the public and landholders about the richness of the biodiversity of NSW.

BCT regional staff hosted information sessions about our conservation tenders across NSW and attended local field days and other events to increase information exchange and better understand the conservation measures already undertaken by landholders.

A range of public resources was developed and made available to landholders and the public. These outlined the priority areas for investment to protect biodiversity across NSW.

The new BCT website allowed for better engagement with users, sharing positive stories about landholder conservation successes, and further promotion of BCT programs.

Two peaks in visitation to the site delivered roughly double the users and correlated with the launch of the BCT conservation tenders; in March when the Northern Inland and Murray-Riverina tenders were announced, and May for the Central Tablelands and koala habitat around Port Macquarie.

Under the Act, one of the BCT's objectives is to promote public knowledge, appreciation and understanding of biodiversity and the importance of conserving biodiversity. This is recognised in our business plan and will be delivered through a biodiversity education strategy to be developed in 2018-19.

Philanthropy

The Act established the NSW Biodiversity Conservation Trust Public Fund and empowered the BCT to raise money from organisations and the public to help fund its activities, and to use any gifts, devises, bequests or contributions for the protection and enhancement of biodiversity.

During 2018, the BCT undertook initial planning activities to consider how best to structure its strategic approach to philanthropy.



Landholders Heather and Hugh Cameron entered a BCT Conservation Agreement on their property "The Yanko" in 2018. Photo: Stuart Cohen

Goal 5: Invest in our people to build an engaged, professional, customer-orientated and high-performing organisation, focused on achieving the BCT's purpose

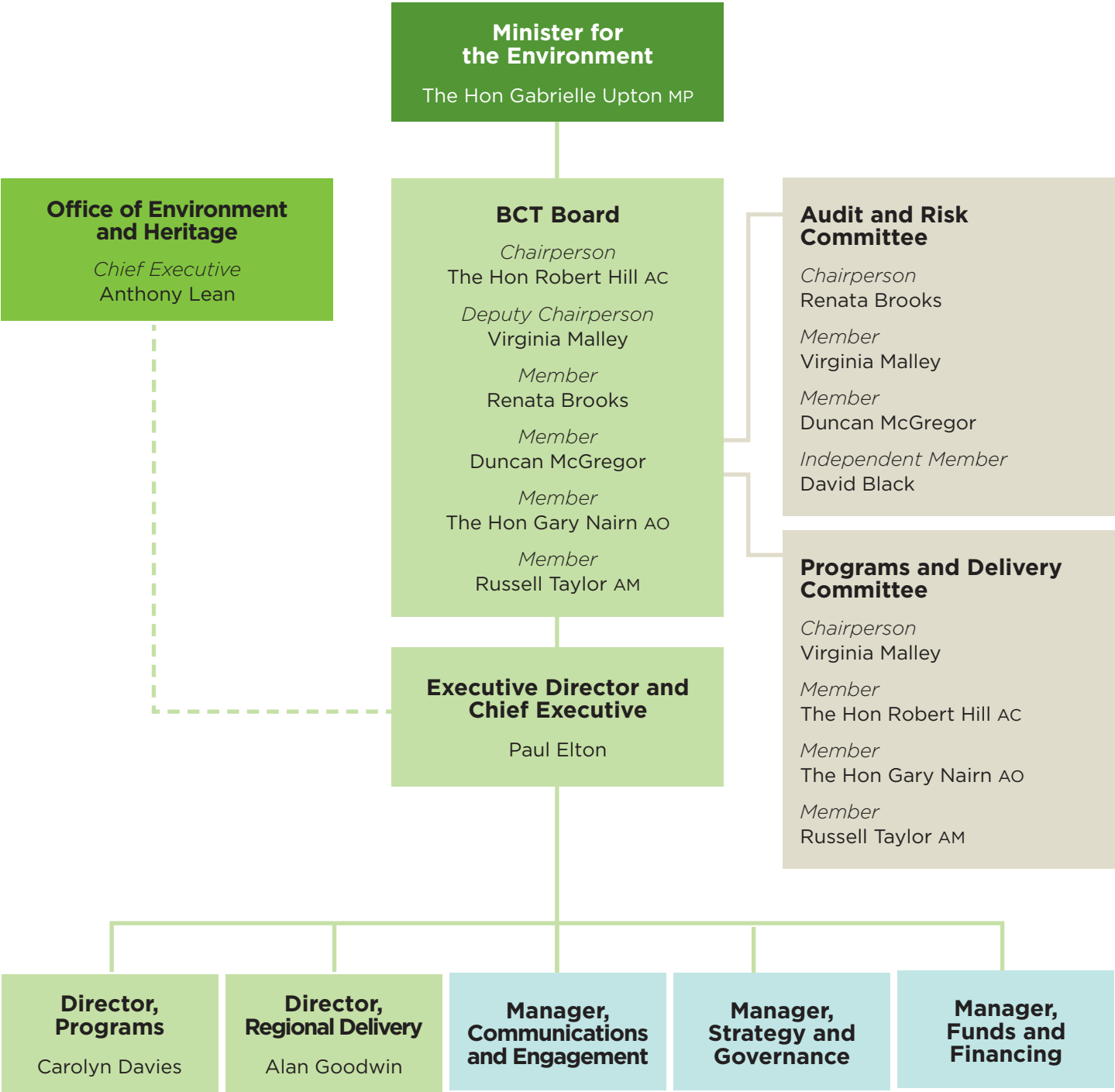
In 2017-18, the BCT was in its establishment phase. We identified the core capabilities required for organisational success and recruited staff with the expertise and experience to match these requirements. We established a strong regional presence, including seven regional centres with co-ordinators, ecologists, and landholder support staff to deliver our conservation programs.

We put in place systems and processes required for us to operate as an efficient, effective and accountable organisation. This will be a process of continuous improvement for the BCT as we learn from program delivery and mature as an organisation.

The BCT will continue to invest in its people to build an engaged, professional, customer-oriented and high-performing organisation. We will use the results from the NSW Government's *People Matter Employee Survey* to identify areas of improvement and further build on our strengths.

Our organisation

The leadership and structure of the BCT is shown below (Figure 1)



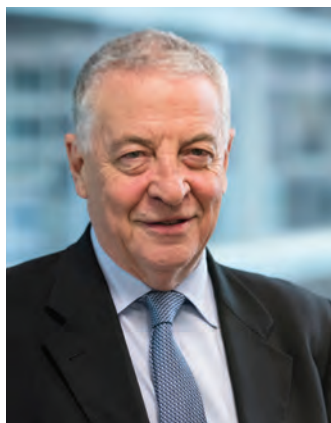


The BCT Board

The Minister for the Environment has appointed a Board to manage the affairs of the BCT as set out in the Act. The BCT Board members bring extensive experience in biodiversity conservation, rural and regional land and resource management, financial management, and law and governance.

The Board is comprised of:

The Hon Robert Hill AC (Chairperson)



Robert Hill served as a Senator for South Australia from 1981-2006. He was Leader of the Government in the Senate, Minister for the Environment and later Minister for Defence. After leaving Parliament Mr Hill served as Australia's Ambassador to the United Nations in New York.

Back in Australia he was

appointed Chancellor of the University of Adelaide, directed a sustainability program at the University of Sydney and was the first Chair of the Australian Carbon Trust. He chairs the Cooperative Research Centre on Low Carbon Living at UNSW, is on the Asia Pacific Board of The Nature Conservancy and a Governor of WWF Australia. Mr Hill is a barrister and solicitor.

Virginia Malley (Deputy Chairperson)



Virginia Malley has 30 years' experience in the financial services and banking sectors, including 16 years as a company director. Her areas of expertise are environmental and financial markets, stewardship, risk management, corporate governance and regulatory compliance.

Ms Malley was previously the Chief Risk Officer at Macquarie Funds Management Group overseeing the risk management of portfolios worth more than \$85 billion that invested in clean technologies, publicly traded debt securities, listed equities, derivatives, currencies and private equity.

Ms Malley is a member of the Clean Energy Regulator, a non-executive director of Perpetual Superannuation Limited, Perpetual Equity Investment Co Ltd and Morphic Ethical Equities Fund Ltd, and was previously a member of the Board of the Nature Conservation Trust of NSW.

She is a Fellow of the Australian Institute of Company Directors and holds a Juris Doctor from the University of Technology Sydney, a Bachelor of Arts and a Master of Applied Finance from Macquarie University, and a Graduate Diploma in Environmental Law and Master of Laws from the University of Sydney.

The Hon Gary Nairn AO (Member)



After a 25-year career in the spatial sciences including as Managing Director of his own surveying mapping company, Gary Nairn was elected as the Federal Member for Eden-Monaro in 1996. His 12-year parliamentary career included being Parliamentary Secretary to Prime Minister John Howard

with responsibility for water reform and as Special Minister of State with responsibility for e-government, Australian Electoral Commission and five government business enterprises. Subsequently, he has operated his own consultancy in the spatial sciences including as a consultant to leading company AAM Group.

Mr Nairn was the inaugural Chairman of the Northern Territory Planning Commission and a Board member of the NT Environment Protection Authority from 2013 to 2017; Chairman of the Tasmanian Spatial Information Council from 2010 to 2016; National Chairman of the Spatial Industries Business Association from 2012 to 2014; and has been the Chairman of the Advisory Committee for the Centre for Spatial Data Infrastructure at Melbourne University since 2011. He was appointed Chairman of the Mulloon Institute in January 2016 after serving as a member of its Advisory Council. Mr Nairn was appointed an Officer in the Order of Australia (AO) in June 2015 for his contribution to the spatial sciences, communities of NSW and the NT, Federal Parliament and disability support services.

Renata Brooks
(Member)



Renata Brooks is currently Deputy Chairperson of the Fisheries Research and Development Corporation, an Australian Fisheries Management Authority Commissioner and a member of the NSW Joint Regional Planning Panel for the Southern region. She also undertakes policy and program reviews through

her consulting business, StratagemDS.

As an Executive Director and Deputy Director General in the NSW Department of Primary Industries, her responsibilities included land and natural resource management, agriculture and science and research programs. Ms Brooks has a deep appreciation of the importance of working closely with landholders and a strong evidence base to achieve successful governance and biodiversity outcomes.

She holds an honours degree in veterinary science, a graduate certificate in bioethics and is a graduate and fellow of the Australian Institute of Company Directors.

Russell Taylor AM
(Member)



Russell Taylor is a highly respected senior Indigenous Australian with extensive experience in corporate governance and a long history of advocacy with particular passion for education and social welfare.

Mr Taylor is a member of several boards including the University of Technology

Sydney, The Aboriginal and Torres Strait Islander Healing Foundation, Wentwest Limited, the Indigenous advisory firm, Moreton Consulting and a former member of the Nature Conservation Trust of NSW. Mr Taylor has a wealth of senior executive managerial experience and is a former CEO of the NSW Aboriginal Housing Office and the Australian Institute of Aboriginal and Torres Strait Islander Studies.

In 2015 Mr Taylor was made a member (AM) of the Order of Australia in the Queen's Birthday Honours for 'significant service to the community as a cultural leader and publicly senior executive in the field of Indigenous affairs' and in 2016 was awarded the inaugural UTS Indigenous Australian Alumni Award for Excellence.

Duncan McGregor
(Member)



Duncan McGregor has 30 years' experience as a specialist environmental and planning lawyer. He was a partner of a major Australian law firm for 17 years and continues as a Legal Consultant.

Mr McGregor has significant experience across a broad range of environmental and planning issues including

the identification of planning and environmental approvals pathways for various types of development and infrastructure, working with technical experts in assessing major development impacts, advising on environmental regulatory regimes including threatened species protection, environmental licensing, remediation and redevelopment of contaminated sites, infrastructure development and environmental incident management.

Mr McGregor was the inaugural chair of the Domestic Offsets Integrity Committee, part of the Carbon Farming Initiative, and has advised widely on a broad range of climate change and renewable energy issues.

Our executive

Paul Elton, Executive Director and Chief Executive

Paul's career began with five years in the private sector before moving to portfolio and central agency roles in the NSW and Commonwealth governments. Paul has more than 25 years of experience in the public-sector and in the mid-2000s was Executive Director, Natural Resources and Economic Development Policy with the NSW Department of Premier and Cabinet. He then spent four years working with the Department of Prime Minister and Cabinet supporting the COAG Reform Council.

Paul has focused on environment protection, biodiversity conservation, and climate change policy for much of his public-sector career in NSW. This has included the intersection of environmental issues with policy and programs in areas such as energy, resources, forestry, land management, water, infrastructure, land use planning and development assessment. From 2012 to 2017, Paul was Executive Director Policy with OEH. In this role, Paul led the development of the NSW Government's land management and biodiversity conservation reforms. He was instrumental in designing the role of the BCT, the private land conservation program and the biodiversity offsets scheme.

Paul has been the Chief Executive of the BCT since it commenced on 25 August 2017.

Dr Carolyn Davies, Director Programs

Carolyn has 25 years' experience in state and federal governments and tertiary institutions working in the fields of water management, water and energy savings and environmental programs. Her most recent roles are Director of OEH's Environmental Programs Branch from 2013 to 2016, and during 2017 leading the OEH's Private Land Conservation Branch, including responsibility for preparing for the establishment of the BCT. Carolyn holds a Bachelor of Natural Resources, Masters of Economics, Masters of Training and Development, and a Doctorate in Water Management.

Carolyn was appointed Director Programs of the BCT in September 2017.

Alan Goodwin, Director Regional Delivery

Alan's career spans 30 years and includes extensive experience in land and conservation management. Alan has had an extended career with the Victorian Department of Environment, Land, Water and Planning (DELWP), including as Regional Director and as Chief Fire Officer. Before joining DELWP in 2003, Alan commenced his career with the Department of Natural Resources and Environment, followed by several years with Forestry Tasmania.

Alan was appointed Director Regional Delivery of the BCT in November 2017.

Our staff

As at 30 June 2018, the BCT consisted of three main functional areas: Office of the Chief Executive; Programs Branch; and Regional Delivery Branch.

The BCT Head Office is in Sydney, with staff located in seven regions across NSW to help support and work with local landholders, communities and stakeholders. Nearly 60 per cent of BCT staff are located in regional areas.

Office of the Chief Executive

The Office of the Chief Executive includes the business-enabling functions of the BCT, including Communications and Engagement, Funds and Financing, Strategy and Governance, and Executive Support.

Communications and Engagement Unit

The Communications and Engagement Unit designs and delivers communication and engagement which builds trust and effective working relationships with landholders and stakeholders. The unit works to encourage new landholders to participate in the BCT's programs and creates information resources to assist BCT regions to communicate with potential landholder partners.

The Communications and Engagement Unit also promotes public knowledge, appreciation and understanding of the importance of conserving biodiversity, and undertakes brand development for the BCT.

Funds and Financing Unit

The Funds and Financing Unit delivers financial management and reporting, fund and investment management, financing, and asset management. The Unit leads day-to-day activities of the finance function for the BCT to produce efficient and accurate financial and management accounting information. The Unit develops and manages the BCT's budget including coordination of budget bids for Treasury. In collaboration with the Strategy and Governance Unit it manages the external financial audit of the BCT accounts.

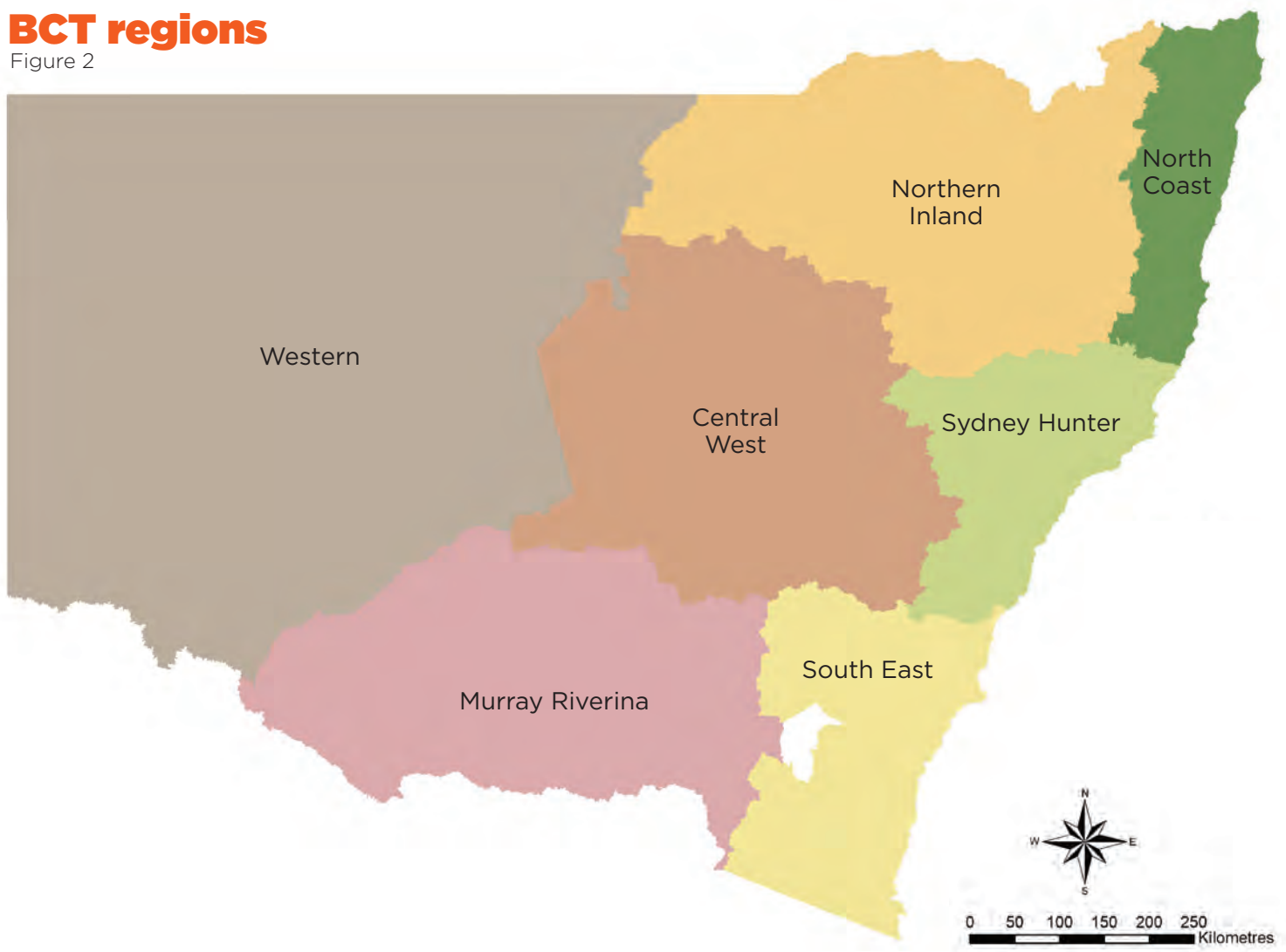
The Unit partners with relevant cluster services to manage financial services to the BCT, as well as managing reporting to Treasury, the Office of Environment and Heritage, and other government bodies.

Strategy and Governance Unit

The Strategy and Governance Unit supports the Executive Director and Chief Executive and the BCT Board to develop and deliver the BCT's strategy, Business Plan and Annual Reports. It supports the effective operations of the BCT's Audit and Risk Committee and establishes and maintains frameworks and policies for the good governance of the BCT, including risk management, monitoring, evaluation and reporting, legal compliance and internal and external auditing.

BCT regions

Figure 2



The team also manages the BCT's business requirements in human resources, business information systems and legal services. Corporate services are delivered through the Department of Planning and Environment (DPE) Corporate Cluster Services.

Programs Branch

Working with the Regional Delivery Branch, the Programs Branch leads the design, evaluation, review and reporting of the BCT's private land conservation programs, to assist landholders protect and conserve biodiversity with government investment.

The Branch also manages the BCT's offset obligations in line with legislative requirements including forecasting biodiversity credit demand and supply, driving credit supply, purchasing credits, funding biodiversity conservation actions, and developing a strategic portfolio of credits to meet future offset obligations. The Branch manages the Revolving Fund and provides support and technical services for implementing the BCT programs including developing operational tools, policies and guidance, and managing agreements.

Regional Delivery Branch

The Regional Delivery Branch of BCT is responsible for the on-ground delivery of BCT programs, including the Conservation Management Program, Conservation Partners Program and the field aspects of the Biodiversity Offsets Program.

The Regional Delivery Branch is also responsible for the ongoing maintenance of existing agreements. This includes landholder technical support for agreement holders as well as monitoring of the terms of agreements and compliance requirements.

Regional Delivery also participates in community engagement and education activities across NSW. Regional Delivery staff develop and maintain relationships with stakeholders across a wide gamut of landholders, interest groups and government agencies.

Regional Delivery is the 'face' of the BCT in all aspects of the business.

Our regions

Our regions are shown in the map above (Figure 2).

Program delivery mechanisms

The BCT has established a range of delivery mechanisms to meet its statutory objectives for the conservation of biodiversity.

The BCT acknowledges that these delivery mechanisms can be refined over time and remains open to developing additional delivery pathways as we learn from operational experience, or from feedback or suggestions from our landholders, partners and stakeholders.

The six delivery mechanisms developed (and in some cases delivered) in 2017-18 to facilitate landholder participation in BCT programs have been:

1. Conservation Tenders

These operate as 'reverse auctions' where landholders in areas of high conservation significance are invited to submit bids for funded conservation agreements by nominating a price/hectare/year to undertake agreed conservation management actions on part/s of their land.

Landholder bids are ranked according to the conservation return-on-investment, with an assessment process in which each site is allocated a relative biodiversity score that is considered in relation to the offered bid price.

Conservation tenders may also be used under the Biodiversity Offsets Program to invite landholders to nominate prices at which they are willing to sell certain biodiversity credits.

Tenders are conducted in a two-stage process. Landholders are initially invited to express interest. BCT landholder support officers and ecologists then work with the landholders to establish a suitable conservation management plan.

The landholders are then invited to tender, setting out a price/hectare/year they are willing to accept to implement the conservation management actions under the plan.

2. Fixed Rate Offers

These involve the BCT offering conservation management payments to landholders at a fixed rate (\$/hectare/year) to secure land of outstanding conservation value under an agreement.

Potential agreements are ranked according to the biodiversity benefits of the proposed conservation agreement.

3. Revolving Fund

Through its revolving fund, the BCT assesses and purchases land with high conservation and market value, protecting the values with an in-perpetuity Conservation Agreement or Biodiversity Stewardship Agreement, and on-selling the property

to new owners willing to take on the agreement's requirements.

The proceeds from sales are returned to the Revolving Fund and are reused to buy and protect further high conservation value properties.

This delivery mechanism can be used under all three BCT programs.

4. Landholder applications

Landholders can approach the BCT voluntarily to establish a conservation agreement under the Conservation Partners Program, or a Biodiversity Stewardship Agreement under the Biodiversity Offsets Program to sell credits on the market or retire credits to offset their own developments.

After landholders advise the BCT of their interest, the BCT assists the landholder in assessing their property against minimum eligibility criteria and establishing an agreement.

5. Partner-funded agreements

Partner organisations and programs can offer payments to landholders for targeted conservation or ecological restoration activities. Such organisations can commission the BCT to enter conservation agreements to secure this investment and support long-term outcomes.

6. Purchase of biodiversity credits

A key delivery mechanism under the Biodiversity Offsets Program is the purchase of biodiversity credits. The BCT will either purchase existing credits from the Biodiversity Credits Register (maintained by the Office of Environment and Heritage) or work with landholders to establish new Biodiversity Stewardship Agreements to generate credits that match the offset obligations held by the BCT. The BCT directly negotiates with the owners of the credits to agree on a purchase price.

Our operating budget

In 2016, the NSW Government committed \$240 million over five years and an ongoing allocation of \$70 million per annum (escalating), subject to program performance reviews, to a new private land conservation program.

In addition, the BCT receives funding from developers and government to source biodiversity offsets.

Additional revenue may result from developers participating in the BCT's Biodiversity Offsets Program or the BCT taking up responsibility for other existing offset schemes.

The BCT was also assigned responsibility for the revolving fund previously administered by the former Nature Conservation Trust of NSW.

The BCT Board approved the following initial allocation of funding over four years:

- Conservation Management Program:
\$192.1 million (77.9%)
- Conservation Partners Grants:
\$9.0 million (3.6%)
- Regional delivery and landholder support:
\$16.8 million (6.8%)
- Program design and delivery:
\$12.4 million (5.0%)
- Communications, stakeholder engagement and education:
\$3.7 million (1.5%)
- Funds and investment management:
\$1.5 million (0.6%)
- DPE corporate services costs:
\$3.4 million (1.4%)
- Other operating costs:
\$7.7 million (3.1%)
- TOTAL: \$246.6 million (100%)

The BCT Board reviews and approves the Trust's operating budget biannually. Full details of results against budget can be found in the financial statements appended to this report.

Biodiversity Stewardship Payments Fund

The annual report of the Biodiversity Stewardship Payments Fund is included in this BCT Annual Report (see page 57).



BCT financial statements



INDEPENDENT AUDITOR'S REPORT

NSW Biodiversity Conservation Trust

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the NSW Biodiversity Conservation Trust (the Trust), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, 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:

- give a true and fair view of the financial position of the Trust as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with 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 believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Information

Other information comprises the information included in the Trust's annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The Board of the Trust are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement signed by the members of the Trust pursuant to Section 41C of the PF&A Act.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Board's Responsibilities for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine 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 members of the Board are 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 except where the Trust will be dissolved by an Act of Parliament or otherwise cease operations.

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.

My opinion does *not* provide assurance:

- that the Trust carried out its activities effectively, efficiently and economically
- 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.



Reiky Jiang
Director, Financial Audit Services

14 September 2018
SYDNEY

Statement by members of the Trust

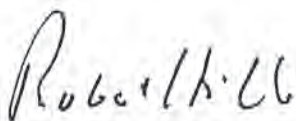
NSW Biodiversity Conservation Trust

STATEMENT BY MEMBERS OF THE TRUST

For the year ended 30 June 2018

Pursuant to Section 41C (1C) of the *Public Finance and Audit Act 1983*, we state that:

- a) the accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the Public Finance and Audit Regulation 2015, Australian Accounting Standards, the Financial Reporting Code for NSW General Government Sector Entities and the Treasurer's Directions;
- b) the statements exhibit a true and fair view of the financial position and transactions of the Trust; and
- c) to the best of our knowledge, there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Hon. Robert Hill AC
Chairperson, BCT Board
14 September 2018



Renata Brooks
BCT Board Member and
Chairperson, BCT Audit and Risk Committee
14 September 2018

Audited financial statements

Beginning of Audited Financial Statements

The NSW Biodiversity Conservation Trust (Previously Nature Conservation Trust of New South Wales) Statement of Comprehensive Income For the year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
Continuing operations			
Expenses excluding losses			
Operating expenses			
Personnel services	2(a)	6,452	1,877
Other operating expenses	2(b)	3,495	798
Depreciation expense	2(c)	22	35
Grants and subsidies	2(d)	328	459
TOTAL EXPENSES EXCLUDING LOSSES		10,297	3,169
Revenue			
Investment revenue	3(a)	306	260
Grants and contributions	3(b)	43,919	1,443
Other revenue	3(c)	673	136
TOTAL REVENUE		44,898	1,839
Operating result			
Gain/(loss) on disposal	4(a)	7	106
Other gains/(losses)	4(b)	(141)	
Net result	16	34,467	(1,224)
Other comprehensive income		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		34,467	(1,224)

The accompanying notes form part of these financial statements.

The NSW Biodiversity Conservation Trust
(Previously Nature Conservation Trust of New South Wales)
Statement of Financial Position

As at 30 June 2018

	Notes	2018 \$'000	2017 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	5	47,453	11,499
Financial assets	6	—	50
Non-current assets held for sale	8	1,975	1,822
Receivables	7	253	516
Total Current assets		49,681	13,886
Non-current assets			
Property, plant and equipment			
Plant and equipment	9	71	93
Intangible assets		—	3
Total property, plant and equipment		71	96
Total non-current assets		71	96
Total assets		49,752	13,983
LIABILITIES			
Current liabilities			
Payables	12	2,789	1,339
Provisions	13	382	530
Total current liabilities		3,171	1,869
Non-current liabilities		—	—
Total liabilities		3,171	1,869
Net assets		46,581	12,114
EQUITY			
General reserve		—	678
Stewardship reserve		—	1,185
Restricted reserve		—	10,251
Accumulated funds		46,581	—
Total equity		46,581	12,114

Reserves of \$12,113,839 in 2016-17 were amalgamated with accumulated funds in 2017-18. Refer note 1(g).

The accompanying notes form part of these financial statements.

The NSW Biodiversity Conservation Trust
(Previously Nature Conservation Trust of New South Wales)
Statement of Cash Flows

For the year ended 30 June 2018

Notes

	2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Government funding and other services (net of returns)	-	(105)
Payments to employees	-	(1,323)
Personnel services	(5,923)	-
Grants and subsidies	(328)	-
Other	(3,337)	(1,499)
Total Payments	(9,588)	(2,927)
Receipts		
Other receipts	1,234	-
Interest received	306	309
Grants	43,919	-
Total Receipts	45,459	309
NET CASH FLOWS FROM OPERATING ACTIVITIES	35,871	(2,618)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	-	(5)
Proceeds from sale of property held for sale	833	4,146
Purchase of property held for sale	(800)	(1,253)
Transfer of financial assets to cash	50	980
NET CASH FLOWS FROM INVESTING ACTIVITIES	83	3,868
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	35,954	1,250
Opening cash and cash equivalents	11,499	10,249
CLOSING CASH AND CASH EQUIVALENTS	47,453	11,499

The accompanying notes form part of these financial statements.

The NSW Biodiversity Conservation Trust
(Previously Nature Conservation Trust of New South Wales)
Statement of Changes in Equity
For the year ended 30 June 2018

	Notes	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2017		12,114	12,114
Net result for the period		34,467	34,467
Other comprehensive income:			
Net increases / (decrease) in property, plant and equipment		-	-
Total other comprehensive income		-	-
Total comprehensive income for the period		34,467	34,467
Balance as at 30 June 2018		46,581	46,581

	Notes	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2016		13,338	13,338
Net result for the period		(1,224)	(1,224)
Other comprehensive income:			
Net increases / (decrease) in property, plant and equipment		-	-
Total other comprehensive income		-	-
Total comprehensive income for the period		(1,224)	(1,224)
Balance as at 30 June 2017		12,114	12,114

2016-17 includes: 'general reserve' - \$677,611; 'stewardship reserve' - \$1,185,201; and 'restricted reserve' - \$10,251,027, which were amalgamated to accumulated funds in 2017-18.

The accompanying notes form part of these financial statements.

BIODIVERSITY CONSERVATION TRUST OF NEW SOUTH WALES
(Previously Nature Conservation Trust of New South Wales)
Notes to the financial statements
for the year ended 30 June 2018

1. Summary of Significant Accounting Policies

(a) Reporting entity

The NSW Biodiversity Conservation Trust (BCT) is a statutory body representing the Crown. 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 BCT are to be conducted on a not-for-profit basis. BCT is consolidated as part of the NSW Total State Sector Accounts.

Part 10 Division 1 Section 10.15 of the BC Act states "The Biodiversity Conservation Trust established under this Division is a continuation of, and the same legal entity as, the Nature Conservation Trust established under the *Nature Conservation Trust Act 2001* immediately before the repeal of that Act by this Act." As a result, the 30 June 2018 financial statements are made up of financial performance of NCT from 1 July 2017 to 24 August 2017 and of BCT from 25 August 2017 to 30 June 2018. Refer note 14.

With the commencement of the BC Act, the management of the Biodiversity Stewardship Payments Fund, formerly known as the Biobanking Trust Fund, was transferred from the Environmental Trust to BCT. A total of 55 biobanking sites were transferred on 25 August 2017. Monies in the Biodiversity Stewardship Payments Fund are held on behalf of private landholders and cannot be used to fund BCT's operations. Hence, they are not included in the financial statements of BCT. Refer note 20(i).

BCT also administers biodiversity conservation fund and funds held in trust for funded conservation agreements. They are classified as restricted cash. Refer note 11.

BCT's goals are to encourage landowners to enter agreements to conserve biodiversity and support productive landscapes, to deliver a strategic biodiversity offsetting service, and to support landholders to conserve biodiversity on their land. BCT's mission is to maximise the biodiversity conservation outcomes achieved with the public and private resources entrusted in BCT to support private land conservation, to deliver a healthy, productive and resilient environment across NSW.

Under the BC Act, the Minister for the Environment is responsible for appointing BCT's Board, functions are conferred on the Board as a whole and the Board is accountable to the Minister. The Minister for Environment commissioned a new Board to manage the affairs of BCT from 25 August 2017.

The Office of Environment and Heritage (OEH) provides personnel services to 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*.

BCT's financial statements have been authorised for issue by the Board of BCT on 14 September 2018.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)

- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015* and
- the Financial Reporting Directions mandated by the Treasurer.

Plant and equipment and assets held for sale are measured at fair value. Intangible assets are measured at cost. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

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

(c) Statement of compliance

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

(d) Accounting for the goods and services tax (GST)

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

- the amount of GST incurred by 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 and
- 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. 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

BCT is a continuation of, and the same legal entity as NCT. In preparing these financial statements comparative financial information is based on the 30 June 2017 audited financial statements of NCT.

(f) Budget information

BCT was legally constituted on 25 August 2017, after the presentation of the 2017-18 State Budget to the Parliament. In preparing these financial statements, budget information is not presented because AASB1055 *budgetary reporting* is not applicable to BCT for 2017-18.

(g) Equity and reserves - accumulated funds

The category 'accumulated funds' includes all current and prior period retained funds. Reserves of NCT were transferred to accumulated funds as of 25 August 2017. NCT reserves included the "general reserve", which represented unrestricted accumulated funds; the "stewardship reserve", which was used to meet on-going support to landholders and to monitor compliance with conservation agreements in perpetuity; and the "revolving fund reserve", which was used to buy, sell and protect high conservation value properties.

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

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 Accounting Standards have not been applied and are not yet effective (NSW Treasury mandate TC 18/01)

- AASB 9 financial instruments

- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding revenue from contracts with customers
- AASB 16 leases
- AASB 1058 income of not-for-profit entities
- AASB 1059 service concession arrangements: grantors
- AASB 2016-7 amendments to Australian Accounting Standards – deferral of AASB 15 for not-for-profit entities
- AASB 2016-8 amendments to Australian Accounting Standards – Australian implementation guidance for not-for-profit entities
- AASB 2017-1 amendments to Australian Accounting Standards – transfer of investment property, annual improvements 2014-2016 cycle and other amendments
- AASB2017-5 amendments to Australian Accounting Standards – effective date of amendments to AASB 10 and AASB 128 and editorial corrections

These standards have been assessed for their possible impact on the financial statements, if any, in the period of their initial application. The assessment concluded that AASB 1058 *income of not-for-profit entities*, effective from the 2019-20 year is likely to have a material impact. AASB 16 *leases* also effective from the 2019-20 financial year may have some financial impact though it is not likely to be significant. It is not possible to quantify the impact of these standards at this point in time. In addition, new disclosures may be required under AASB 9 *financial instruments*. Apart from this, the other new standards are not likely to have any material impact.

Notes to the financial statements

2. Expenses Excluding Losses Operating Expenses

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

(a) Personnel services expenses

	2018 \$'000	2017 \$'000
Salaries and Wages (including annual leave)	5,409	1,375
Redundancy payments	145	388
Superannuation - defined contribution plans	316	114
Long service leave	234	-
Payroll tax and fringe benefits tax	348	-
	6,452	1,877

Until 24 August 2017 staff were the employees of NCT. Effective from 25 August 2017 personnel services are received from the Office of Environment and Heritage. Refer note 1(a). Personnel services are recognised in the period in which they are incurred.

(b) Other operating expenses

	2018 \$'000	2017 \$'000
Biodiversity projects - contractors	496	172
Insurance	11	28
Consultants	70	-
Fees and services	1,326	-
Corporate support fees*	713	-
Advertising, publications and printing	137	36
Travel costs	146	146
Legal costs	187	178
Auditor's remuneration (audit of the financial statements)	35	31
Maintenance	3	-
Operating lease rental expenses	16	15
Other occupancy costs	102	91
General administration	253	101
	3,495	798

* BCT receives corporate services from the Department of Planning and Environment and pays fees in accordance with the Service Partnership Agreement. The 2017-18 corporate services fee includes an amount of \$679,000 from 25 August 2017 to 30 June 2018 to the Department of Planning and Environment and \$34,000 to the Office of Environment and Heritage for specialist and transition services up to 24 August 2017.

Recognition and measurement - other operating expenses

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 ones are detailed below:

(i) Maintenance expense

Day-to-day servicing or maintenance costs are expensed as incurred.

(ii) Insurance

A range of insurances are carried by BCT with the New South Wales Treasury Managed Fund. Insurance cover will be reviewed annually to ensure adequacy.

(iii) Operating leases

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term. In accordance with AASB 117 *leases* BCT holds no finance leases.

Notes to the financial statements

(c) Depreciation expense

	2018	2017
	\$'000	\$'000
Depreciation:		
Plant and Equipment	19	29
Amortisation of intangibles	3	6
	22	35

For recognition and measurement policies on depreciation refer note 9.

(d) Grants and subsidies

	2018	2017
	\$'000	\$'000
Payment to Landholders	328	459
	328	459

Recognition and measurement - grants and subsidies

Grants are generally recognised as expense when control of the contribution is transferred. BCT (previously NCT) is deemed to have transferred control when the grant is paid or payable.

3. Revenue

Revenue is measured at the fair value of the consideration or contribution received or receivable. Accounting policies for key revenue items are discussed below.

(a) Investment revenue

	2018	2017
	\$'000	\$'000
Interest revenue from financial assets not at fair value through profit or loss	306	260
	306	260

Recognition and measurement - investment revenue

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Notes to the financial statements

(b) Grants and contributions

	2018	2017
	\$'000	\$'000
Grants received*	43,686	1,443
Personnel Services assumed by Crown Entity	233	-
	43,919	1,443

*In 2017-18 BCT received a grant of \$43,500,000 from the Office of Environment and Heritage towards private land conservation program (2017:Nil).

Recognition and measurement - grants and contributions

Grants are generally recognised as income when control is obtained over the contribution. BCT (previously NCT) is deemed to have assumed control when the grant is received or receivable.

(c) Other revenue

	2018	2017
	\$'000	\$'000
Funding agreements	567	112
Miscellaneous	106	24
	673	136

Recognition and measurement

(i) Funding agreements

NCT received funding from external sources that had very specific performance obligation requirements in their funding agreements to deliver biodiversity benefits by entering into management funding contracts. This funding was recognised as a liability upon receipt, and as revenue as performance obligations were met. Refer note 12 and note 19.

4 (a) Gain/(loss) on disposal

	2018	2017
	\$'000	\$'000
Proceeds from disposal of current/non-current assets:		
Land held for sale	395	4,181
Plant and equipment	-	-
Carrying value of current/non-current assets disposed of:		
Land held for sale	(385)	(4,075)
Plant and equipment	(3)	-
Net gain / (loss) on disposal	7	106

4 (b) Other gains/(losses)

	2018	2017
	\$'000	\$'000
Impairment - land held for sale	(141)	-
	(141)	-

For recognition and measurement policies refer note 8 and note 10.

Notes to the financial statements

5. Current assets – cash and cash equivalents

	2018 \$'000	2017 \$'000
Cash at bank and on hand	47,453	11,472
Public funds and donations	-	27
	47,453	11,499

In July 2017, the NCT Board resolved to allocate public funds and donations with a balance of \$42,068 at that time towards the NCT's primary purpose of protecting private land in perpetuity. The NCT public fund, including its charity registration, is being revoked, effective 24 August 2017. No public donations were received by BCT in 2017-18.

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.

Cash and cash equivalents (per Statement of Financial Position)	47,453	11,499
Cash and cash equivalents (per statement of cash flows)	47,453	11,499

Refer note 11 for details on restricted assets.

Refer note 17 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

6. Financial Assets

	2018 \$'000	2017 \$'000
Term Deposits	-	50
	-	50

Term deposit of \$50,000 was transferred to cash in 2017-18.

7. Current assets – receivables

	2018 \$'000	2017 \$'000
Sale of goods and services	-	58
Other receivables	6	-
Biodiversity Stewardship Payment Funds management fee	88	-
GST	28	-
Prepayments*	131	20
Revolving fund receivables	-	438
	253	516

* Prepayments include deposit paid for the purchase of land for which settlement is yet to be finalised.

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in note 17.

Recognition and measurement - receivables

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables, including trade receivables, prepayments etc. 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. Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Impairment

Receivables are subject to an annual review for impairment. These are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

BCT first assesses whether impairment exists individually for receivables that are individually significant, or collectively for those that are not individually significant. Further, receivables are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, if objectively related to an event occurring after the impairment was recognised. Reversals of impairment losses cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

8. Non current assets – assets held for sale

	2018	2017
	\$'000	\$'000
Land	1,975	1,822
	1,975	1,822

Under its programs, BCT acquires high conservation value land, applies conservation covenants and then sells the land.

Recognition and measurement - assets held for sale

At 30 June 2018, BCT had four parcels of land classified as held for sale (30 June 2017: 4 parcels), where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Land held for sale is 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 held for sale is assessed annually by an independent valuer and any loss is expensed in the Statement of Comprehensive Income. Refer note 4(b) and note 10. Land is not depreciated. BCT intends to sell all four parcels of land held at 30 June 2018 in the following year.

Notes to the financial statements

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

	2017-18	
	Plant and Equipment \$'000	Total \$'000
At 1 July 2017 - fair value		
Gross carrying amount	239	239
Accumulated depreciation	(146)	(146)
Net carrying amount	93	93
At 30 June 2018 - fair value		
Gross carrying amount	178	178
Accumulated depreciation	(107)	(107)
Net carrying amount	71	71

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Plant and Equipment \$'000	Total \$'000
Year Ended 30 June 2018		
Net carrying amount	93	93
Disposals	(3)	(3)
Depreciation expense	(19)	(19)
Net carrying amount	71	71

	2016-17	
	Plant and Equipment \$'000	Total \$'000
At 1 July 2016 - fair value		
Gross carrying amount	234	234
Accumulated depreciation	(117)	(117)
Net carrying amount	117	117
At 30 June 2017 - fair value		
Gross carrying amount	239	239
Accumulated depreciation	(146)	(146)
Net carrying amount	93	93

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Plant and Equipment \$'000	Total \$'000
Year Ended 30 June 2017		
Net carrying amount at 1 July 2016	117	117
Net revaluation increment less revaluation decrements	-	-
Additions	5	5
Depreciation expense	(29)	(29)
Net carrying amount	93	93

Recognition and measurement – property, plant and equipment

(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. 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 so as to write off the depreciable amount of each asset as it is consumed over its useful life to BCT. Depreciation rates adopted by BCT range from 6.7 to 7.7 percent.

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

For reporting periods prior to the commencement of BCT, property, plant and equipment were depreciated on a reducing balance basis. The depreciation rates ranged from 15 to 40 percent.

(vi) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with TPP14-01 "valuation of physical non-current assets at fair value" policy and guidelines paper. 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. BCT has assessed that any difference between fair value and the historical cost is unlikely to be material.

(vii) Impairment of property, plant and equipment

As a not-for-profit entity, 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. 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, 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.

10. 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 the absence of a principal market, 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, 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).

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 17 for further disclosures regarding fair value measurements of financial assets.

(a) Fair value hierarchy

30-Jun-18

Non-current assets held for sale (note 8)
Land

Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
-	1,975	-	1,975
-	1,975	-	1,975

30-Jun-17

Non-current assets held for sale
Land

Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
-	1,822	-	1,822
-	1,822	-	1,822

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

(b) Valuation techniques, inputs and processes

Asset Class

Valuation Technique Comments

Non-current assets held for sale
Land

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. A comprehensive valuation was undertaken by Opteon Pty Ltd, a qualified valuer, at 30 June 2018.

Notes to the financial statements

11. Restricted assets

	2018	2017
	\$'000	\$'000
Current	45,903	8,352
Restricted cash	45,903	8,352

The above cash is recognised as a restricted asset as these funds can be used for specific purposes only, for the BCT's private land conservation programs, including meeting BCT's obligations to private landholders under conservation agreements. Refer note 19.

12. Current liabilities - payables

	2018	2017
	\$'000	\$'000
Creditors	1,147	159
Personnel services	1,059	-
Unearned revenue	582	884
GST payable	-	296
	2,788	1,339

Personnel services relate to the amount payable to the Office of Environment and Heritage for employee entitlements (\$568,962) and accrued salaries (\$490,008). Refer note 2(a).

Details regarding liquidity risk, including a maturity analysis of the above payables, are disclosed in note 17.

Recognition and measurement

(i) Creditors

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

(ii) Unearned revenue

Unearned revenue is recognised when the performance obligations specified in the funding agreement with the provider of funds are yet to be satisfied by BCT (previously NCT). Revenue is recognised only upon the delivery of these obligations. Refer note 3(c) and note 19.

13. Current liabilities - provisions

	2018	2017
	\$'000	\$'000
Employee benefits - annual leave and long service leave	-	191
Employee benefits - redundancy	-	339
Biodiversity offsets	382	-
	382	530

Movements in provisions (other than employee leave benefits)

Movements in the provision during the financial year are set out below:

	2018	2017
	\$'000	\$'000
Carrying amount at 1 July 2017	-	-
Additional provisions recognised	382	-
Carrying amount at 30 June 2018	382	-

Recognition and measurement- key "provisions"

(i) Provision for Redundancies

All NCT staff became redundant on the last day of operation of the NCT being 24 August 2017, as there was no opportunity for a transfer to the BCT pursuant to the BC Act. Accordingly redundancy payments were made to all NCT staff in accordance with the NCT Board's resolution. Redundancy expenses were recognised by NCT in 2016-17 in accordance with AASB 137 with an equivalent provision.

(ii) Biodiversity offsets

Biodiversity offsets provision is recognised when funds are received from developers for securing offsets on their behalf. Under the BC Act, BCT has a constructive obligation to purchase equivalent biodiversity offsets. The provision is extinguished when BCT secures offsets with any net differences recognised in the statement of comprehensive income.

14. *Financial Reporting by Trust:*

In accordance with Part 10 Division 1, Section 10.15 of the BC Act, BCT is a continuation of, and the same legal entity as NCT. Refer note 1(a). Therefore the financial statements for the year ended 30 June 2018 are made up of financial performance of NCT from 1 July 2017 to 24 August 2017 and of BCT from 25 August 2017 to 30 June 2018.

STATEMENT OF COMPREHENSIVE INCOME

	NCT 1 July 2017 to 24 August 2017	BCT 25 August 2017 to 30 June 2018	2018	2017
	\$'000	\$'000	\$'000	\$'000
Expenses excluding losses				
Operating expenses				
Personnel services	260	6,192	6,452	1,877
Other operating expenses	217	3,278	3,495	798
Depreciation expense	6	17	23	35
Grants and subsidies	76	251	327	459
TOTAL EXPENSES EXCLUDING LOSSES	559	9,738	10,297	3,169
Revenue				
Investment revenue	10	296	306	260
Grants and contributions	95	43,824	43,919	1,443
Other revenue	317	356	673	136
TOTAL REVENUE	422	44,476	44,898	1,839
Gain/(loss) on disposal	-	7	7	106
Other gains/(losses)	-	(141)	(141)	-
Net result	(137)	34,604	34,467	(1,224)
TOTAL COMPREHENSIVE INCOME	(137)	34,604	34,467	(1,224)

STATEMENT OF FINANCIAL POSITION

	At 30 June 2018	At 24 August 2017	30 June 2017
	\$'000	\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents	47,453	10,872	11,499
Financial assets	-	-	50
Assets held for sale	1,975	1,782	1,822
Receivables	253	50	516
Total Current assets	49,681	12,704	13,886
Non-current assets			
Plant and equipment	71	85	93
Intangible Assets	-	2	3
Total non-current assets	71	87	96
Total assets	49,752	12,791	13,983
LIABILITIES			
Current liabilities			
Payables	2,789	813	1,339
Provisions	382	-	530
Total current liabilities	3,171	813	1,869
Total liabilities	3,171	813	1,869
Net assets	46,581	11,978	12,114

Notes to the financial statements

15. Contingent liabilities and assets

A contingent liability is a potential liability that may occur depending upon the outcome of an uncertain future events.

A contingent asset is a possible asset that may arise because of a gain that is contingent on future events, not under BCT's control.

The following are known contingent liabilities and assets at 30 June 2018.

Contingent liabilities

The BCT is involved in a civil enforcement proceeding before the Land and Environment Court. The likelihood of success is reasonable, but in the event of a loss, the BCT may be charged for legal costs. The amount is not clearly determinable as at 30 June 2018.

Contingent assets

There were no contingent assets at 30 June 2018.

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

	2018	2017
	\$'000	\$'000
Net cash provided by (used on) operating activities	35,871	(2,618)
Depreciation	(22)	35
Increase/(decrease) in receivables	55	119
Decrease/(increase) in payables	(1,451)	1,700
Decrease/(increase) in provisions	148	-
Increase/(decrease) in assets held for sale	-	(460)
Gain / (losses)	(134)	-
Net result	34,467	(1,224)

Notes to the financial statements

17. Financial instruments

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

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

The Board of BCT 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 BCT, to set risk limits and controls, and to monitor risks.

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying amount	Carrying amount
			30-Jun-18	30-Jul-17
			\$'000	\$'000
Class:				
Cash and cash equivalents	5	N/A	47,453	11,499
Receivables ¹	7	Receivables (at amortised cost)	94	496
Financial Liabilities	Note	Category	Carrying amount	Carrying amount
			30-Jun-18	30-Jul-17
			\$'000	\$'000
Class:				
Payables ²	12	Financial liabilities (at amortised cost)	2,206	159

Note

Notes :

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

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 BCT transfers the financial asset:

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

Where 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 BCT's continuing involvement in the asset. In that case, 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 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 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.

(c) Financial risks

(i) Credit risk

Credit risk arises when there is the possibility of BCT's debtors defaulting on their contractual obligations, resulting in a financial loss to 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 BCT, including cash and receivables. No collateral is held by BCT. BCT has not granted any financial guarantees.

Credit risk associated with BCT's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash and cash equivalents

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

Receivables – trade debtors

All trade and other debtors are recognised as amounts receivable at balance date. Collectability of all debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. An allowance for impairment is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any allowance for impairment). No interest is earned on trade debtors. The carrying amount approximates net fair value.

BCT is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors.

As at 30 June 2018, there was no trade debtors.

	Total ^{1,2}	Neither past due nor impaired \$'000	Past due but not impaired ^{1,2} \$'000	Considered impaired ^{1,2} \$'000
2017				
Neither past due nor impaired	496	496	-	-
Total	496	496	-	-

Notes

1. Each column in the table reports 'gross receivables'.

2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total recognised in the statement of financial position and note 8.

(ii) Liquidity risk

Liquidity risk is the risk BCT will be unable to meet its payment obligations when they fall due. 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. 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, BCT may automatically pay the supplier simple interest. The applicable rate of interest for the period to 30 June 2018 was 9.8% (2017: 9.8%). The rate of interest is determined by the Office of State Revenue.

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

						\$'000			
						Interest rate exposure		Maturity dates	
	Weighted average effective int. rate	Nominal amount 1	Fixed interest rate	Variable interest rate	Non-Interest bearing	< 1 year	1-5 years	> 5 years	
2018									
Payables		2,206	-	-	2,206	2,206	-	-	
		2,206	-	-	2,206	2,206	-	-	

		\$'000						
		Interest rate exposure				Maturity dates		
	Weighted average effective int. rate	Nominal amount 1	Fixed interest rate	Variable interest rate	Non-Interest bearing	< 1 year	1-5 years	> 5 years
2017			-	-	-			
Payables		159	-	-	159	159	-	-
		159	-	-	159	159	-	-

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which 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. BCT's exposures to market risk are primarily through price risks associated with the movement in the unit price of the TCorpIM investment facilities. 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 taking into account the economic environment in which BCT operates and the time frame 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

BCT does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, 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. BCT's exposure to interest rate risk is set out below.

	Carrying amount	\$'000			
		-1%		1%	
		Profit	Equity	Profit	Equity
30-Jun-18					
<i>Financial assets</i>					
Cash and cash equivalents	47,453	(475)	(475)	475	475
	Carrying amount	\$'000			
		-1%		1%	
		Profit	Equity	Profit	Equity
30-Jun-17					
<i>Financial assets</i>					
Cash and cash equivalents	11,499	(115)	(115)	115	115

Other price risk – TCorpIM facilities

The fund management of Biodiversity Stewardship Payments Fund (BSPF), formerly known as Biobanking Trust Fund (BTF) was transferred to BCT from the Environmental Trust on 25 August 2017. BSPF holds units in the following three investment options:

Facility	Investment sectors	Investment horizon	30-Jun-18 \$'000	30-Jun-17 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	10,823	9,092
Medium term growth facility	Cash, money market instruments, Australian and International bonds, listed property, Australian shares	3 years to 7 years	9,214	23,052
Long term growth facility	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	44,702	23,958

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

NSW TCorp as trustee for the above facilities is required to act in the best interest of the unit holders and to administer BCTs in accordance with BCT deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties.

Investment in the TCorpIM facilities limits BSPF's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments. As a fund manager, BCT is obliged to manage the risk of shortfall in meeting its obligations to private landholders through the prudent management of Biodiversity Stewardship Payment Fund.

18. Related party disclosures

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

BCT's (previously NCT) key management personnel (KMP) compensation is as follows:

	2018 \$'000	2017 \$'000
Short-term employee benefits:		
Salaries	479	270
Other monetary allowances	-	-
Termination benefits	-	36
Total remuneration	479	306

The key management personnel compensation excludes the Minister for the Environment and Minister for Heritage. Ministerial compensation is paid by the NSW Legislature, not BCT. Based on advice provided by KMPs and NSW Treasury, and transactional reviews undertaken, BCT did not enter into any transactions with key management personnel, their close family members and any entities controlled or jointly controlled thereof during the year.

b) During the year, BCT entered into transactions with OEHL, which is controlled by the NSW Government. These transactions support BCT in meeting its objectives and include receipt of \$43.5 million in grants towards the private land conservation program. BCT also receives personnel service services from OEHL.

In 2017-18 BCT paid \$679,000 to the Department of Planning and Environment for corporate services under the Service Partnership Agreement.

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

19. Commitments for expenditure

(i) Conservation agreements, Biodiversity offsets and management funding contracts

(a) **Conservation agreements:** Under its Act, BCT can enter into 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. Such an agreement binds the landholder to certain restrictions on the use of the land to which it applies. Such an agreement also includes terms, which are binding on BCT, such as provision of financial assistance. A conservation agreement has effect in perpetuity or for the period set out in the agreement unless it is terminated in accordance with Part 5 Division 3 Section 5.23 of the BC Act. In the year 2017-18, BCT entered into fifteen (15) conservation agreements with a present value of \$10.9 million in total obligations to the landholders over the period of these agreements. This commitment will be recognised a liability when the amounts become payable to landholders, upon completion of their obligations in accordance with the agreements.

(b) **Management funding contracts:** NCT under its Act could also enter into management funding contracts with private land holders. Such agreements binds landholders to conserve biodiversity on their land and binds NCT (now BCT) to provide financial assistance in accordance with the agreed schedule. There are currently 24 such agreements with a total outstanding obligation of \$0.5 million. Refer note 12.

(ii) Operating lease commitments

	2018 \$'000	2017 \$'000
Entity as a lessee		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	54	20
Later than one year and not later than five years	146	1
Later than five years	-	-
Total (including GST)	200	21

** Operating leases are for motor vehicles.

20 - Funds and assets held on behalf of third parties

(i) Biodiversity Stewardship Payments Fund

Funds in the Biodiversity Stewardship Payments Fund are held on behalf of private land holders and cannot be used to fund BCT operations. Hence they are not included in the financial statements of BCT.

The fund management of the Biodiversity Stewardship Payments Fund, formerly known as Biobanking Trust Fund was transferred to BCT from the Environmental Trust (ET) on 25 August 2017. A total of 55 sites were transferred to BCT on the date of transition. Twenty-eight new site transactions occurred after 25 August 2017 bringing the total number of sites managed to 83. Refer note 1(a).

Movement in Funds

	25 August 2017 to 30 June 2018 \$'000	1 July 2017 to 24 August 2017 (managed by ET) \$'000
Balance at start of the period	61,094	60,776
Add: receipts by the Fund	23,436	604
Add: interest on invested amounts in the Fund	4,364	175
Less: annual management payments	(2,237)	(301)
Less: fund manager fee	(88)	(160)
Balance invested in the Fund	86,569	61,094

Statement of financial position

	2018 \$'000	2017 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	21,154	4,673
Short term deposits	10,838	9,092
Total cash and cash equivalents	31,992	13,765
Financial assets - at fair value		
TCorpIM Medium Term Growth Facility	9,271	23,052
TCorpIM Long Term Growth Facility	45,305	23,959
Total financial assets - at fair value	54,576	47,011
Total current assets	86,568	60,776

Indications are that the liabilities or obligations to landholders in future may exceed the fund balance. The BCT is reviewing this risk through prudent management of funds to minimise any potential shortfall. However this is subject to the interest rate fluctuations, market risk and 'other price' risk. Refer note 17.

20 (ii) - Revolving Funds and Covenant Program

At 30 June 2017, NCT held cash and property on behalf of third parties in the form of "Revolving Funds" and "Covenant Program Funds".

These amounts were excluded from the NCT financial statements as the NCT did not have ultimate control of these funds.

The NCT completed a number of projects with third parties during the period 1 July 2017 to 24 August 2017, including the remittance of funds to those parties in accordance with contractual arrangements.

The following is a summary of transactions and balances of the amounts held on behalf of third parties for the year ended 30 June 2018.

Revolving Funds & Covenant Program Funds (\$'000)

	Roads and Maritime Services	Commonwealth Government Cumberland Conservation Corridor	TOTAL
Opening balance of funds held	488	2,968	3,456
Expenditure			
Completed	(488)	(2,968)	(3,456)
Closing balance of funds held	-	-	-

Statement of financial position for funds and assets held on behalf of third parties

	2018 \$'000	2017 \$'000
ASSETS		
Current assets		
Cash and cash equivalents		
- Roads and Maritime Services	-	481
- Cumberland Conservation Corridor	-	3,413
Total cash and cash equivalents	-	3,894
LIABILITIES		
Current liabilities		
Payables	-	438
Total current liabilities	-	438
Total liabilities	-	438
Net assets	-	3,456
Closing funds and assets held		
- Roads and Maritime Services	-	488
- Cumberland Conservation Corridor	-	2,968
	-	3,456

Notes to the financial statements

21 Events after the reporting period

BCT is not aware of any circumstances that occurred after the balance date which would have material impact on the 30 June 2018 financial statements.

End of audited financial statements



Appendices

Governance

The Minister for the Environment has appointed a Board to manage the affairs of the BCT, including ensuring compliance with a comprehensive governance framework, as set out in the *Biodiversity Conservation Act 2016*, the Biodiversity Conservation Regulation 2017, and the Biodiversity Conservation (Savings and Transitional) Regulation 2017.

The BCT is led by an Executive Director and Chief Executive accountable to the Board for the operations of the BCT and to the Chief Executive of OEH for employment and administrative purposes.

The following components of the governance framework were developed this year:

Board charter and performance framework

- BCT Business Plan 2017-18 to 2020-21
- Quarterly performance reports to the Board (finance, risk, and work, health and safety)
- Instruments of financial and administrative delegations including Board protocol guiding the exercise of those delegations
- DPE financial management system and controls
- BCT budget
- Programs and Delivery Committee (with charter)
- Audit and Risk Committee (and associated charter), to oversee financial management, risk, compliance, and internal and external audit
- Chief Audit Executive, Chief Risk Officer, and Chief Financial Officer assigned
- Risk management framework including policy and plan
- Internal audit charter, internal audit plan and an outsourced internal audit provider
- External audit by the NSW Auditor General under a Client Service Plan
- Probity report including a governance and risk framework
- Work health and safety policy and procedures
- Policies applying to the corporate services provided to the BCT by the Department of Planning and Environment
- Adoption or adaption of relevant OEH administrative policies
- BCT Executive Committee.

Other governance components underway this year:

- Conformance management framework, plan and reporting
- Work health and safety procedures and reporting
- Internal audit reporting
- BCT Annual Report including sign-off of financial statements and internal controls.

Board and Subcommittees

Board

General information: Part 10.3 of the Act constitutes the BCT Board. This states that there is to be a Board of the Trust, consisting of not less than 5 and not more than 11 members appointed by the Minister.

Name	Position	Term of appointment	Meeting attendance
The Hon Robert Hill AC	Chairperson	25-Aug-2017 to 24-Aug-2020	6 of 6 meetings
Ms Virginia Malley	Deputy Chairperson	25-Aug-2017 to 24-Aug-2019	6 of 6 meetings
Ms Renata Brooks	Member	25-Aug-2017 to 24-Aug-2020	6 of 6 meetings
Mr Duncan McGregor	Member	25-Aug-2017 to 24-Aug-2019	6 of 6 meetings
The Hon Gary Nairn AO	Member	25-Aug-2017 to 24-Aug-2020	5 of 6 meetings [Apology for 21/9/17]
Mr Russell Taylor AM	Member	25-Aug-2017 to 24-Aug-2019	6 of 6 meetings

Frequency of meetings

The BCT Board Charter notes that the Board expects to meet bimonthly (six times each year), with additional meetings to be convened as necessary, and out-of-session decisions able to be made as agreed by the Chairperson. The inaugural meeting was 21 September 2017; the Board met six times this year.

Method of appointment

On 15 December 2016, the then Minister for the Environment approved recruitment of the BCT Board. Positions were advertised, and an assessment panel was established to select suitable nominees. NSW Cabinet approval was then sought for the recommended appointments. Also, as required under the *Biodiversity Conservation Act 2016*, the Minister for the Environment consulted with the Minister for Planning and the Minister for Primary Industries for BCT Board appointments.

As defined in Schedule 8 Clause 2 of the *Biodiversity Conservation Act 2016*, the persons appointed as members of the Biodiversity Conservation Trust Board are to be persons who, in the opinion of the Minister for the Environment, have skills and experience in one or more of the following areas:

- Increasing public knowledge, understanding and appreciation of the importance of biodiversity by private landholders and other community members
- Protection and conservation of biodiversity
- Management of natural resources, including agricultural land
- Agricultural land production systems
- Land use planning and operation of local councils
- Marketing, fundraising, communications and stakeholder engagement
- Economics and financial management (including investment fund management)
- Information technology
- Law, governance and administration
- Decision making and leadership.

Audit and Risk Committee

The role of the Audit and Risk Committee (ARC) is to provide independent assistance to the Board by monitoring, reviewing and providing advice about the BCT's governance processes, risk management and control frameworks, and its external accountability obligations. The ARC does not have any executive powers but is directly responsible and accountable to the Board for the exercise of its responsibilities.

Name	Position	Term of appointment	Meeting attendance
Ms Renata Brooks	Chairperson	25-Aug-2017 to 24-Aug-2020	4 of 5 meetings [Apology on 24/11/17]
Ms Virginia Malley	Member	25-Aug-2017 to 24-Aug-2019	4 of 5 meetings [Apology on 14/2/18]
Mr Duncan McGregor	Member	25-Aug-2017 to 24-Aug-2019	5 of 5 meetings
Mr David Black	Independent, Non-Board Member	13-Apr-2018 to 24-Aug-2020	1 of 1 meetings

Frequency of meetings

The ARC Charter notes that the committee will meet at least four times per year, and a special meeting may be held to review the Trust's annual financial statements. The inaugural meeting was held 13 November 2017; the committee met five times this year.

Method of appointment

Under the ARC Charter, the Board is to appoint the Chairperson and members of the Committee. The Committee will consist of at least three (3) members, and no more than five (5) members. Members will be appointed for an initial period not exceeding three years, after which they will be eligible for extension or re-appointment for a further two terms subject to a review of their performance by the Board (noting that a total term on the Committee will not exceed nine years).

At least one member of the Committee must have accounting or related financial management experience with an understanding of accounting and auditing standards in a public-sector environment.

David Black (Independent Member)

David Black has over 11 years' experience as an audit partner at Deloitte Touche Tohmatsu, in which he participated in many NSW and Commonwealth as well as private sector audit committees, including for The Commonwealth and NSW law courts limited; and the Commonwealth Attorney-General's department; as well as various ASX listed organisations. He is a chartered accountant, with the Institute of Chartered Accountants Australia, holds an MBA from Durham University, UK, and has completed the Company Directors Course Diploma. David is a Fellow of Chartered Accountants Australia and New Zealand.

Programs and Delivery Committee

The role of the committee is to provide advice to the Board by considering BCT management proposals regarding programs and delivery work. The committee does not have any executive or decision-making powers but is directly responsible and accountable to the Board for the exercise of its responsibilities.

Name	Position	Term of appointment	Meeting attendance
Ms Virginia Malley	Chairperson	5-Feb-2018 to 24-Aug-2019	3 of 3 meetings
The Hon Robert Hill AC	Member	5-Feb-2018 to 24-Aug-2020	3 of 3 meetings
The Hon Gary Nairn AO	Member	5-Feb-2018 to 24-Aug-2020	3 of 3 meetings
Mr Russell Taylor AM	Member	5 Feb-2018 to 24-Aug-2019	3 of 3 meetings

Frequency of meetings

The BCT Programs and Delivery Committee has a Charter, which notes that the committee will meet as required, with much of its work anticipated to be managed out-of-session and via teleconferences. The inaugural meeting was held 8 March 2018; the Committee met three times this year.

Method of appointment

The BCT Board established the Programs and Delivery Committee as a sub-committee of the Board, pursuant to clause 29 of the BCT Board Charter. The Board appointed the Chairperson and members of the PDC from within the BCT Board membership.

BCT Committees and representation

BCT Executive Committee

The role of the committee is to be a key leadership forum for collective dialogue, debate and discussion; to inform decision making by the BCT's leadership team. No formal decision making powers are delegated from the Minister, Board or Executive Director to the Executive Committee. The BCT Executive Committee therefore works as a group to inform and support all members in the exercise of each member's own authority and responsibilities. Resolutions of the BCT Executive Committee will be consistent with formal delegations for decision making.

Name	Position	Term of appointment	Meeting attendance
Mr Paul Elton	Chairperson	25-Aug-2017 to ongoing	9 of 9 meetings
Dr Carolyn Davies	Member	25-Aug-2017 to ongoing	9 of 9 meetings
Mr Alan Goodwin	Member	October 2017 to ongoing	7 of 8 meetings [Apology on 23/04/18]

Frequency of meetings

The BCT Executive Committee has Terms of Reference which note that the committee meets monthly. The inaugural meeting was held 3 October 2017; the Committee met nine times this year.

Method of appointment

The Executive Committee Terms of Reference states that the BCT Executive Director and Chief Executive, Director Programs, and the Director Regional Delivery are members of the committee.

Legislation and legal changes

The BCT was constituted with the commencement of the *Biodiversity Conservation Act 2016* on 25 August 2017. The Biodiversity Conservation Regulation 2017 and the Biodiversity Conservation (Savings and Transitional) Regulation 2017 also provide the wider legislative framework.

On 24 November 2017, the Minister for the Environment made an amendment to the Biodiversity Conservation (Savings and Transitional) Regulation 2017. The transitional arrangements for the biodiversity offsets scheme, due to expire on 25 November 2017, were extended until 25 February 2018. There were no judicial decisions affecting the BCT or our landholders during 2017-18.

Public interest disclosures

Under section 31 of the *Public Interest Disclosures Act 1994* each public authority is required to prepare an annual report on their obligations under the Act. Information for BCT on public interest disclosures (PIDs) for the period 1 July 2017 to 30 June 2018 is in accordance with Clause 4 of the Public Interest Disclosures Regulation 2011.

No PIDs were made during the 2017-18 reporting year. This includes none made by public officials in performing their day to day functions as public officials, and none made under a statutory or other legal obligation.

BCT Board adopted the DPE Public Interest Disclosure Internal Reporting Policy 2018 which is consistent with the NSW Ombudsman's model policy. BCT acts to ensure that the staff awareness responsibilities under section 6E(1)(b) of the *Public Interest Disclosures Act 1994* are met by providing access to relevant information and training.

Privacy management

Clause 6 of the Annual Reports (Departments) Regulation 2010 requires a statement of the action taken by BCT in complying with the requirements of the *Privacy and Personal Information Protection Act 1998* (the PPIP Act) and statistical details of any reviews conducted by or on behalf of the BCT under Part 5 of the PPIP Act.

BCT's Privacy Management Plan outlines how we comply with the principles of the PPIP Act and the *Health Records and Information Privacy Act 2002*. The BCT's commitment to privacy is available via [our website](#).

In 2017-18 the BCT received no requests under section 15 of the PPIP Act to amend personal information, no requests for internal review, no other privacy complaints and no misdirected complaints.

Public access

The BCT Executive Director and Chief Executive signed an Instrument of Authorisation under the *Government Information (Public Access) Act 2009* (GIPA Act) authorising delegates within BCT and DPE to exercise functions under the provisions of the GIPA Act.

Under the GIPA Act there are annual reporting obligations (section 7(3), 21 and 125). There are further requirements under the Government Information (Public Access) Regulation 2009 (GIPA Regulation) in respect of some of the content for inclusion in the annual report.

Proactive release program

Under section 7(3) of the GIPA Act and Clause 7(a) of the GIPA Regulation, agencies are required to review their program for the release of government information to identify the kinds of information that can be made publicly available every 12 months. As the BCT is less than 12 months old this year, the review has not been conducted.

Statistical information on access applications

Under clause 7 and Schedule 2 of the GIPA Regulation, statistical information must be provided about the formal access applications received by BCT under section 9 of the GIPA Act, during the last financial year.

During the reporting period the BCT did not receive any applications, including withdrawn applications, and thus did not refuse any, wholly or in part.

The BCT did contribute to two access applications that were coordinated by OEH. One was from media and the other from the public. One matter requested from the media was not finalised in 2017-18, whilst the other matter requested by a public member was released publicly in part.

Consumer response

1. The BCT established a public 1300 number and email address, located on the BCT website and other public collateral, to which feedback, complaints and allegations may be submitted. All enquiries are handled accordingly and per the Board adopted OEH External Complaints and Allegations Policy 2006.
2. The BCT did not receive any complaints or allegations in 2017-18. Some feedback has been received on clarity of information for potential funding to landholders – the BCT is currently working to improve this via simple messaging.

Overseas travel

The BCT Board adopted the DPE Travel Policy 2015. No business-related overseas visits by employees and officers occurred between 1 July 2017 and 30 June 2018.

Human resources

BCT Senior Executives

2017-18			
Band	Female	Male	Total
Band 4 Secretary	0	0	0
Band 3 (Deputy Secretary)	0	0	0
Band 2 (Executive Director)	0	1	1
Band 1 Director	1	1	2
Totals	1	2	3

Notes:

Based on employees who are ongoing in a role as at 30 June 2018.

Unable to compare to previous year as BCT was established 25 August 2017.

Average remuneration of Senior Executives

Band	Range	Average remuneration 2017-18
Band 4 Secretary	\$463,551.00 – \$522,500.00	\$0
Band 3 (Deputy Secretary)	\$328,901.00 – \$463,550.00	\$0
Band 2 (Executive Director)	\$261,451.00 – \$328,900.00	\$328,898.00
Band 1 Director	\$183,300.00 – \$261,450.00	\$245,666.00

6.84% of BCT's employee-related expenditure in 2018 was related to Senior Executives/Senior Executive equivalent as reported in BCT Annual Workforce Profile.

Executive Officers as at 30 June 2018

Paul Elton

Executive Director and Chief Executive
BE MEngSc MIPAA GAICD

Carolyn Davies

Director Programs
B.Nat.Res(Hons) M.Econ M.Train.Dev PhD GAICD

Alan Goodwin

Director Regional Delivery
AFSM

The Executive Officers constitute the BCT Executive Committee.

Staff profile by employment basis

At 30 June 2018:

2017-18		
Level	Men	Women
Permanent full time	25	26
Permanent part time	1	9
Temporary full time	3	1
Temporary part time	0	1
Contract - SES	0	0
Contract - non-SES	0	0
Training positions	0	0
Retained staff	0	0
Casual	0	0
Board member	5	2
Sub-total	34	39
Total	73 employees	

Note: unable to compare to previous year as BCT was established 25 August 2017.

Exceptional movements in remuneration

No salary increases per the Crown Employees (Public Sector - Salaries 2015) Award were made this year.

Workforce diversity

Overall diversity

The BCT cultural vision includes respecting and collaborating with our colleagues, our landholders, and our stakeholders. The BCT Board values the principles of equity and diversity and is committed to building a workforce that is reflective of the wider community. Throughout the year staff were recruited using the NSW Government Capability Framework. The BCT undertook several recruitment activities for identified roles (Aboriginal and Torres Strait Island people) as well as recruitment targeted to people with disability and people from a refugee background.

The BCT Board adopted the Planning and Environment Cluster's Multicultural Plan 2015-18, and Disability

Inclusion Action Plan 2015-2019. The BCT accesses diversity initiatives and resources from the Planning and Environment Cluster Corporate Services Diversity team (including Cluster Women in Senior Leadership Mentoring Program and training programs). The BCT Board supports staff attending networks including the OEH Aboriginal Network, Spokeswomen's Program, Rainbow Connection (LGBTIQ+ community) and the Cluster Disability Employee Network.

The following table does not include Board members.

Trends in the representation of workforce diversity groups

Workforce Diversity Group	Benchmark	2017-18
Women in Senior Leadership	50.0%*	56.0%
Aboriginal and/or Torres Strait Islander People	3.3%**	1.5%
People whose First Language Spoken as a Child was not English	23.2%***	6.0%
People with a Disability	5.6%****	3.0%
People with a Disability Requiring Work-Related Adjustment	N/A	0.0%

*The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

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

***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% is the percentage of the NSW general population born in a country where English is not the predominant language.

****Family and Community Services set a target of 5.6% by 2027.

Multicultural engagement

Although the BCT is not required to report on multicultural engagement until 2019-20, it is worth noting that the BCT Board adopted the DPE Multicultural Plan 2015-18 and will further work on multicultural strategies in the coming year. Six per cent of staff note that the first language they spoke as a child was not English.

BCT collaborated with cluster services to engage with CareerSeekers, a non-profit organisation supporting Australia's humanitarian entrants into professional careers. The BCT recruited an intern for three months and recently extended the internship. This allows the intern to develop an employment pathway into the public sector.

Disability action plan

Although the BCT is not required to report on disability matters until 2019-20 it is worth noting that the BCT Board adopted the DPE Disability Inclusion Action Plan 2015-2019. The BCT targeted recruitment for persons with a disability and 3% of staff note they have a disability.

Indigenous employment and development

The BCT targeted recruitment for Indigenous persons and 1.5% of staff identify as Aboriginal and/or Torres Strait Islander. Indigenous staff may access an Employee Assistance Provider that assists in a culturally safe way.

Aboriginal and Torres Strait Islander Cultural Awareness Training is available for BCT staff; these online training modules were developed in consultation with Aboriginal staff.

Gender equity

Recruitment has resulted in 56% of staff identifying as female. Following the success of the pilot in 2017, the BCT is proud to be a part of the Planning and Environment Cluster Women in Senior Leadership Mentoring Program; two staff members are involved. The program was developed to help meet the Premier's Priority of 50% of women in senior leadership roles by 2025.

Work health and safety

Although the BCT is not required to report on WHS matters until 2019-20, it is worth noting that in its inaugural reporting year there were no reported WHS incidents.

The BCT Board adopted the DPE Work Health and Safety Policy 2016 and work was initiated to develop BCT specific safety procedures and practices. All staff are required to complete mandatory online WHS training and all team meeting agendas include a WHS item.

Several initiatives were undertaken to ensure WHS best practice was put in place for field work. Staff must access the field safety call-in service to log in and out of field work – should staff not return at a delegated time, the service notifies the BCT. Staff are provided WHS equipment using a 'safety grab bag' that includes a hand held GPS device, compass, topographic map, sunscreen, hat, torch, visibility items, spare water, and emergency rations.

Staff were encouraged to take part in the Get Healthy at Work Program, a NSW Government initiative. Staff participated in confidential brief health checks. Staff were

also able to access the Fitness Passport program which provides staff and their families with access to public gyms and pool facilities at a reduced cost.

Industrial relations

The BCT may raise industrial relation matters to the OEH Joint Consultative Committee (JCC). The JCC supports consultations between BCT and stakeholder unions if required.

Managing misconduct and employment tribunal matters

The BCT Board adopted the OEH Code of Ethics and Conduct 2016, and the DPE Managing Misconduct and Serious Misconduct 2015.

BCT had no Industrial Relations Commission (IRC) nor NSW Civil and Administrative Tribunal (NCAT) matters. No misconduct matters were raised.

Workplace grievances

BCT Board adopted the DPE Respectful Workplace Policy 2015 as the primary process for resolving workplace grievances. No matters were raised.

Internal Audit and Risk Management Attestation for the 2017-18 Financial Year for the NSW Biodiversity Conservation Trust

I, The Hon. Robert Hill AC, 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, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Policy for the NSW Public Sector*, specifically:

Core Requirements	Compliant, non-compliant or in transition
1. Risk Management	
Core Requirement 1.1: The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
Core Requirement 1.2: A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO31000:2009	Compliant
2. Internal Audit	
Core Requirement 2.1: An internal audit function has been established and maintained	Compliant
Core Requirement 2.2: The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
Core Requirement 2.3: 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: An independent Audit and Risk Committee with appropriate expertise has been established	In transition
Core Requirement 3.2: The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
Core Requirement 3.3: The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Membership

The chair and members of the Audit and Risk Committee are:

- Independent Chair, Ms Renata Brooks, appointed 25 August 2017 to 24 August 2020
- Independent Member, Ms Virginia Malley, appointed 25 August 2017 to 24 August 2019
- Independent Member, Mr Duncan McGregor, appointed 25 August 2017 to 24 August 2019
- Independent Member, Mr David Black, appointed 13 April 2018 to 24 August 2020.

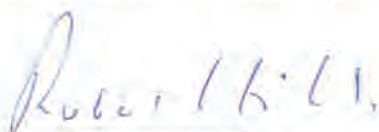
Departures from Core Requirements

I, the Chair of the Board of the NSW Biodiversity Conservation Trust, advise that:

- the internal audit and risk management processes for the Biodiversity Conservation Trust of NSW depart from the following core requirement set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector (TPP15-03)*; and
- the departure from the core requirement is due to the agency establishing itself on 25 August 2017, following its inception via the *Biodiversity Conservation Act 2016*.

Departure	Reason for departure and description of practicable alternative measures implemented/being implemented
In Transition	
Core Requirement 3.1: An independent Audit and Risk Committee with appropriate expertise has been established	<p>Prequalification for independent member Duncan McGregor, per the NSW Government Audit & Risk Committee pre-qualification scheme, is being sought. This is within the transitional period of 24 months as stated in the <i>Internal Audit and Risk Management Policy for the NSW Public Sector (TPP15-03)</i>.</p> <p>Mr McGregor has significant experience as a specialist environmental and planning lawyer. Duncan McGregor, as with all members of the ARC, satisfied all requirements to be independent per Clause 3.1.5 of TPP15-03.</p>

These processes demonstrate that the NSW Biodiversity Conservation Trust has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the NSW Biodiversity Conservation Trust.



The Hon. Robert Hill AC

Chair of the Board of the NSW Biodiversity Conservation Trust

Date: 4/10/18

Agency Contact Officer

Emily McCosker

Manager, Strategy & Governance

Chief Audit Executive

02 8289 6734

Audit and risk management

The BCT's ARC complies with the requirements of the NSW Treasury Policy TPP15-03. The ARC provides independent assistance to the BCT Board by monitoring, reviewing and providing advice about the BCT governance processes, risk management and control frameworks, and its external accountability obligations.

The BCT internal audit function provides an independent and objective review and advisory service to provide assurance to the Board, and the ARC, that the BCT's financial and operational controls are designed to manage the BCT's risks and achieve its objectives, and are operating in an efficient, effective and ethical manner. It also assists management in improving the BCT's performance.

The audit function is managed by the Chief Audit Executive (CAE). Internal audit reports are submitted through the CAE to the ARC. Oakton was engaged as the service provider - sought from the NSW Government pre-qualified scheme. An inaugural audit was undertaken this year with the report submitted to the ARC outside of this financial year. Risks will be controlled through the implementation of agreed recommendations which will be monitored by the ARC and reported to the Board.

**Digital Information Security Annual Attestation & Evidence of Certification Statement for the
2017-2018 Financial Year for the Environment Protection Authority.**

I, Paul Elton, am of the opinion that the Biodiversity Conservation Trust had an Information Security Management System (ISMS) in place via Planning and Environment Cluster Corporate Services during the 2017-2018 financial year that is consistent with the core requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of the Biodiversity Conservation Trust are adequate.

There is no agency under the control of the Biodiversity Conservation Trust which is required to develop and independent ISMS in accordance with the NSW Government Digital Information Security Policy.

Planning and Environment Cluster Corporate Services has maintained certified compliance with ISO 27001 Information technology - Security techniques - Information security management systems - Requirements by an Accredited Third Party (BSI) during the 2017-2018 financial year (Certificate Number IS 645082).



**Paul Elton
Chief Executive
Biodiversity Conservation Trust**

Date:

19 SEP 2018

Consultants

Consultancies of \$50,000 or more

Consultancy	Nature of services	Title of project work	Cost (\$) inc GST
Instinct and Reason	Market research	Research on landholder interests/ motivations, brand positioning, and strategy options.	150,000.00
Davidson Executive & Boards Pty Ltd	Recruitment	Executive recruitment for senior executives and senior managers recruitment	75,351.18
Cordelta Pty Ltd	IT	Input to the financial management system and other IT requirements.	82,176.60
O'Connor Marsden & Associates Pty Ltd	Probity	Provision of probity advice and observations resulting in a final report that includes a Probity Framework so that the BCT may mitigate risk.	63,046.50
Baldock Stacey & Niven	Legal	Legal opinion on agreement template; geospatial & geocentral data	50,086.16
Total consultancies of \$50,000 or more			420,660.44

Consultancies of value less than \$50,000

Consultancy category	Cost (\$) inc GST
Program	
O'Connor NRM	30,044.67
CSIRO	10,113.40
Opteon	17,684.00
University of Melbourne	22,500.00
Market research	
TEG Rewards Pty Ltd	47,355.00
Actuarial	
Taylor Fry	43,734.90
Forecasting	
EcoLogical Australia	22,914.82
Governance	
Bull & Bear Special Assignments Pty Ltd	38,675.00
Total number of individual consultancies with a value less than \$50,000 is:	233,021.79

Sustainability

Although not formally adopted, the BCT aligns its sustainability practices with the Office of Environment and Heritage and Environment Protection Authority Sustainability Strategy 2015-20. This in turn aligns to NSW 2021, the NSW Government's 10-year plan with targets and actions to support innovation, energy efficiency, renewable energy, recycling, volunteering, health and wellbeing.

The BCT is mindful of the NSW Government Resource Efficiency Policy, which aims to reduce operating costs and increase resource efficiency of NSW government agencies, as well as the NSW Waste Avoidance and Resource Recovery Strategy 2014-21, which aims to improve environment and community wellbeing by reducing the environmental impact of waste and using resources more efficiently.

Insurance

Areas of risk and related insurance costs (exc GST)	2017-18 (\$)
Workers compensation*	-
Public liability	1,008
Property**	1,714
Motor vehicles***	2,136
Miscellaneous (fire-fighting fund)	-
Miscellaneous (other)	229
Total	5,087

Major capital works 2017-18

Land disposal

There was no land disposal of value greater than \$5,000,000 that would have required disposal by way of public auction or tender in 2017-18.

Payment of accounts

Note: All payment transactions prior to April 2018 were captured under OEH company code.

Quarterly aged analysis – account values

Quarter	Current (i.e. within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days overdue	More than 90 days overdue
All suppliers					
Sep	-	-	-	-	-
Dec	-	-	-	-	-
Mar	-	-	-	-	-
Jun	824,600	47,674	16,857	-	-
Small business suppliers					
Sep	-	-	-	-	-
Dec	-	-	-	-	-
Mar	-	-	-	-	-
Jun	5,502	-	-	-	-

Accounts due or paid within each quarter: all suppliers

Measure	Sep 2016	Dec 2016	Mar 2017	Jun 2017
All suppliers				
Number of accounts due for payment	-	-	-	238
Number of accounts paid on time	-	-	-	208
Actual percentage of accounts paid on time (based on number of accounts)	-	-	-	87.4%
Dollar amount of accounts due for payment	-	-	-	889,131
Dollar amount of accounts paid on time	-	-	-	824,600
Actual percentage of accounts paid on time (based on \$)	-	-	-	92.7%
Number of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	-	-	-	-

Accounts due or paid within each quarter: small business suppliers

Measure	Sep 2016	Dec 2016	Mar 2017	Jun 2017
Small business suppliers				
Number of accounts due for payment to small businesses	-	-	-	5
Number of accounts due to small businesses paid on time	-	-	-	5
Actual percentage of small business accounts paid on time (based on number of accounts)	-	-	-	100.0%
Dollar amount of accounts due for payment to small businesses	-	-	-	5,502
Dollar amount of accounts due to small businesses paid on time	-	-	-	5,502
Actual percentage of small business accounts paid on time (based on \$)	-	-	-	100.0%
Number of payments to small business for interest on overdue accounts	-	-	-	-
Interest paid to small businesses on overdue accounts	-	-	-	-

Grants

The BCT launched the Conservation Partners Grants program in May 2018. No grants were awarded this year.



