



**Royal Australian Air Force
Veterans' Residences Trust**

**Annual Report
2024 - 2025**

ABN: 40 594 141 285

MEMBERS OF THE TRUST

ROYAL AUSTRALIAN AIR FORCE VETERANS' RESIDENCES TRUST

Mr D.E. Tindal AM

Mr C. Schiller OAM CSM

WGCDR M.S. Oakden RAAF

WGCDR M.L. McPhail RAAF

Mr J. Medved

ROYAL AUSTRALIAN AIR FORCE VETERANS' RESIDENCES TRUST

OUR PURPOSE

'...provision of accommodation and support...'

to necessitous Royal Australian Air Force veterans



The Trust's apartments at 32 Primrose Street, Sherwood, Qld



Australian Government

**Royal Australian Air Force
Veterans' Residences Trust**

**Ground Floor, Building L474
RAAF Williams
LAVERTON VIC 3028
Tel: 03 9254 8446
Email: info@raafvrt.gov.au**

The Hon. Matt Keogh MP
Minister for Defence Personnel
Parliament House
CANBERRA ACT 2600

Dear Minister,

TRUST REPORT

1. The Royal Australian Air Force Veterans' Residences Trust (the 'Trust') has pleasure in providing our annual report. This report describes the performance and administration of the Trust for the year ending 30 June 2025, as required by Section 46 of the *Public Governance, Performance and Accountability Act 2013* (Cth).
2. The Trust continues to provide accommodation to RAAF veterans and their families in necessitous circumstances. Where eligible RAAF veterans are not on waiting lists, the Trust provides accommodation to veterans of other Services and members of the general public. Such practice maintains the Trust's financial viability without disadvantaging eligible RAAF veterans. As at 30 June 2025, the Trust's 75 apartments had a 100% occupancy rate. The Australian Government Solicitor has provided clarity on the circumstances in which non-eligible persons can be provided Trust tenancies.
3. Consistent with the purpose of the Royal Australian Air Force Veterans' Residences Act 1953, the Trust continues to modernise its offered accommodation whilst sustaining an effective preventative maintenance program. These actions, appreciated by our clients, preserve Trust assets, and enhance our clients' quality of life, safety and peace of mind.
4. In recent years the Trust has undertaken major maintenance projects to raise the standard of Trust assets. During 2024-25, refurbishments were completed in Sandringham in Victoria, Elizabeth Park in South Australia, and Ashfield in New South Wales. Apart from these projects, the Trust promptly responds to repairs and general maintenance requests to maintain the integrity of Trust assets. The benefits of this approach are evident as no major corrective maintenance was necessary during 2024-25.
5. The audited Trust financial statements for 2024-25 revealed a surplus on operations of \$79,567 which compared favourably to a budgeted surplus of \$6,615. Other Comprehensive Income captured the revaluation of Trust properties which increased property values by \$2,245,471. The audited financial statements are provided as part of this Annual Report. Noteworthy financial results are indicated in the Annual Performance Statements. During 2024-25 the financial records were subject to an Australian National Audit Office financial statement audit.

6. The Trust is classified as a Public Benevolent Institution through the Australian Charities and Not-for-Profits Commission. This classification enables the Trust to gain Deductible Gift Recipient (DGR) status from the Australian Taxation Office and other tax concessions. The Trust has the option to use the DGR classification to attract an additional revenue stream from donors who are sympathetic to the welfare of veterans.
7. The Trust notes that it does not have a current Statement of Ministerial Expectations. We would welcome being provided such a statement at your convenience.
8. The Trust has been fortunate to attract, over more than 70 years since its inception, dedicated people who volunteer their time as Members of the Trust. The Trust would like to acknowledge the appointment of Mr Joe Medved as a Deputy Member of the Trust. Joe's management background as a recently retired senior Defence officer will be a valuable addition. The Trust's Audit Committee has also welcomed two independent Audit Committee members, GPCAPT Daniel Reid and GPCAPT Sandra Riley who as part of a three independent member Audit Committee will continue to provide governance oversight across Trust operations. The Trust also acknowledges the valuable contributions, over many years, of WGCdr Michelle McPhail and WGCdr Michelle Oakden. They both have expressed their intent to retire at the end of 2025.
9. The Trust expresses our thanks and appreciation to our staff, audit committee, managing agents, Defence personnel, ex-Service organisations, our tenants, and all others directly and indirectly involved for their valuable contributions and participation that has contributed to the successful operation of the Trust during the year.

Yours sincerely,



D.E. Tindal AM
Trust Chair

4 September 2025

REPORT OF OPERATIONS

Certification

This Report of Operations is submitted in accordance with a resolution of the Trust made on 4 September 2025, and which acknowledges that it is responsible under Section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), for the preparation and content of this report.

Enabling Legislation

Royal Australian Air Force Veterans' Residences Act 1953 (Cth), as amended.

Responsible Minister

Minister for Defence Personnel - The Hon. Matt Keogh MP.

Incorporation Purposes and Powers

Incorporation - Section 7(1)

The Trust is a body corporate with perpetual succession and a common seal and is capable of acquiring, holding and disposing of real and personal property and of suing and being sued in its corporate name.

Purpose - Section 4

The purpose of the Trust fund is the provision of a residence or residences in which eligible persons who are in necessitous circumstances, and, if the Trust so approves, the dependants of such eligible persons, may be accommodated or supported.

Powers - Section 8(1)

The Trust may, at such time and in such manner as, in its discretion, it determines, apply moneys or property forming part of the Fund for the purpose of the Fund, and do all other things necessary or convenient for, or incidental to, the carrying out of that purpose.

Annual Performance Statement

Introductory statement

The Royal Australian Air Force Veterans' Residences Trust presents the 2024-25 annual performance statement as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In our opinion this annual performance statement, based on properly maintained records, accurately reflects the performance of the Trust, and complies with subsection 39(2) of the PGPA Act.

Purpose of the Royal Australian Air Force Veterans' Residences Trust

The purpose of the Trust, as stated in the Trust's 2024-25 Annual Plan, is to provide accommodation, and other forms of accommodation-related support for former Royal Australian Air Force personnel and their dependants, who are in necessitous circumstances.

Results

Performance criteria

The Trust recognises the value of measuring its performance through the regular review of Key Performance Indicators. The Trust KPIs measure:

- Trust purpose
- Client Management
- Asset Management.
- Workforce Management
- Financial Performance
- Governance
- Risk Management
- Stakeholder Relationships

These KPIs are detailed in Annex B of the Trust's 2024-25 Plan and explained in Trust Instructions.

KPI evaluation

- **Trust purpose.** During 2024-25, there were no Category A applicants (eligible persons as defined in the Act) on waiting lists with the type of desired residence unavailable because of lower category occupancy.
- **Client management.** The six components of client management had mainly satisfactory results during 2024-25. The *average time to process applications, the occupancy rate, the number of tenant complaints and delinquencies, and time on waitlists* components were all at satisfactory levels, with only *the issue of tenant surveys* not meeting a satisfactory level during 2024-25.
- **Asset management.** The five components for asset management aim to ensure Trust assets are being well maintained and are complying with other asset management metrics. The *up-to-date maintenance, valuations, insurance and percentage of residences with risk appropriate security* components were at the required standard. Improving the *number of residences at modern standards* component is an ongoing long-term task that requires considerable capital expenditure and availability of a vacated unit that may never have been fully refurbished. Only ten apartments remain that have not had any substantial level of refurbishment during the last 15 to 20 years. The Trust will continue to refurbish units when the opportunity arises.
- **Workforce management:** The three components for workforce management: *adequacy of Trust positions to perform all required duties, percentage of Trust positions occupied by competent staff and number of staff who performed annual training in accordance with training schedule* all satisfied their required standards.
- **Financial performance.** The three components for financial performance: *forecast solvency to pay for all activities planned for the next 12 months, availability of unused funds available for emergencies and percentage of invoices paid within required two weeks timeframe* all satisfied the required standards.

- **Governance.** The five components for governance: *number of legislative non-compliances in previous twelve months, frequency of Trust meetings and Audit Committee meetings and number of Trust instructions, bench level instructions and plans that have not been updated in the previous 12 months* all satisfied the required standards. The *number of adverse ANAO findings* relating to 2022 and 2023 have been closed, while one minor grade ANAO finding from the 2024 audit remains open. No legislative non-compliances occurred during the last twelve months.
- **Risk management.** The four components for risk management: *existence of risk management procedure/risk management plan/Risk register, review and continuous improvement of these documents at published review frequencies, number of unretained risks and evidence of poor risk management decisions* all satisfied the required standards.
- **Stakeholder relationships.** The four components for stakeholder relationships: *existence of established points of contact within stakeholder organisations, whether there are documented procedures for engaging with stakeholder organisations, track record of regular engagement with stakeholder organisations, and existence of 'rub points' with stakeholder organisations* indicated that stakeholder relationships requires further improvement in order to optimise Trust engagement with likeminded organisations such as the Returned and Services League of Australia and the Air Force Association.

Analysis of performance against purpose

During 2024-25, the Trust continued to focus its operations on accomplishing its purpose. Accordingly, the Trust:

- prudently managed its financial resources
- continued the improvement of accommodation standards
- maintained a high occupancy rate
- exercised a duty of care to Trust tenants and staff.

The Trust is a niche-provider of accommodation and accommodation support services within the much larger social welfare systems managed by Commonwealth and State governments. The main factors that influence the Trust's performance and capacity to achieve its purpose are:

- the continued ability to retain volunteer Members of the Trust
- ongoing support by the Department of Defence
- the continued ability to maintain financial viability
- effective liaison with Department of Veterans' Affairs and leading ex-Service organisations to inform ex-Service veterans of the existence and purpose of the Trust
- a regular flow of applications from eligible persons seeking accommodation provided by the Trust
- a stable occupancy rate to ensure consistency of rental receipts from year to year
- a controlled level of expenditure on repairs and maintenance
- a rational approach regarding the acquisition and development of properties commensurate with financial resources and the demands of those who are eligible.

REVIEW OF OPERATIONS

Location of Major Activities and Facilities

The Trust Fund includes 75 apartments. They are located at:

<u>Address</u>	<u>No of Apartments</u>
10 Greenbank Street, CHERMSIDE, QLD	8
32 Primrose Street, SHERWOOD, QLD	12
23 Cecil Street, ASHFIELD, NSW	11
94 Ninth Avenue, CAMPSIE, NSW	12
29-31 Brighton Street, SANDRINGHAM, VIC	20
126 Yorktown Road, ELIZABETH PARK, SA	9
4 McRobies Road, HOBART, TAS	3

With the exception of the Brisbane and Hobart apartments, which are all two-bedroom, accommodation at other locations comprise a combination of one and two-bedroom self-contained apartments. The Trust Fund also has two three-bedroom apartments at Sandringham.

In each State, except Tasmania, the Trust has appointed a liaison contact, who advise the Trust Manager on tenant issues and maintenance needs. In addition, apart from Victoria, managing real estate agents have been appointed for most locations to collect rental income, to provide management services and building maintenance advice.

The Trust has contacts with ex-Service organisations in their State, and it is from this relationship that most applications for tenancy are generated.

Persons to be accommodated are determined by the Trust Manager based on their eligibility, degree of need and their ability to live independently. Initially, tenants are charged rental based on a sliding scale that is related to their eligibility criteria, and all rentals are reassessed annually, on 1 January, in line with increases in the amounts payable by Centrelink/Veterans Affairs, for the Single rate of the Age Pension. The Trust does not provide welfare or medical services.

Subsidiaries

The Trust has no subsidiaries.

Acquisition of Properties

The Trust neither purchased nor built any properties during 2024-25.

Judicial/Ministerial Decisions

In 2024-25 there were no judicial decisions from any court, Commonwealth Ombudsman, Parliamentary Committees, responsible Minister, other Ministers or general policies of the Australian Government by the responsible Minister under the *Public Governance, Performance and Accountability Act (Cth) 2013*, which impact on the operations of the Trust.

The Auditor-General Report No. 8 2022–23 Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2022 and again in 2023 highlighted a moderate audit finding on Audit Committee independence which has been resolved by the Trust through the appointment of GPCAPT Daniel Reid and GPCAPT Sandra Riley to the Audit Committee.

Emissions Statement

APS Net Zero 2030 emissions reporting is the Government’s policy for the Australian Public Service (APS) to reduce its greenhouse gas emissions to net zero by 2030 and transparently report on its emissions. As part of this, corporate Commonwealth entities are required to report on their operational greenhouse gas emissions. The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the 2024-25 period. Results are presented on the basis of Carbon Dioxide Equivalent (CO₂-e) emissions.

Greenhouse gas emissions reporting has been developed with methodology that is consistent with the Whole-of-Australian Government approach as part of the APS Net Zero 2030 policy. Except for Domestic Commercial flights, all reportable emissions from RAAF Veterans’ Residences Trust Fund operations are included in the emissions reporting of the Department of Defence. Not all data sources were available at the time of the report and adjustments to baseline data may be required in future reports.

2024-25 GREENHOUSE GAS EMISSIONS INVENTORY– LOCATION-BASED METHOD

Emission Source	Scope 1 t CO ₂ -e	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e
Electricity (Location Based Approach)	n/a	-	-	-
Natural Gas	-	n/a	-	-
Solid Waste	-	n/a	-	-
Refrigerants	-	n/a	n/a	-
Fleet and Other Vehicles	-	n/a	-	-
Domestic Commercial Flights	n/a	n/a	0.32	0.32
Domestic Hire Car	n/a	n/a	-	-
Domestic Travel Accommodation	n/a	n/a	-	-
Other Energy	-	n/a	-	-
Total t CO₂-e	-	-	0.32	0.32

Note: the table above presents emissions related to electricity usage using the location-based accounting method. CO₂-e = Carbon Dioxide Equivalent.
n/a = not applicable

2024-25 ELECTRICITY GREENHOUSE GAS EMISSIONS

Emission Source	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Electricity kWh
Electricity (Location Based Approach)	-	-	-	-
Market-based electricity emissions	-	-	-	-
Total renewable electricity consumed	n/a	n/a	n/a	-
<i>Renewable Power Percentage¹</i>	n/a	n/a	n/a	-
<i>Jurisdictional Renewable Power Percentage^{2, 3}</i>	n/a	n/a	n/a	-
<i>GreenPower²</i>	n/a	n/a	n/a	-
<i>Large-scale generation certificates²</i>	n/a	n/a	n/a	-
<i>Behind the meter solar⁴</i>	n/a	n/a	n/a	-
Total renewable electricity produced	n/a	n/a	n/a	-
<i>Large-scale generation certificates²</i>	n/a	n/a	n/a	-
<i>Behind the meter solar⁴</i>	n/a	n/a	n/a	-

Note: The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO₂-e = Carbon Dioxide Equivalent. Electricity usage is measured in kilowatt hours (kWh).

SPECIFIC INFORMATION

Members of the Trust and Staff

Members of the Trust

Mr D.E. Tindal AM (all of 2024-25)

Qualifications: PhD, MEngSci, MA, MHistory, BA, BE (Hons), DipLaw, GradDipMgtSt.

Responsibilities: Trust Chair.

WGCDR M.S. Oakden (all of 2024-25)

Qualifications: BE (Aeronautical), MEngSci.

Responsibilities: Member of the Trust.

Mr C. Schiller OAM CSM (all of 2024-25)

Qualifications: BEd (Bus).

Responsibilities: Member of the Trust.

WGCDR M.L. McPhail (all of 2024-25)

Qualifications: BA (Journalism), GradCert Vocational Education & Training.

Responsibilities: Deputy of WGCDR Oakden

Mr J. Medved (from 12 Mar 25 to 30 Jun 25)

Qualifications: MMgmt, MEngSci, MSc, BEng(Hons), FIEAust, GAICD.

Responsibilities: Deputy of Mr Tindal

Meetings

During 2024-25, the Trust held four meetings.

<u>Member</u>	<u>Participation</u>
Mr D.E. Tindal	4
WGCDR M.S. Oakden	4
WGCDR M. McPhail	3
Mr C. Schiller	3
Mr J. Medved	2

Staff

The Trust has a full-time Manager, and part-time Assistant Manager.

Manager	Mr W.R. Bingham
Assistant Manager	Mrs K.L. Stewart

Contact Addresses

The Manager

Royal Australian Air Force Veterans' Residences Trust

Ground Floor - Building L474

RAAF Williams

LAVERTON VIC 3028

Telephone: 0435 245 033 or (03) 8850 1053

Web Pages:

raafvrt.gov.au

<https://www.airforce.gov.au/community/members-and-veterans/veterans-residences-trust>

E-Mail admin@raafvrt.gov.au

Statement of Governance

In practice, the Trust both governs and manages the application of the Trust Fund with support from Trust staff. Members of the Trust receive no remuneration. The Trust usually meets at three-monthly intervals. In addition, much Trust business is transacted 'out of session'.

The only other board or committee formed to assist the Trust is its Audit Committee.

Audit Committee

The Trust established an Audit Committee during 2009-10. During 2024-25 the Audit Committee met on three occasions. The RAAFVRT Audit Committee Charter can be accessed via the following website link:

<https://www.airforce.gov.au/community/members-and-veterans/veterans-residences-trust>

During 2024-25 the Audit Committee comprised the appointees listed below.

GPCAPT D.E. Reid AM

Audit Committee Chair

Experience and skills: A senior Air Force Officer with more than 40 years of Government and commercial management experience, including several project and program management and director roles. GPCAPT Reid has a strong governance background, having designed and implemented multiple governance frameworks involving performance monitoring, business and strategic planning, and driving improvements. GPCAPT Reid has completed Australian Institute of Company Directors training and has designed, implemented and sat on a number of different Air Force boards. He also has a strong regulatory compliance background and has implemented formal quality, technical airworthiness and safety management systems.

GPCAPT Sandra Riley AM

Audit Committee Secretary

Experience and skills: A senior Air Force officer with almost forty years experience in various command, management and committee roles within Defence, as well as non-government committee and board appointments. These appointments have provided GPCAPT Riley with experience in risk management, fiscal responsibilities and robust governance frameworks. GPCAPT Riley's formal qualifications include; Masters in Business Administration, Graduate Certificate in Legal Studies (Administrative Law) and Australian Institute of Company Directors Graduate. GPCAPT Riley continues to be a member of the

Australian Institute of Company Directors and Institute of Community Directors. GPCAPT Riley is conversant with the requirements of financial management reporting.

Mrs Amanda Griffith

Member

Experience and skills: Bachelor of Business (Accounting and Management)(Honours), Chartered Accountant. With more than 25 years' experience in both chartered accounting and financial management environments, Mrs Griffith brought significant technical expertise, a comprehensive understanding of accounting and auditing standards, financial reporting, and external and internal audit functions. Mrs Griffith was paid \$9,900 in 2024-25 for the provision of Audit Committee services (2023-24: \$12,225).

Apart from Mrs Amanda Griffith, no other Audit Committee member receives remuneration from the Trust for their services. Defence remunerates defence reservists GPCAPT Daniel Reid and GPCAPT Sandra Riley.

Indemnities and Insurance Premiums for Officers

No indemnities have been given to either current or former officers against a liability. The Trust has arranged for Directors' and Officers' insurance coverage with Comcover, with the related insurance premiums met from the Trust Fund.

Commonwealth Fraud Control Policy

The Trust is a Corporate Commonwealth Entity and is not obliged to comply with the provisions of the Commonwealth Fraud Control Policy and Guidelines under the Commonwealth Fraud Framework. However, the Trust is bound under section 10 of the *Public Governance, Performance and Accountability Rule 2014* to set out the key requirements of fraud control. The Trust applies the principles contained in the Commonwealth Guidelines.

Commonwealth Disability Strategy

The Members of the Trust are cognisant of the provisions of the *Commonwealth Disability Discrimination Act 1992 (Cth)*, as amended. All accommodation provided to persons having disabilities are modified, when requested, to enable better enjoyment of their tenancy. The Trust evaluates proposals from tenants and/or their representatives to ascertain whether the proposed changes are an acceptable, practical and affordable level of modifications to Trust property.

Summary of Operations

The Trust is an income tax exempt charity (as classified by the Australian Taxation Office) and has operated in this capacity since its establishment in 1953. In 2014 the Trust was classified as a Public Benevolent Institution by the Australian Charities and Not-for-Profits Commission and endorsed as a Deductible Gift Recipient by the Australian Tax Office. Both of these advances assist the Trust in potentially obtaining additional financial resources for the benefit of veterans and their families.

Finances have been carefully managed with the intention of improving accommodation to modern standards, meeting maintenance requirements for the future and resourcing Trust programs to extend the reach of Trust's residential services to veterans.

The Statement of Comprehensive Income revealed a surplus in continuing operations of \$79,567 in 2024-25. Revenue from all sources increased by \$89,796 to \$885,451, an increase of 11.3%. The increase in revenue is primarily attributed to rental income from the increased adjustment to the percentage of income of categories of eligible tenants and interest from a \$1.5M term deposit.

Trust expenditure for 2024-25, after non-cash depreciation expenses are removed, increased by \$14,929, an increase of 2.4% in comparison to 2023-24 expenditure. The small increase in expenditure was in line with budget planning and mainly due to additional hours of part-time employment for the Assistant Manager. As at 30 Jun 25, there are no vacancies nationwide at all eight Trust properties, and therefore a 100% occupancy rate.

The Trust completed the 2024-25 financial year with cash reserves of \$1,801,672 of which \$1.5M was invested in Term Deposits, and \$301,662 available for ongoing operations. During 2024-25 there has been an increase in cash assets of \$249,688 in comparison to 2023-24.

The Trust's property portfolio apart from the Brisbane apartments are at least fifty years old and will continue to require ongoing pro-active maintenance, internal and external refurbishment and improved amenities. This continued investment of significant financial resources will ensure the Trust's property portfolio is maintained to community expectation while not affecting the viability of the Trust Fund.



D.E. Tindal AM
Trust Chair

4 September 2025

Notes:

1. The Trust has complied with annual report requirements prescribed in sections 17BA to 17BF of the PGPA Rule that apply to accountable authorities of all Corporate Commonwealth entities, as defined in section 11 of the PGPA Act.
2. Members of the Trust - Appointed by and hold office at the pleasure of the Minister.
3. Staff - Employed by and hold office at the pleasure of the Trust.



INDEPENDENT AUDITOR'S REPORT

To the Minister for Defence Personnel

Opinion

In my opinion, the financial statements of the Royal Australian Air Force Veterans' Residences Trust (the Entity) for the year ended 30 June 2025:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2025 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2025 and for the year then ended:

- Statement by the Members of the Trust and Trust Manager;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Members of the Trust are responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Members of the Trust are also responsible for such internal control as the Members of the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members of the Trust are responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Members of the Trust is also responsible for

disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Melissa Petropoulos

Audit Principal

Delegate of the Auditor-General

Canberra

5 September 2025

STATEMENT BY THE MEMBERS OF THE TRUST AND TRUST MANAGER

In our opinion, the attached financial statements for the year ended 30 June 2025 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

In our opinion, the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and are signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

This statement is made in accordance with a resolution of the Members of the Trust.



D.E. Tindal AM
Chair

4 September 2025



M.S. Oakden
Member of the Trust

4 September 2025

C. Schiller OAM CSM
Member of the Trust

4 September 2025



W.R. Bingham
Manager

4 September 2025

Statement of Comprehensive Income
for the period ended 30 June 2025

	Notes	2025 \$	2024 \$
NET COST OF SERVICES			
Expenses			
Employee benefits	1.1A	183,601	176,074
Suppliers	1.1B	430,932	423,530
Depreciation	2.2A	191,351	168,881
Total expenses		805,884	768,485
Own-source income			
Own-source revenue			
Rental income	1.2A	806,050	742,303
Interest	1.2B	71,591	45,487
Other revenue	1.2C	7,810	7,865
Total own-source revenue		885,451	795,655
Total own-source income		885,451	795,655
Net contribution by services		79,567	27,170
Surplus on continuing operations		79,567	27,170
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation reserve	2.2A	2,245,471	2,106,569
Total comprehensive income		2,325,038	2,133,739

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position
as at 30 June 2025

	Notes	2025 \$	2024 \$
ASSETS			
Financial assets			
Cash and cash equivalents	2.1A	301,662	310,574
Trade and other receivables	2.1B	78,102	57,458
Term deposit investments	2.1C	1,500,010	1,241,410
Total financial assets		1,879,774	1,609,442
Non-financial assets			
Land	2.2A	27,445,000	25,000,000
Buildings	2.2A	7,565,000	7,925,000
Plant and equipment	2.2A	147,385	161,712
Total non-financial assets		35,157,385	33,086,712
Total assets		37,037,159	34,696,154
LIABILITIES			
Payables			
Suppliers	2.3A	39,908	32,467
Other payables	2.3B	18,896	17,508
Total payables		58,804	49,975
Provisions			
Employee provisions	3.1	86,035	78,897
Total provisions		86,035	78,897
Total liabilities		144,839	128,872
Net assets		36,892,320	34,567,282
EQUITY			
Reserves		33,744,483	31,499,012
Retained surplus		3,147,837	3,068,270
Total equity		36,892,320	34,567,282

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
for the period ended 30 June 2025

	2025	2024
	\$	\$
RETAINED EARNINGS		
Balance carried forward from previous period	3,068,270	3,041,100
Surplus for the period	79,567	27,170
Closing balance as at 30 June	3,147,837	3,068,270
ASSET REVALUATION RESERVE		
Balance carried forward from previous period	31,499,012	29,392,443
Other comprehensive income	2,245,471	2,106,569
Closing balance as at 30 June	33,744,483	31,499,012
TOTAL EQUITY		
Balance carried forward from previous period	34,567,282	32,433,543
Surplus for the period	79,567	27,170
Other comprehensive income	2,245,471	2,106,569
Closing balance as at 30 June	36,892,320	34,567,282

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statement*for the period ended 30 June 2025*

	Notes	2025 \$	2024 \$
OPERATING ACTIVITIES			
Cash received			
Rendering of services		819,405	744,416
Interest		45,243	44,206
GST received		26,486	36,600
Total cash received		891,134	825,222
Cash used			
Employees		(161,828)	(163,398)
Suppliers		(436,579)	(421,949)
GST paid		(26,486)	(36,600)
Total cash used		(624,893)	(621,947)
Net cash from operating activities		266,241	203,275
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant & equipment		(16,553)	(36,895)
Investment in term deposits		(258,600)	(41,410)
Total cash used		(275,153)	(78,305)
Net cash (used by) investing activities		(275,153)	(78,305)
Net increase in cash held		(8,912)	124,970
Cash and cash equivalents at the beginning of the reporting period		310,574	185,604
Cash and cash equivalents at the end of the reporting period	2.1A	301,662	310,574

The above statement should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025

Overview Note

Objective of the Royal Australian Air Force Veterans' Residences Trust

The Royal Australian Air Force Veterans' Residences Trust (the Trust) is an Australian Government controlled entity. It is a not-for-profit entity, and a public benevolent institution recognised by the ACNC and ATO. The purpose of the Trust as defined in section 4 of the *Royal Australian Air Force Veterans' Residences Act 1953* is:

'... the provision of a residence or residences in which eligible persons who are in necessitous circumstances, and, if the Trust so approves, the dependents of such eligible persons, may be accommodated or supported...'

The Basis of Preparation

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)*;
- b) *Australian Charities and Not-for-profits Commission Act 2012*; and
- c) Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

New Accounting Standards

All new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the Trust's financial statements.

AASB 2023-3 - Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants; Tier 2.

AASB 2024-1 – Amendments to Australian Accounting Standards – Supplier Finance Arrangements: Tier 2 Disclosures.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025****Overview Note****Taxation**

The Trust is exempt from all forms of taxation except for Fringe Benefits Tax (FBT) above the allowable threshold for a Public Benevolent Institution, and the Goods and Services Tax (GST). Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and for receivables and payables.

For GST purposes, the Trust has been classified by the Australian Taxation Office as an Income Tax Exempt Charity (ITEC). The Trust is entitled to receive refunds for all GST expended that forms part of the invoiced costs of goods and services paid for or provided to the Trust. The Trust does not levy GST on any supplies or services provided by the Trust. The Trust has not provided any benefits to its employees that would generate FBT tax liabilities under the Fringe Benefits Tax legislation.

Events after the Reporting Period

There were no events identified after the reporting period that had the potential to significantly affect the ongoing structure and financial activities of the Trust or impact on the Trust's financial reporting or operational capability.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

1.0 Financial Performance**1.1 Expenses**

	2025	2024
	\$	\$
<u>1.1A: Employee benefits</u>		
Wages and salaries	151,595	141,488
Superannuation		
Defined contribution plans	24,037	22,844
Leave and other entitlements	7,969	11,742
Total employee benefits	183,601	176,074

Accounting Policy

Accounting policies for employee related expenses is contained in the People and Relationships section.

1.1B: Suppliers**Goods and services supplied or rendered**

Property repairs, maintenance and renovations	254,196	253,004
Municipality and service charges	73,980	71,609
Agency fees	31,902	30,506
Insurance	11,826	21,203
Workers compensation expenses	940	741
Administration and sundries	44,088	32,467
Audit fees (paid)	14,000	14,000
Total goods and services supplied or rendered	430,932	423,530
Goods supplied	172,605	203,522
Services rendered	258,327	220,008
Total goods and services supplied or rendered	430,932	423,530
Total suppliers	430,932	423,530

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

1.2 Own-Source Revenue

	2025	2024
	\$	\$
Own-Source Revenue		
1.2A: Rental income		
Rental of Trust properties	806,050	742,303
Total revenue from contracts with customers	806,050	742,303
Timing of revenue		
Revenue transferred at a point in time	806,050	742,303
	806,050	742,303

Accounting Policy

Revenue from the Trust's rental properties is recognised when the rental payments become due and payable to the Trust. The Trust's rental receivables have a thirty-day term and are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable. As a Not for Profit, the Trust is required under AASB 1058 to disclose that rental income is transferred to the Trust at a 'point in time'.

Operating leases

The Trust enters into open-ended licence agreements with eligible tenants and periodic rent agreements for the general public for the rental of the Trust's 75 units. General public tenants pay market rent and occupied 18 units as at 30 June 2025. General public tenants are only sought when there are no applications from eligible applicants at the location of the available unit, and can be given notice to vacate if an eligible applicant subsequently applies for accommodation at that location. Eligible tenants pay rent based on their income and military heritage and are allocated a unit under a tenancy licence indefinitely unless they contravene the conditions of their licence, the licence agreement can be cancelled.

Maturity analysis of operating lease income receivables

Within one year	822,168	778,296
One to three years	1,693,995	1,603,601
Three to five years	1,762,432	1,678,387
More than five years (i)	-	-
Total undiscounted lease payments receivable	4,278,595	4,060,284

(i) As licence agreements have no maturity date, the maturity analysis is based on the current licencing arrangements and assumption that the Trust will maintain its 100% occupancy rate. The Trust anticipates minor increases in total rental income during the next five years. The Trust has assumed that any rental increments relating to eligible tenants will be mostly offset with a reduction in the number of general public tenants. The assumptions and inherent uncertainties relating to projected data used in this analysis may not materialise.

1.2B: Interest

Deposits	71,591	45,487
Total interest	71,591	45,487

Accounting Policy

Interest revenue is recognised using the effective interest method.

1.2C: Other revenue

Utility levy	7,810	7,865
Total other revenue	7,810	7,865

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

2.0 Financial Position**2.1 Financial Assets**

	2025	2024
	\$	\$
<u>2.1A: Cash and cash equivalents</u>		
Cash on hand or on deposit	301,662	310,574
Total cash and cash equivalents	301,662	310,574

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand; and
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

2.1B: Trade and other receivables**Goods and services receivables**

Rental income - external parties	8,915	14,460
GST refund - ATO	4,808	4,967
Total goods and services receivables	13,723	19,427

Other receivables

Interest	64,379	38,031
Total other receivables	64,379	38,031
Total trade and other receivables	78,102	57,458

2.1C: Term deposit investments**Deposits**

Deposits - Defence Bank Ltd	1,500,010	1,241,410
Total other investments	1,500,010	1,241,410

Accounting Policy*Financial Assets*

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

2.2A: Reconciliation of the opening and closing balances of property, plant and equipment that are subject to operating leases for 2025.

	Land \$	Buildings \$	Plant & equipment \$	Total \$
As at 1 July 2024				
Gross book value	25,000,000	7,925,000	513,211	33,438,211
Accumulated depreciation	-	-	(351,499)	(351,499)
Total as at 1 July 2024	25,000,000	7,925,000	161,712	33,086,712
Additions				
Purchases	-	-	16,553	16,553
Revaluations and impairments recognised in other comprehensive income	2,445,000	(199,529)		2,245,471
Disposals	-	-	(9,288)	(9,288)
Reversal of accumulated depreciation for P&E disposals			9,288	9,288
Depreciation expense	-	(160,471)	(30,880)	(191,351)
Total as at 30 June 2025	27,445,000	7,565,000	147,385	35,157,385
Total as at 30 June 2025 represented by				
Gross book value	27,445,000	7,565,000	520,439	35,530,439
Accumulated depreciation	-	-	(373,054)	(373,054)
Total as at 30 June 2025	27,445,000	7,565,000	147,385	35,157,385

No property, plant and equipment are expected to be sold or disposed of within the next 12 months.

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated in Note 4.3A. On 30 June 2025, Jones Lang LaSalle (JLL), an independent valuer, conducted the revaluations.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

Accounting Policy

In the process of applying the accounting policies listed in this Note, the Trust has made a judgement that when full revaluations are conducted the fair value of land and buildings has been taken to be the market value of similar properties as determined by an independent valuer. In some instances, Trust buildings are purpose-built and may in fact realise more or less in the market.

The Trust arranges for its land and buildings to be revalued every three years. In intervening years, a desktop or materiality valuation may be advised if there are significant property market movements with no market value data of similar properties considered in the valuation. A full valuation of Trust properties occurred in June 2025.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000 (excluding GST), which are expensed in the year of acquisition.

Full Revaluations

Fair values for each class of asset are determined as shown below:

Land - Fair value measured at **Market Selling Price**

Buildings - Fair value measured at **Market Selling Price**

Plant and Equipment - **At Cost**

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in surplus/deficit except to the extent that they reversed a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Trust using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives for 2025 and 2024:

Buildings on freehold land - **10 to 60 years**

Plant and Equipment - **10 years**

Office Equipment - **3 years**

The Trust does not hold any items of property, plant and equipment that are classified as heritage or cultural assets.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025****Impairment**

All cash-generating assets and assets held at cost, including intangibles and ROU assets, were assessed for impairment at 30 June 2025. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount. For non-cash generating assets held at fair value, the recoverable amount is expected to be materially the same as fair value at 30 June 2025.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Trust was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

2.3 Payables	2025	2024
	\$	\$

2.3A: Suppliers

Trade creditors	39,908	32,467
Total suppliers	39,908	32,467

Settlement of suppliers is usually made within 30 days.

2.3B: Other Payables

Rent prepayments and accruals	18,896	17,508
Total other payables	18,896	17,508

3.0 People and Relationships**3.1 Employee Provisions**

	2025	2024
	\$	\$
3.1 Employee Provisions		
Leave	86,035	78,897
Total employee provisions	86,035	78,897

Accounting PolicyLeave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by the employees of the Trust is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Trust's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised as non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation

All staff members of the Trust are excluded from being members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap). The Trust, however, does make the employer-only contributions to the employees' individual superannuation schemes that are equivalent to full time Australian Public Service employees within the Department of Defence.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025****3.2 Key Management Personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The Trust has determined the key management personnel to be the Members of the Trust who are appointed by the Minister for Defence Personnel and serve the Trust in an honorary capacity, and therefore have not received any remuneration from the Trust or any entity during the 2024-25 and 2023-24 financial years.

3.3 Related Party Disclosures**Related party relationships**

The Trust is an Australian Government controlled entity. Related parties to this entity are the Minister for Defence Personnel, Cabinet Ministers, Members of the Trust, key management personnel and their close family members and their personal business interests, and other Australian Government entities.

Transactions with related parties

There were no related party activities or loans to Members of the Trust or Members of the Trust related entities in the 2024-25 and 2023-24 financial years.

4.0 Managing Uncertainties**4.1 Contingent Assets and Liabilities**

There were no quantifiable contingent liabilities or contingent assets, nor were there any unquantifiable or remote contingent liabilities or contingent assets for both 2024-25 and 2023-24 financial years.

Accounting policy**Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or a liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

4.2 Financial Instruments

	2025	2024
	\$	\$
4.2A: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	301,662	310,574
Trade and other receivables (i)	8,915	14,460
Term deposit investments	1,500,010	1,241,410
Total financial assets at amortised cost	1,810,587	1,566,444
Total financial assets	1,810,587	1,566,444
 Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors and accruals	58,804	49,975
Total financial liabilities at amortised cost	58,804	49,975
Total financial liabilities	58,804	49,975
 4.2B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Interest revenue	71,591	45,487
Net gains on financial assets at amortised cost	71,591	45,487
Net gains on financial assets	71,591	45,487

(i) Trade and other receivables excludes GST receivable as it is a statutory receivable, not a contractual receivable, therefore not a financial instrument.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025****Accounting Policy****Financial Assets**

The Trust classifies its financial assets as financial assets measured at amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost - If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

4.3 Fair Value Measurement

4.3A: Fair value measurement

	Fair value measurements at the end of the reporting period	
	2025	2024
	\$	\$
Non-financial assets		
Land	27,445,000	25,000,000
Buildings	7,565,000	7,925,000
Total non-financial assets	35,010,000	32,925,000

The Trust did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2025.

Accounting policy

All asset classes for the Trust were subject to a comprehensive valuation at fair value as at 30 June 2025. Valuations have been conducted in accordance with and considered the Australian Accounting Standards, including AASB 13 - *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*, as well as with the *Public Governance, Performance and Accountability (Financial Reporting) Rule* for the period ending 30 June 2025.

The valuation reported on all aspects of the fair value framework including the valuation premise, the highest and best use, the valuation technique, the market (principal or most advantageous), the fair value hierarchy level for the measurement including whether this has changed since the 2023-24 financial year.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

5.0 Other information**5.1 Current/non-current distinction for assets and liabilities**

	2025	2024
	\$	\$
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	301,662	310,574
Trade and other receivables	78,102	57,458
Term deposit investments	1,500,010	1,241,410
Total no more than 12 months	1,879,774	1,609,442
More than 12 months		
Land and buildings	35,010,000	32,925,000
Plant and equipment	147,385	161,712
Total more than 12 months	35,157,385	33,086,712
Total assets	37,037,159	34,696,154
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	44,548	37,045
Employee provisions	82,062	43,283
Other payables	14,256	12,930
Total no more than 12 months	140,866	93,258
More than 12 months		
Employee provisions	3,973	35,614
Total more than 12 months	3,973	35,614
Total liabilities	144,839	128,872