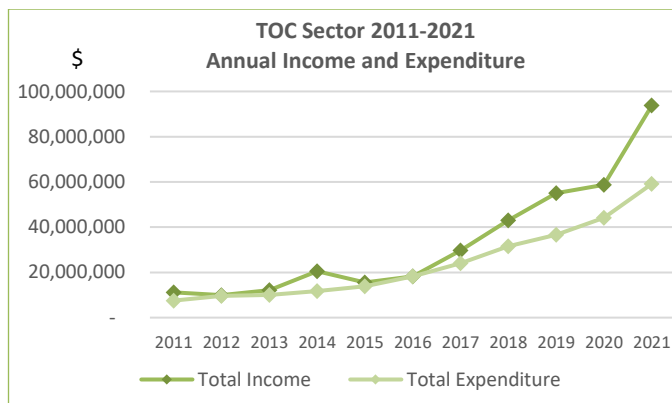


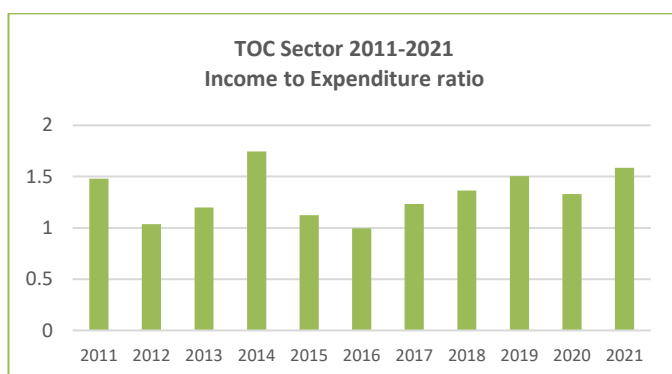
Income and Expenditure

The income earned of Traditional Owner Corporations Sector¹ has climbed over the last ten years at an **average increase of around 28% p.a.**; and in 2021 the Sector's annual income reached over \$90 million.

In the 2011-2021 period more than \$360 million has been generated by the TOC sector. While some of this is attributable to sums contributed as part of Traditional Owner Settlement Act settlements, the cumulative total far outweighs those amounts.



On average in the last decade, annual expenditure was around 80% of annual income earned (although this ranged from 57% to 101% between 2011 and 2021). A significant proportion of this expenditure is personnel costs.

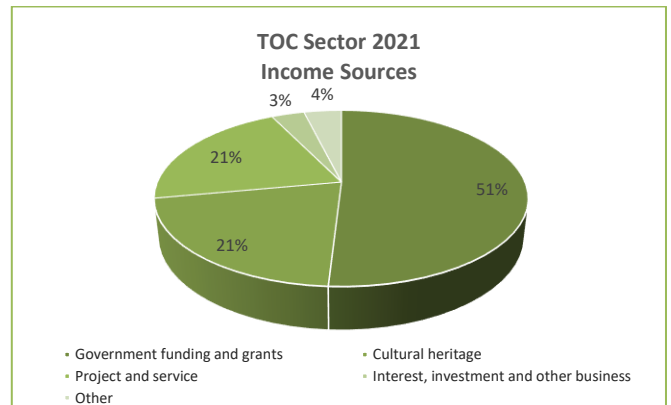


The income to expenditure ratio tends to suggest that the TOC Sector on an annual basis is not spending beyond income earned or deriving super-margins from operations over time. It also indicates income is largely driven by service delivery rather than capital investment or interest income.

¹ The Traditional Owner Corporations Sector in this fact sheet include the 11 organisations that are eligible to be members of the Victorian Federation of Traditional Owner Corporations and includes funds held on behalf of those corporations (eg through the Victorian Traditional Owner Trust and the Federation itself). All data has been gathered from public sources (eg ORIC). Estimates have been used in some cases where data is not available.

Income Generated

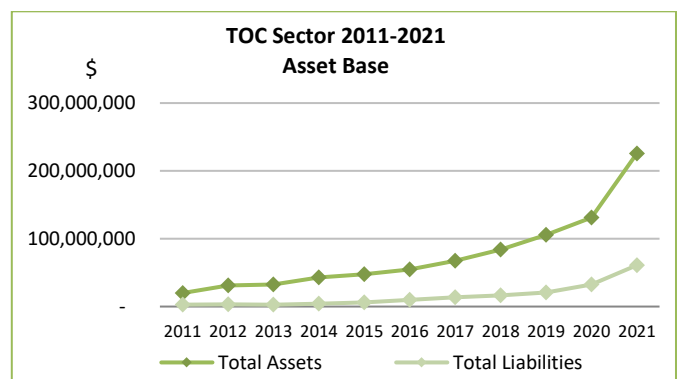
Around 50% of income generated across the TOC Sector in 2021 was attributed to non-grant sources, either through the provision of services or through investment and business income.²



While the sector accounted for around 50% of the total income as government grants, there is a growing recognition that much of this in fact represents service provision, for example delivering environmental services.

The Asset Base

The Asset Base within the TOC Sector has been rapidly growing. It is now worth close to a quarter of a billion dollars.



The year-on-year growth of the asset base has averaged almost 30% over the last ten years, as both a function of the retained earnings from income generated and investment inflows, including for settlements and projects.

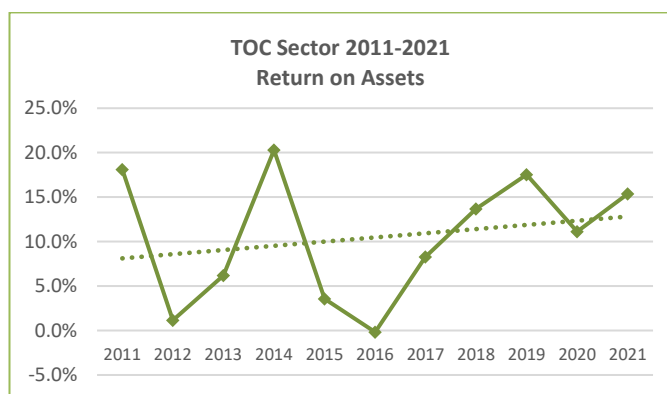
² Due to TOCs accounting for revenue under a range of different categories, this data has been interpreted to provide a best equivalence across the sector. Revaluations of assets are not included, and VTOT payments made to beneficiary organisations have been included as investment income attributed to the beneficiary organisations.

While the liabilities have also continued to grow, they are growing less quickly, and continue to be largely short term unexpended funds accrued rather than debt arising from loans and borrowings.

Return on Assets

On average over the last 10 years the TOC Sector has attained a 10% return on assets, and this is on an upward trend.

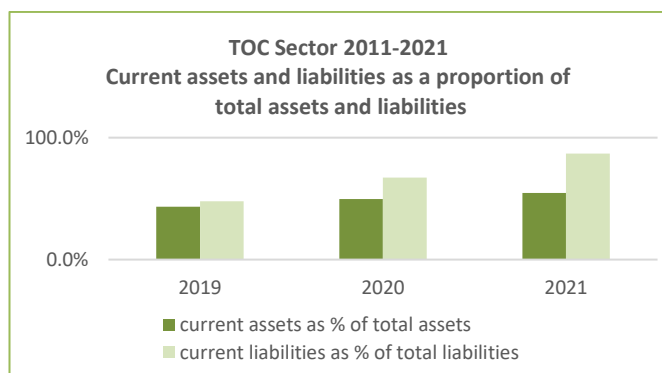
There have been fluctuations, in part due to the accounting for settlements – as income and then as capital – and in part reflecting the changes in both assets and income. As the total asset base grows such changes will proportionally diminish in scale.



For example, the 2014 peak return on assets largely reflects the Dja Dja Wurrung settlement deposit into the VTOT. The subsequent higher asset base in 2015, contributed to the reduction in the return on assets even though the TOC sector’s income continued to trend upwards.

High liquidity and low debt

Current assets make up around 50% of total assets. The TOC sector has generally maintained relatively high levels of liquidity. In part this reflects the early stage development and relative scale of operations operating in a services environment.

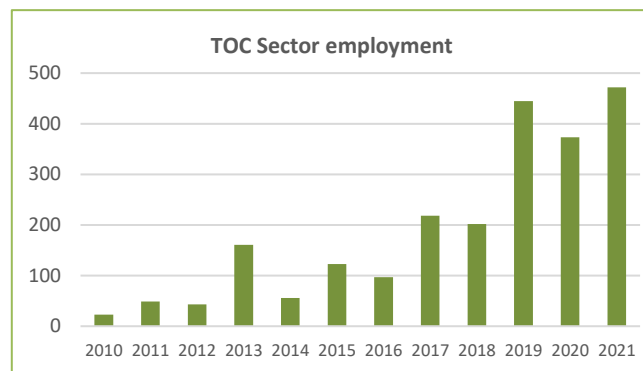


This suggests that there is an accessible ‘reserve’ of finance to make the most of opportunities as they arise. In addition a significant proportion of the total assets are held within the VTOT (20% in 2021).

TOC Sector employment growth

The last decade has seen a growth in employment within the TOC sector. In recent years there has been a marked increase in the levels of employment, with over 400 employees reported by 2019.

While some of this change is due to improved data consistency, key elements include some significant increase in cultural heritage activity, emerging new TOCs, and the increasing role that Traditional Owner Corporations are playing in managing Country and developing stronger capacity to deliver cultural and environmental services.

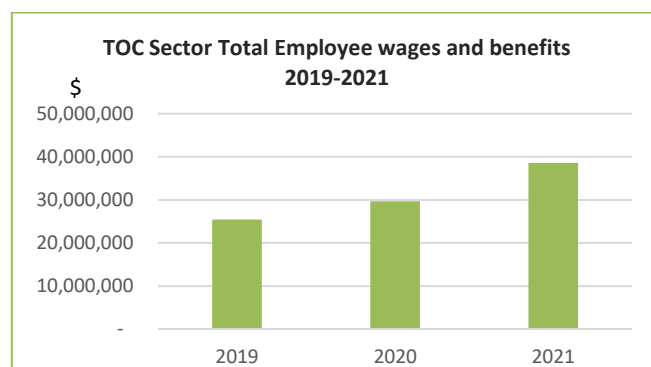


The proportion of employee expenses of income and of total expenditure has remained relatively steady over the last three years, including periods under Covid-19 conditions.

In 2021, the average employment expenses as a proportion of total expenses was 64%. However, in that period there was a range across the organisations, ranging from 45% to 82%. The TOCs that are newer or smaller organisations tend to have a lower proportion of expenditure on employees.

Total employee expenditure has increased over the last 10 years, and in the last three years, while as a proportion of total expenditure it has remained relatively steady, it has grown by about 50%.

In 2021 TOCs contributed close to \$40 million in wages and employee benefits.



While the Federation of Victorian Traditional Owner Corporations has made every effort to ensure the accuracy of this information, no warrantee is made as to the accuracy of the information contained in this document and no liability is accepted for any statement or opinion, or for an error or omission or for any loss or damage suffered as a result of reliance on or use of any material in the document.