



**Mulloon
Institute**

For environment, farming and society.

An aerial photograph of a river winding through a rural landscape. The river is dark blue and flows from the top left towards the bottom right. The banks are lined with lush green vegetation, including tall grasses and reeds. In the background, there are rolling green hills and a line of trees. A wooden fence is visible on the right bank. The overall scene is bright and sunny.

2021
Annual report

CONTENTS

About Us	1
Chairman's Message.....	3
CEO'S Report	7
Mulloon Law Committee	10
Communications.....	11
Where we work	12
Sustainable Development Goals.....	13
Mulloon Rehydration Initiative	14
Beyond the Back Fence	18
Mulloon Operations	24
Financial Statements	26
Our Supporters.....	48



VISION

To rehydrate and restore landscapes using our world class scientific research, education and demonstration sites.

To rebuild landscapes that are resilient to climatic extremes, capable of providing food and water security and supporting healthy ecosystems.

MISSION

To actively demonstrate, validate and share landscape rehydration, restoration and regenerative practices to create sustainable, profitable and resilient agricultural and environmental systems now and into the future.

VALUES

- Innovative and collaborative
- Pro-active and accountable
- Commercially focused
- Ambitious and entrepreneurial
- Supported and compassionate.

About Us

The Mulloon Institute are global leaders in landscape rehydration and environmental regeneration, at the property and catchment scales.

Our world-class scientific research and educational outreach helps Australian farmers create resilient, productive and profitable farms where agriculture and the environment work in unison.

Rehydrating landscapes helps restore their natural function, boosts ecosystem biodiversity, and makes them more resilient to climatic extremes. It also allows for

increased agricultural productivity and greater soil carbon capture through healthier soils and more vegetative cover.

Our work has been acknowledged by the United Nations' Sustainable Development Solutions Network and we actively work towards helping achieve the United Nations' Sustainable Development Goals.

We are committed to building resilient rural and regional communities by supporting the long-term, sustainable growth of Australian agriculture.

The Mulloon Institute acknowledges the Traditional Owners of the places in which we work and honours the deep cultural, social, environmental, spiritual and economic connection they share with their lands and water.

Our Goals



2.5 million hectares of agricultural land rehydrated & rehabilitated



5,000 farming families with improved resilience & productivity

Front cover – Leaky weir at 'Westview' in 2020 (installed in 2018).
This page – Top contour plantings and ponds at 'Duralla' in 2020.
Back cover – Building interactive catchment models in Capertee Valley, NSW.

Mulloon Institute

PO Box 126, Bungendore NSW 2621 AUSTRALIA

info@themullooninstitute.org | themullooninstitute.org

Printed on paper partly or wholly manufactured from recycled material.





Chairman's Message



Hon Gary Nairn AO
CHAIRMAN

It is not possible to talk about our activities over the past year without reference to the pandemic.

After the 2020 lockdowns and restrictions, we all thought things would return to some sort of normality. Sadly, along came the Delta strain and long periods of lockdown for most of us, except in North Queensland and WA.

The disruptions have had quite an impact on both the Mulloon Institute (TMI) and Mulloon Consulting (MC). In the case of TMI, we have had to cancel or defer field days, workshops, tree planting days and similar activities where groups of people are normally involved. While for MC, it has meant a huge restraint on consulting work and not being able to visit properties. Mulloon Creek Natural Farms (MCNF) has had its own difficulties particularly with staffing during lockdown periods. But our chickens didn't understand any of that and have continued on their merry way laying beautiful, free range, pasture raised eggs!

RESILIENCE

Despite the restrictions, we have shown resilience by focusing on **TMI's Mission**.

To actively demonstrate, validate and share landscape rehydration, restoration and regenerative practices that help create sustainable, profitable and resilient agricultural and environmental systems now and into the future.

With strong leadership from CEO Carolyn Hall, our team has demonstrated its agility by continuing to get on with the job. At Mulloon, work has continued on our flagship, catchment-scale Mulloon Rehydration Initiative (MRI) with the installation of extensive monitoring equipment and designs for remaining stages of the project. These later stages fall within Crown Land meaning additional approvals have also had to be applied for, slowing the process down. While further afield, initial desktop planning and analysis has been possible for many upcoming projects despite lockdown and travel restrictions preventing much or any work actually 'on the ground'.

It is very satisfying to note that over the past year awareness has grown around the urgent need to repair and rehydrate our degraded landscapes. This boosted interest and increasing demand for our work has seen us grow as an organisation with strategic investment in our people, who now stretch across New South Wales, Queensland and Western Australia.

AWARDS

Our work has also been acknowledged with three awards this year:

- **Winner of Conservation Landscape category**
National Heritage Trust (NSW) Awards
- **Winner of President's Award**
National Heritage Trust (NSW) Awards
- **Response to Climate Change category**
Australian Sustainable Communities Awards.

Leaky weir installed at 'Westview' in 2018 (top) and in 2020 (bottom).

REBRANDING

As part of the Board's Strategic Plan for 2020–2023, Head of Corporate Affairs Richard Forbes and Melbourne communications agency 'redhanded' reconsidered our logo and branding. For us, our new logo represents our maturing as an organisation as we expand our work across all parts of Australia, in partnership with local farmers and natural resource management experts. The symbol takes its inspiration from the rural landscape, with a series of shapes reflecting key elements of the landscape – soil, water, plant growth and the sky. What isn't changing is our commitment to being global leaders and innovators in landscape rehydration and the regeneration of Australia's agricultural landscapes.

MULLOON CREEK NATURAL FARMS

Along with a branding refresh, other significant changes include appointing Jim Steele as General Manager at Mulloon Creek Natural Farms. Jim brings enormous experience in farming and poultry and actually jackarooed at Mulloon many decades ago with our founder, Tony Coote AM. Jim also worked closely with former Farm Manager Jim Guilfoyle for many years. We are very grateful to Martin Royds for fulfilling the role of Interim Farm Manager until Jim arrived.

BOARD & OPERATIONS

Movements at the Board level include long-time Directors Richard Allsopp, Diana Cavanagh and Martin Royds all retiring and Richard Forbes and Carolyn Hall joining. Renewal is good governance in any organisation, and as we grow the Board continues to look to the future and the diversity of the Board members to meet the next challenges. The combined years of commitment to TMI by departing Directors was greatly appreciated and has contributed significantly to where we are today.

I would like to thank my fellow directors Charles Cupit, Peter Howarth OAM, Carolyn Hall and Richard Forbes and express gratitude for their passion for our work and their commitment to our success.

During the year, we also welcomed Kathy Kelly as our Chief Operating Officer and Company Secretary. Kathy has thrown herself into these roles with inspirational

enthusiasm and is having a substantial positive impact on our operations.

ADVISORY GROUPS

Elsewhere in this Annual Report you will read about the activities of our Science Advisory Council and the Mulloon Law Committee, both of which are of major assistance to the operation of TMI and MC. On behalf of my other directors, I thank members of both these groups for their magnificent work. A particular thanks to chairs Emeritus Professor Stephen Dovers and Matt Egerton-Warburton, sterling work on both accounts.

STAFF

This extends to all our staff too, who treat their roles as so much more than a job. With no exception, they are each committed to **TMI's Vision**.

As global leaders in sustainable agriculture and environmental regeneration, we aim to rehydrate and restore landscapes using our world class scientific research, education and demonstration sites. To rebuild landscapes that are resilient to climatic extremes, capable of providing food and water security and supporting healthy ecosystems.

FOUNDERS & PATRON

My report would not be complete without acknowledging where we have come from. It is now three years since our Founders, Tony Coote AM and Toni Coote, passed away. Tony and Toni had the incredible foresight of establishing TMI in 2011 after observing the difference landscape rehydration works made to the Home Farm at Mulloon Creek. Their legacy is a principal motivator to me, both personally and as Chairman of the Board, that now steers our progress to expand this work across Australia.

We also lost our Patron this year, former National Soils Advocate Major General the Hon Michael Jeffery AC, AO (Mil), CVO, MC (Rtd). Michael's involvement with TMI and his passion to see Australia's soils regenerated are sorely missed. Establishment of the General Jeffery Soil Health Award by the Federal Government's Office of the National Soil Advocate is a wonderful tribute to a great man.



SUPPORTERS

Finally, a big thank-you to TMI's many supporters who come in many forms and are the reason we get done what we do. Government support at state and federal levels is hugely appreciated and our philanthropic support continues to grow each year. This ongoing commitment to TMI allows us to do our important work for environment, farming and society. Looking to the future, we hope to achieve so much more work on the ground next year, in what I trust will be a much less disruptive year.

Toni and Tony Coote in 2013 (top left).

Major General the Hon Michael Jeffery AC, AO (Mil), CVO, MC (Retired), Former Governor-General of Australia, Former Governor of Western Australia and Australia's first National Advocate for Soil Health (top right).

Tree plantings at 'Duralla' in 2018 (right) and in 2021 (bottom).



3
awards
won



CEO'S Report



Carolyn Hall
CHIEF EXECUTIVE OFFICER

Growth, connection and collaboration have been key themes for 2021, enabling delivery of our strategic plan.

Our team has successfully secured grant funding, providing opportunities to extend our work with new projects in QLD, WA, Victoria and NSW. We have expanded our team of landscape planners and added an education coordinator to develop our education program. The executive management team has been bolstered with Kathy Kelly joining as our Chief Operating Officer and Company Secretary, a very welcome addition.

Deeper connections have been forged with our partners with meetings and events in early 2021. We have also been forging connections much closer to home with new Farm General Manager Jim Steele continuing to explore how we can deliver on Founder Tony Coote's vision of Mulloon Creek Natural Farms forming a living laboratory for the Institute. While MCCC consolidated its name to Mulloon Consulting and will continue offering the same, high quality landscape rehydration and restoration services to clients.

COLLABORATION

Collaboration has been initiated with various partners, exploring opportunities to work together to deliver landscape rehydration, restoration and environmental regeneration. I am pleased to report that the sense of community that emerged in 2020 has expanded across the natural resources management and agricultural sectors

and the willingness to collaborate is unprecedented. In fact, the cornerstone of expanding our work around Australia lies directly in our collaborations with key local groups and organisations, which we detail in the 'Beyond the Back Fence' report on pages 18–23 showing how we're delivering on this approach in different states. Key to funding this were nine successful applications for funding from state and federal government agencies and philanthropic organisations totalling \$876,150.

NEW FINANCIAL MODELS

TMI has begun to explore in earnest new financial models to enable funding of our works and create a return on investment for landholders and investors. Australian carbon credits are emerging as an opportunity for landholders to focus on soil health, gain a passive income, sequester carbon from the atmosphere, and in doing so contribute to emissions reduction targets. Measurement of the effects of our work, its contribution to ecosystem services and how that generates a return on investment will remain a focus.

We also initiated an engagement program with corporate Australia, introducing the Institute and our innovative work and exploring opportunities to expand that work through partnerships.

CHALLENGES

This year has not been without challenges, just as we began to rollout activities across the country lockdowns changed the way we delivered our services. Financial relief

Principal Landscape Planner Peter Hazell presenting a workshop for Bass Coast Landcare, Victoria. [Credit: Bass Coast Landcare]



6
new team
members



3
new landscape
planners



7
new MOUs
signed with key
partners



5
states and
territories we're
working in



\$876,150
received in
funding

from the 2021 COVID-19 business grant and job saver program have reduced the pressure of the lockdowns. Our team has continued to grow and thrive despite these challenges, our activities have been curtailed but our enthusiasm to deliver on our mission has not. We are prepared for a more open, collaborative and action packed 2022.

THANKS

I want to thank the Mulloon team for their continued drive and dedication and their ability and willingness to adapt to change. I also want to thank my fellow Board Directors for their support and passion for the Mulloon Institute. To all our supporters you make our work possible and enable us to look to the future.

EDUCATION

This year our new Education Coordinator Tam Connor has begun developing our training and extension program to deliver the Landscape Rehydration Curriculum developed by Principal Landscape Planner Peter Hazell and Research Officer Laura Fisher.

The program will include multi-themed, multi-level training packages that empower the agriculture and natural resource management sectors with practical knowledge around landscape rehydration for drought adaption, resilience and productivity. It will include an integrated learning platform with demonstrations, face-to-face learning, multi-media and web-based learning, and learning support.

The Australia-wide capacity building program will be developed and delivered with agricultural extension experts Soil Land Food, over four levels of capacity building – engagement/awareness, understanding, skills building, decision making.

Our education program has expanded to include online presentations, panel discussions and webinars. We have assisted in the development of regenerative agriculture curriculum for primary students at The Scots College and created a virtual tour for secondary schools, both aligned with the Australian curriculum. We also delivered workshops and demonstration activities across Australia (NSW, QLD, WA, VIC and NT), including an interactive session for the NSW & ACT Geography Teachers Conference.

We are also adding creative elements to the program, like developing physical, digital, and edible models of catchments and hydrological processes. A series of citizen science engagements with landholders, artists, and students who are co-creating these models with us has begun, with our first collaborators including Creative Arts students at the University of Wollongong, ANU's Institute for Water Futures, as well as artists and landholders in the Capertee Valley.

- **Landscape Rehydration Capacity Building: Developing Curriculum**

Two catchment communities will be case studied during development of advanced level training course and materials, leading to long term landscape regeneration. Initial geomorphology curriculum modules are being workshopped by our landscape rehydration specialists. Funded by NSW Environmental Trust.



University of Canberra students learning about landscape processes, geology, geomorphology, soils and landscape function at Mulloon Creek Natural Farms.

- Modelling Landscape Rehydration for Catchments, Communities and Curriculum**

Citizen science project to generate resources that demystify landscape rehydration science, empowering communities to heal their water cycles and increase landscape resilience to natural disasters and climate volatility. Includes physical catchment models and digital model-making. Funded by NSW Department of Industry, Science Energy & Resources' Citizen Science Grant program.

improvements to improve resilience in extreme wet weather, such as new creek crossings/bridges, and sowing/planting a greater biodiversity of pastures, shrubs, and trees.

While challenging winter conditions led to fewer eggs being produced, changes to hen management have now stabilised egg production. Rebuilding our cattle herd post-drought remains a priority as a pivotal part in our holistic grazing program to control weeds and increase pasture biodiversity.

MULLOON CREEK NATURAL FARMS

The key theme at Mulloon Creek Natural Farms for 2021 has been 'rebuilding.'

With Covid restrictions in place, backpackers who usually help in our poultry operations were hard to find, resulting in a decision to attract more permanent employees locally. This new employment structure is a highlight for the year, with the growth of our Poultry team bringing fresh faces and new ideas.

La Nina conditions meant consistently above average rainfall, resulting in a string of '1-in-50 year' floods and significant damage to farm infrastructure. While progress with on-farm infrastructure projects was hampered, a number of wins were still achieved.

- upgraded chicken paddock fences
- upgraded telecommunications
- constructed new worker's cottage
- renovated Guilfoyle House & Jackeroo's Quarters.

Further works are planned for the packing room, brood shed, roads, fences and water, along with infrastructure

Despite a challenging year, the team is now stronger and more resilient, with farm utilisation and production trending upwards. With some key infrastructure improvements in the pipeline and an increasingly capable workforce, 2022 is set to be a successful year at Mulloon Creek Natural Farms.



Chickens at Mulloon Creek Natural Farms (above). [Credit: Grow Love Project]

Mulloon Law Committee



Matt Egerton-Warburton
CHAIR

The Mulloon Law Committee advises the Mulloon Institute on legal and regulatory issues.

Its focus is on reducing significant and burdensome state government approvals needed to implement catchment remediation projects.

The Mulloon Law Committee's (MLC) regular attendees include Matt Egerton-Warburton (Chair), Wilfred Finn, Dr Gerry Bates, Peter Hazell, Gary Nairn, Carolyn Hall and Laura Fisher, and the Committee is in the process of establishing a Queensland chapter chaired by Jamie Kerr.

BACKGROUND

Seeking to repair a water catchment using landscape rehydration works, typically requires:

- individual approvals for each structure
- individual submissions for each separate landowner in a catchment
- separate approvals from multiple government departments (water, planning, environment, fisheries, etc.) each requiring their own submission
- expensive expert reports from numerous experts.

To receive these approvals landholders are required to submit some, if not all, of the following documents:

- environmental impact assessments
- development applications
- site descriptions

- engineered designs
- hydraulic modelling reports
- vegetation management plans
- sediment and erosion control plans
- biodiversity assessment reports
- water access licence (WAL) applications
- cultural heritage assessment reports.

This process takes significant time and money. TMI has spent over \$350,000 and waited more than 30 months to receive approvals to rehabilitate the Mulloon Creek catchment in NSW. TMI's experience with landscape repair projects in Queensland have indicated that there are similar costly and time consuming regulatory hurdles in other states.

LANDSCAPE REHYDRATION WORKS

Our preferred solution is a 'Code Compliant' approach where all departments agree on a Code for building 'Landscape Rehydration Works', allowing landholders to build landscape rehydration works that are deemed code compliant without applying for approvals.

The MLC continues to correspond and meet with NSW State Ministers and key NSW Department of Planning, Industry and Environment (NSW DPIE) officers, resulting in the department proposing amendments to the State Environmental Planning Policy (Infrastructure) 2007 (Infrastructure SEPP), to streamline the planning pathway and information requirements for landscape rehydration initiatives.

Bush Heritage Australia staff and Turnip Creek landholders on a field trip to Mulloon Creek Natural Farms.

CROWN LANDS

The MLC also made formal submissions on the Review of Coastal Harvestable Rights (12 May 2021) and the Crown Lands Management Act Discussion Paper (24 May 2021), which you can view here: <https://themullooninstitute.org/s/Mulloon-Submission-to-Harvestable-Rights-Review-12-May-2021.pdf>

The NSW Crown Land Commissioners Report (July 2021) took up a number of MLC's recommendations:

“There is a need for a more proactive approach to achieving environmental outcomes on Crown Land, which can be facilitated through the removal of legislative impediments. Currently environmental protection, restoration, rehydration or enhancement works require the approval or concurrence of multiple authorities and departments. Greater coordination and flexibility is required for future approaches to environmental management of Crown land.”

The Crown Land Commissioner recommended (amongst other recommendations):

“Amending the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 to provide a greater degree of certainty to allow environmental protection, restoration and rehydration works on Crown Land and waterways that is carried out in accordance with an approved code to be completed as either exempt or complying development.”

LEGISLATIVE REFORM

The MLC is making headway with the NSW Government and initial approaches have been made to Queensland Government officials. Once we have a successful legislative reform template, we plan to seek reforms in other states.

Communications



32,838
visits to
TMI
website



12,304
followers
on social
media



1001
new
'Resilience'
subscribers



167%
increase in
Linked In
followers



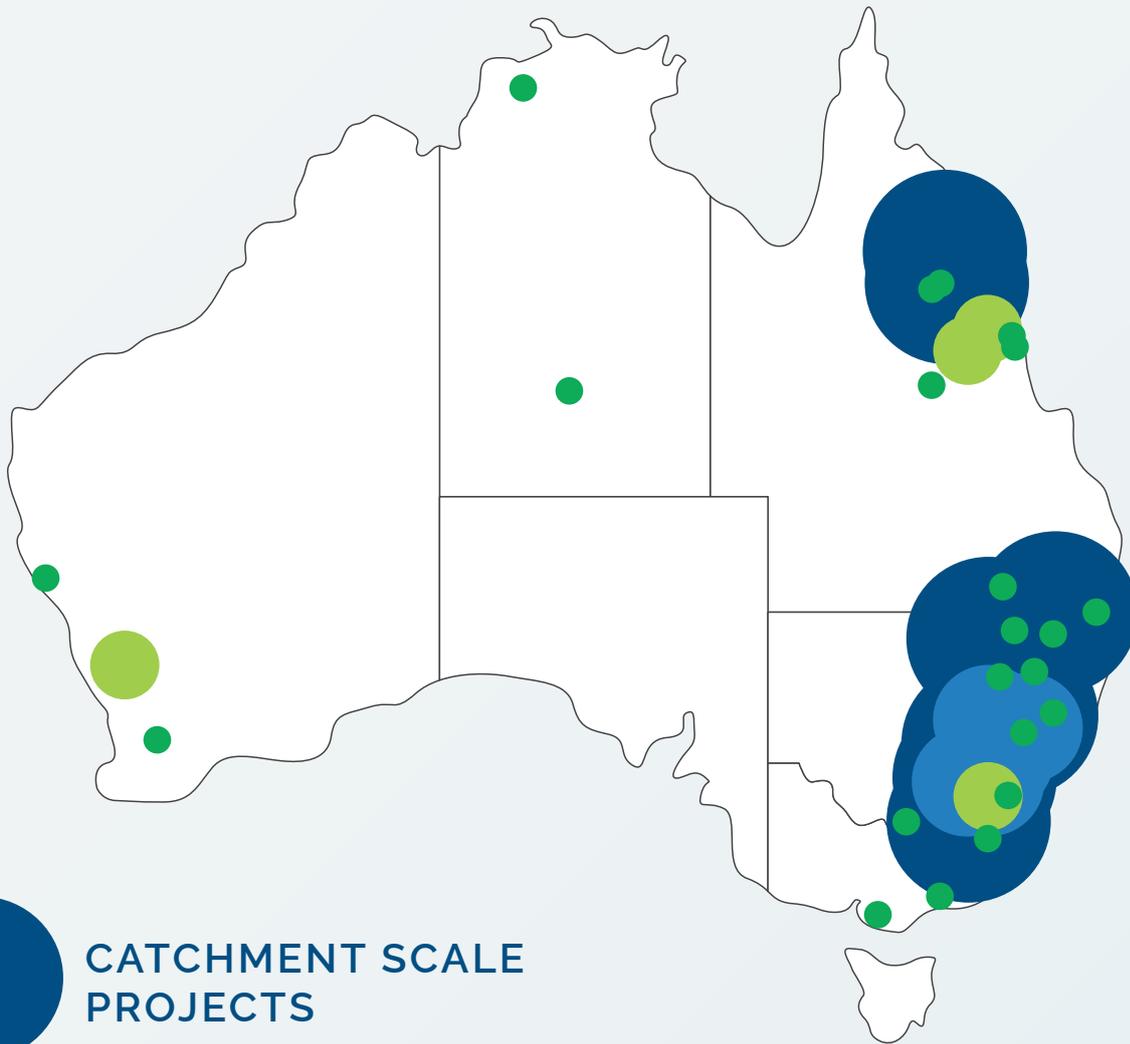
41%
increase in
Instagram
followers



23%
increase in
Twitter
followers



Where we work



CATCHMENT SCALE PROJECTS

- Capertee Valley Hydrology Project, NSW
- Lansdowne Creek Community Rehydration Initiative, QLD
- Molonglo Floodplain Rehydration Initiative, NSW
- Mulloon Rehydration Initiative, NSW
- Paddys River, Bago State Forest, NSW
- Roseberry Creek Catchment Project, NSW
- Swanbrook Rehydration Project, NSW
- Upper Herbert Sediment Reduction Project, QLD



ON-GROUND WORKS

- Wamboin, NSW
- Megalong Valley, NSW
- Bellmount Forest, NSW
- Woomargama, NSW
- Tidbinbilla, ACT
- Nundle, NSW
- Greenhills, NSW
- Bannockburn, NSW



PROJECTS

- Ginninderry Conservation Corridor, ACT
- Landscape Rehydration Demonstration Site, QLD
- Mount Pleasant Learning & Demonstration Hub, QLD
- Landscape Rehydration Trial & Demonstration in the Wheatbelt, WA

WORKSHOPS

- Aileron, NT
- Alpha, QLD
- Batchelor, NT
- Boggabri, NSW
- Bowna, NSW
- Boyup Brook, WA
- Bungunya, QLD
- Charters Towers, QLD
- Flagstone, QLD
- Garoo, NSW
- Glen Alice, NSW
- Inverell, NSW
- Kernot, VIC
- Kyogle, NSW
- Mount Pleasant, QLD
- Mulloon, NSW
- Northampton, WA
- Numeralla, NSW
- Stradbroke, VIC
- Wallaringa, NSW
- Warialda, NSW
- Woodstock, QLD

NOTE - icons representative only and NOT drawn to scale.

Sustainable Development Goals

Our landscape rehydration and regeneration work around Australia is working towards many of the United Nation's Sustainable Development Goals.



SDG2 – Zero Hunger

Restoring natural landscape function revitalises ecosystems and boosts landscape resilience to climatic extremes. Implementing regenerative agriculture progressively improves land and soil quality and ensures ongoing nutrient dense food production.



SDG3 – Good Health and Wellbeing

Rebuilding landscapes and revitalising wetlands recreates natural filtration systems that keep waterways clean for healthier landscapes and healthier food production.



SDG4 – Quality Education

We educate farmers in landscape rehydration and regenerative agriculture, with a comprehensive training manual created and plans for digital learning opportunities.



SDG6 – Clean Water & Sanitation

Our work rehydrates landscapes and rebuilds natural landscape function, using creek interventions that slow and filter water flow, increasing its quality and abundance.



SDG11 – Sustainable Cities and Communities

Regenerating landscapes protects and safeguards them for future generations. Restoring natural landscape function boosts its resilience to climatic extremes. Training landholders in regenerative and sustainable agriculture helps them to adapt to a changing climate and mitigate its effects.



SDG13 – Climate Action

We rebuild and regenerate landscapes for enhanced climate change resilience through soil carbon sequestration. We educate farmers in rehydrating and restoring landscapes using regenerative agriculture.



SDG14 – Life Below Water

We provide important habitat for a range of aquatic flora and fauna by restoring eroded waterways and transforming them into healthy, vibrant and complex ecosystems.



SDG15 – Life on Land

Rebuilding the catchment's natural functionality and resilience supports threatened and vulnerable species, including eleven threatened bird species and two threatened frog species.



SDG17 – Partnerships for the Goals

Our strong partnerships include the UNSDSN, key Australian universities, Rothamsted Research (UK), federal, state and local government agencies, NGOs, community groups, industry bodies and landholders.

Mulloon Rehydration Initiative



Peter Hazell
MRI PRINCIPAL LANDSCAPE PLANNER

Emeritus Professor Stephen Dovers
SCIENCE ADVISORY COUNCIL CHAIR

Luke Peel
RESEARCH COORDINATOR

This year was just about as wet as it gets at Mulloon, with over 1,100 mm of rainfall and two major floods.

It was a stark contrast to the previous year which brought extreme drought and wildfires that burnt out 18 million hectares of eastern Australia, 8,000 of which were in the upper catchment of Mulloon.

CREEK WORKS

Creek works progressed in earnest before the rains finally came in February 2020. The rains recharged the creek system and filled all the ponds behind the 32 new leaky weirs constructed throughout the 15 km reach between the Home Farm and Duralla. While only around 100 mm of rain fell between March and July 2020, the creek continued a healthy flow – possibly because of the creek works that had already taken place.

By July 2020, four more leaky weirs still needed to be built into Mulloon Creek on Duralla. This work was carried out with the creek flowing, which despite the challenges, progressed smoothly thanks to a professional effort from our field crew and our civil engineering contractors at JG Earthworx.

When the floods came in August 2020, with two structures were yet to be finished, Mulloon experienced its largest flood since 1974. For 36 hours the entire floodplain was a sheet of water flowing at 160 cubic metres per second – enough to fill an Olympic sized swimming pool every six seconds.

The flood's impact was amazing. Not only did all 36 new structures survive, but for the first time in nearly

200 years a flood had not eroded the creek. Instead, thousands of tonnes of valuable silt and nutrients were deposited on the floodplain in a regenerative rather than erosive event.

While some structures had some minor damage and lost a bit of rock, all structures have maintained their structural integrity. Where damage occurred we are now letting nature take more control of the regeneration process. Since the flood, the creek has continued to flow strongly, with another similar sized flood in March 2021 and many large pulses of water over the year.

Because of the creek's flow rate, no further instream works have occurred since July 2020. Instead, the team has been busy planting and transplanting vegetation in and around the leaky weir structures. The natural regeneration of pond and riparian vegetation all along the creek has also been exceptional.

Creek works over the last three years and the subsequent wetter conditions, have triggered a dramatic transformation of Mulloon Creek that should inspire anyone who takes a look.

BRINGING THE COMMUNITY ALONG

Despite Covid presenting challenges with 'bringing the community along', early in 2021 before lockdowns hit the east coast, we brought the MRI landholders together for a grazing management workshop with regenerative agriculture consultant Sam Skeat to learn how grazing management can help their landscape rehydration objectives and benefit the overall project.



23
landholders
taking part



23,000 ha
catchment



50 kms
of creeks &
tributaries



60
leaky weirs
installed along
20 km of creek



60
more leaky
weirs scheduled
over 30 km



40,000
plants planted,
transplanted &
regenerated



11
species of
rare &
threatened
birds benefiting



20
endangered
Yellow-spotted
Bell Frogs
released



8
frog species
detected in
2020 survey



4
research
themes for
post-graduate
students

Natural regeneration occurring around a pond that was installed at 'Duralla' in 2017.





Landscape Planner Joe Skuse and Research Coordinator Luke Peel installing one of 31 soil moisture sensors in the Mulloon floodplain.



31
soil moisture
sensors
installed



71
piezometers
installed across
entire project



6
stream gauges
measuring
water level &
quality



6
data loggers
logging data



\$180,000
value of
telemetry
system



70
transects
being
monitored



6
baseline surveys
conducted over
project so far



5
subsequent
monitoring
surveys so far



2
monitoring
surveys this
year



38
survey sites
in 2020 frog
survey

Science Advisory Council

TMI's Science Advisory Council includes experts in hydrology, wildlife, agriculture, environmental management and ecological restoration and provides independent, specific advice on technology, particular monitoring systems, data management and experimental design to underpin and guide the Mulloon Rehydration Initiative (MRI). It is chaired by Emeritus Professor Steve Dovers FASSA.

KEY FOCUS 2020–2021:

- **Mulloon Rehydration Initiative: Catchment scale restoration integrated with monitoring and research** (under review)
Finalisation of framework paper describing the history, design and logic of the MRI. This will form the basis for future reporting and publishing on the MRI's outcomes and findings, including: wildlife responses, productivity, hydrological changes, and lessons to date. Hopefully, lessons regarding the science, physical work and building of relationships through collaboration will help inform similar rehydration initiatives around Australia. Following independent peer review, it is planned for this paper to be published.
- **Mulloon Rehydration Initiative Site Description & Management Plan**
Led by key partner HydroTerra and Research Coordinator Luke Peel, the SAC has been working closely on creating a comprehensive monitoring and reporting system that will provide a strong underpinning for future TMI activities.
- **Landscape rehydration curriculum**
Close involvement in its development.
- **Citizen science engagement in environmental rehabilitation**
Close involvement in development.

SCIENTIFIC MONITORING

The original hydrological monitoring plan being devised by partner HydroTerra has morphed into a monitoring plan that encompasses all research being undertaken for

the MRI. Using a central data management system it will greatly improve our ability to analyse and report on single components (eg. a stream gauge) or multiple components (eg. stream gauges, groundwater monitoring and climate stations) in an integrated way.

Similarly, multiple surveys assessing flora, fauna, frogs, fish, aquatic macroinvertebrates, birds, riparian and aquatic vegetation will be able to be combined into an overall catchment health report. It includes management plans for the whole catchment (Mulloon), sub-catchment (Sandhills), alluvial channel, riparian zone and floodplains.

Thanks to HydroTerra who have worked tirelessly designing and building the data management and reporting system using national and international data management standards, such as the Australian Bureau of Meteorology, and with input from leading experts in this field.

VEGETATION COVER

During the year, all MRI properties received vegetation change cover reports from CIBO Labs based on detailed satellite analysis. This detailed, property scale analysis looked at changes in forest woodland cover, changes in forest woodland cover of remnant and regrowth, and changes in pasture ground cover. The reports also included comparisons with other properties in the immediate MRI project area and with properties in the broader Monaro sub-IBRA region.

With landscape rehydration works already in place, floodwaters from the 2016 major flood were slowed down and spread out across the floodplain at the Home Farm, where it recharged the subsurface aquifers. This was reflected in the Home Farm's report from CIBO Labs which showed it was able to maintain plant cover during the following three years of extreme drought thanks to its rehydrated landscape. It also showed that the Home Farm was able to maintain high levels of pasture cover during the period compared to other properties within a 5 km radius, and an even better result when compared more broadly with properties in the Monaro sub-IBRA region.

* [The Mulloon Rehydration Initiative is jointly funded through the Mulloon Institute and the Australian Government's National Landcare Program.](#)

Beyond the Back Fence

NEW SOUTH WALES + AUSTRALIAN CAPITAL TERRITORY

Despite Covid-related restrictions causing disruption to Mulloon Consulting's operations, works still progressed in the NSW and ACT region.

- **Molonglo Floodplain Rehydration Initiative, NSW**

Planning for the installation of leaky weirs and other works across two properties at Captain's Flat, NSW to improve habitat for the endangered Green and Golden Bell Frog and to improve floodplain hydration and pasture growth. Supported by NSW Department of Planning, Industry and Environment's Save Our Species program and with funding from NSW Environmental Trust.

- **Paddys River, Bago State Forest, NSW**

Peatland remediation project, investigating and making recommendations around potential peatland restoration and related projects in the Bago State Forest, which is managed by NSW Forestry Corporation in Tumbarumba, NSW. This ongoing project has included a report describing the hydrological context of Paddys River catchment where peatlands occur, outcomes of preliminary site assessment, and discusses opportunities for restoration, including preliminary design to rehydrate peatland at Paling Yards.

- **Ginninderry Conservation Corridor, ACT**

Landscape rehydration opportunities, a site analysis and design of landscape rehydration and regeneration measures. As part of the Ginninderry Development on the Murrumbidgee River, ACT it includes plans for riparian restoration and repair at suitable sites within the development following review of the Ginninderry Conservation Corridor Management Plan, available spatial data and two site visits.

- **Tidbinbilla Station, ACT**

Once a hotspot for platypus but not seen since 2011. All regulatory approvals are now in place and on-ground works to rehabilitate the site will begin once it is dry enough for large machinery. Initially funded by Southern ACT Catchment Group and with further funding sought from Murray–Darling Healthy Rivers Program to fully instigate the design.

Other highlights include Chairman Gary Nairn AO and CEO Carolyn Hall presenting on 'A New Paradigm to Cool the Planet' at the NSW Farm Writers' Conference. Carolyn also presented on 'Connections for Resilience' for the Royal Societies of Australia and had her related paper published by CSIRO as a result.

Paling Yards, Bago State Forest, NSW



19

initial site visits



4

scoping reports compiled



4

on-ground works undertaken



16

workshops delivered



6

new team members





227 SVW
QUEENSLAND - SUNSHINE STATE

Motores
Elcels
4992 1053

Gundlloch

Beyond the Back Fence

QUEENSLAND

With fewer lockdown restrictions in Queensland, we had a great year delivering workshops on landscape rehydration and how grazing management can complement this.

The Queensland team provided consulting advice to enthusiastic landholders over much of the state and visited Millmerran, Alpha, Collinsville and Pentland.

Our collaborative work with NQ Dry Tropics (NRM) continues to build on its strengths since our initial funding from them in 2017. This year NQ Dry Tropics are funding us through the Great Barrier Reef Foundation to develop a **landscape rehydration demonstration site** in the **Bowen Broken Bogie catchment** in the Burdekin Dry Tropics. This catchment is the highest priority reef catchment for sediment and our work here can provide both sediment saving and multiple co-benefits to support reef water quality and graziers in the region. We have been awarded funding through the Federal Government's

Future Drought Fund to establish a **landscape rehydration demonstration site** in the **Lansdowne catchment** near Townsville, while follow up maintenance and workshops have been underway at the Mt Pleasant Demonstration and Learning Hub.

After building strong foundations with existing partners and collaborators, we are now continuing to expand our collaborative efforts with other NRM groups in the region, and even crossing over into northern NSW. We've provided workshops and site visits for Southern Queensland Landscapes (NRM), Central Highlands Regional Resources Use Planning Cooperative (CHRRUP) and Millmerran Landcare. And a workshop in Kyogle, NSW for the Border Ranges Richmond Valley Landcare has turned into a catchment scoping study for Roseberry Creek funded through the Department of Agriculture, Water and the Environment's NRM Drought Resilience Program.

Landholder Paul Lefevre with Regenerative Agriculture Consultant Sam Skeat.



7

initial site visits



1

detailed design completed



8

workshops presented



2

staff members

Beyond the Back Fence

WESTERN AUSTRALIA

The Mulloon Institute first visited Western Australia in 2019 when CEO Carolyn Hall and Chairman Gary Nairn took a whirlwind tour of the Wheatbelt region with local hydrologist and consultant Lance Mudgway.

Since then, we've successfully applied for the West Australian Government's State NRM's 2020 WA Community Stewardship Grants program, allowing us to develop the 'Landscape Rehydration Trial and Demonstration, WA Wheatbelt' project and to employ Lance as our local representative. A key part of this project is developing strong relationships with eleven key partners including Wheatbelt NRM, RegenWA/Perth NRM, and South West Catchments Council.

While unable to visit from the east coast for planned workshops due to travel restrictions, Lance has delivered workshops on TMI's behalf for the Department of Primary Industry and Regional Development. These workshops

allowed us to introduce landscape rehydration as a method of supporting building soil carbon across WA's agricultural region.

A landscape rehydration farm plan has been finalised for Warren Pensini's Boyup Brook property, where our first introductory workshops were held in 2019, thanks to Commonland, Wide Open Agriculture and Blackwood Valley Beef.

We are also collaborating with AvonGro on a whole farm landscape rehydration plan for a property near Gabbin and are liaising with the Leschenault Catchment Council on running workshops and conducting property inspections.

Other key connections we've made include with Emeritus Professor Lynette Abbott at the University of Western Australia, UWA's Ridgefield Farm, academics at Curtin University and Dr Guy Boggs at the Cooperative Research Centre for Transformations in Mining Economies (CRC TiME).

Harvesting hay in the WA Wheatbelt.



2
initial site visits



1
farm plan
completed



1
new staff
member



3
workshops held
to date



Mulloon Operations



Kathy Kelly
CHIEF OPERATING OFFICER / COMPANY SECRETARY

Due to growth in the Mulloon Institute Group, the role of Chief Operating Officer and Company Secretary was created to strengthen and grow our internal systems and support.

INTERNAL FUNCTIONS

The last year has seen us make great progress internally:

- **Review of IT systems and risks**
File migration to Microsoft SharePoint.
Red29 appointed as IT support contractors.
- **Implementation of upgraded accounting systems and internal controls**
- **Grants received accounting**
Tightening of internal controls to ensure 'audit acquittal' readiness at any time.

We would like to express our great thanks to Bedford CA who have undertaken so many of TMI's administrative roles over the years, until we were suitably resourced for these functions to be carried out internally.

FINANCIAL STATEMENTS

A review of the reporting framework our annual financial statements are prepared under has been carried out. Considering the users of our financial statements, we concluded that general purpose financial statements should be prepared under the reduced disclosure regime. Accordingly, the financial statements included in this financial report are now prepared on a consolidated basis in accordance with the Australian Accounting Standards. The changes required the 2020 comparative amounts to be restated for changes in accounting policies required – such as accounting for unspent grant monies.

GOVERNANCE

Prior to my appointment the Board had already embarked on a process of reviewing and documenting the governance arrangements in place. In my role as Company Secretary, I have worked closely with the Board and am pleased to report that significant progress was made, with all key documents completed and adopted by March 2021.

FUTURE

Whilst we have been very pleased with the progress made in the last 12 months, we look forward to continuing to adopt improvements in our systems and processes as the Mulloon Institute Group grows.



\$3,381,239

bequests
received*



\$1,199,444

cash
donations
received*



\$1,563,299

in-kind
donations
received*

* 2019 – 2021 financial period

\$300,000

Landscape Rehydration Trial & Demonstration in the Wheatbelt (WA)

West Australian Government's State NRM – Community Stewardship Grant

\$250,000

Landscape Rehydration Capacity Building: Developing Curriculum Project (NSW)

NSW Environmental Trust

\$223,115

Modelling Landscape Rehydration for Catchments, Communities & Curriculum (NSW)

Department of Industry, Science, Energy & Resources – Citizen Science Grant – Round 2

\$200,000

Lansdowne Catchment Rehydration Initiative (QLD)

Australian Government's Future Drought Fund – Drought Resilience Program

\$100,000

Restoration of Mulloon Catchment to Protect its Ecosystems – Phase 2 (NSW)

NSW Environmental Trust

\$26,500

Molonglo Floodplain Rehydration Initiative (NSW)

NSW Department of Planning, Industry & the Environment – Saving Our Species Program

\$25,000

The Mulloon Institute – Back to Country Co-educational Project (NSW)

Capricorn Foundation

\$1,124,615

Total Grant Funding Won

(2019-2021)



2021 Financial Statements

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES ABN 53 153 605 531

DIRECTORS' REPORT

Your directors present this report on the Company and its controlled entities (the "Group") for the financial year ended 30 June 2021.

Directors

The names of each person who has been a director during the year and to the date of this report are:

The Hon. Gary Nairn AO

Charles Cupit

Peter Howarth OAM

Richard Forbes (appointed 20-11-2021, resigned 22-10-2021)

Carolyn Hall (appointed 16-04-2021)

Richard Allsopp (resigned 20-11-2020)

Diana Cavanagh (resigned 16-12-2020)

Martin Royds (resigned 11-02-2021)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

In order to create sustainable, profitable and resilient agricultural and environmental systems, the principal activities of the Company during the financial year were to:

- carry out scientific research in the rehydration and restoration of landscapes;
- provide education and demonstration services; and
- advocate for policy and regulatory changes.

Short-term and Long-term Objectives

The Company's short-term objectives are to:

- continue the development of the Mulloon Rehydration Initiative including the scientific monitoring and measurement of the impacts of the works;
- build a team of landscape rehydration consultants who are able to support the education of landholders; and
- be a recognised leader in the provision of landscape rehydration and restoration and environmental regeneration.

The Company's long-term objectives are to:

- rehydrate and restore 2.5 million hectares of land and positively impact the livelihoods of 5,000 farming families; and
- have policy and regulatory reform in order to support the widespread adoption of landscape rehydration and restoration.

Strategies

To achieve its stated objectives, the Company has adopted the following strategies:

- The Company strives to attract and retain quality staff and volunteers who are committed to working to improve agricultural and environmental outcomes.
- The Company establishes and fosters working partnerships with a range of philanthropists, government, other non-government organisations, commercial, landholder, scientific and community stakeholders.
- The Company will continue its fundraising efforts to continue the work being undertaken.
- The Company will establish and maintain a corpus of investments that allow the company to expand its activities.
- The Company is committed to expanding the landscape rehydration and repair demonstration sites throughout Australia that:
 - measure the results of land repair work done
 - address the varying landscape needs throughout Australia.

Key Performance Measures

The Company measures its own performance through the use of both quantitative and qualitative benchmarks. Budgets and reforecasting tools are used for the Group and monthly reporting is in place to measure actual against budget results.

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

ABN 53 153 605 531

DIRECTORS' REPORT

Information on Directors



The Hon. Gary Nairn AO Chairman

Qualifications: Bachelor of Surveying, Hon. Fellow of the Surveying and Spatial Sciences Institute, Graduate of the Australian Institute of Company Directors.

Experience: After a 25 year career in surveying and mapping, including running his own business, Gary was elected as Federal Member for Eden-Monaro in 1996 and served as Parliamentary Secretary to Prime Minister John Howard, with responsibility for water reform. In 2006, he was promoted to the front bench as Special Minister of State which included responsibilities with Ministerial and Parliamentary Services, the Australian Government Information Management Office and the Australian Electoral Commission. He was the inaugural Chairman of the NT Planning Commission (2013-2017) and a Board Member of the NT EPA. In 2018, he was appointed as National Chairman of The Duke of Edinburgh's International Award – Australia. Gary was a Board Member of the Biodiversity and Conservation Trust of NSW. He was appointed an Officer in the Order of Australia in 2015, for contributions to spatial sciences, NSW and NT communities, Federal Parliament and disability support services. Gary has been a director of the company for six years and Chairman for the last five years.

Special Responsibilities: Committee Member of Mulloon Institute Public Fund.



Charles Cupit Director

Qualifications: Bachelor of Economics, Masters of Commerce, Graduate Diploma of Financial Planning, member of Institute of Chartered Accountants in Australia and New Zealand, Fellow of Tax Institute of Australia.

Experience: Charles is a Principal of Bedford CA which offers tax and business advisory services. He joined Bedford CA (then Bedford Titley) in 1996 and has been a Director since 2002. Formerly of Yarwood Vane (now Deloitte), Charles specialises in strategic business advisory, taxation, succession and retirement planning, compliance with current business regulations, structuring alternatives, valuations, business acquisitions and disposals. He also acts as a Board Member/Adviser to a number of clients and companies. Charles' family owned and operated the Tombong Estate merino wool operation on the NSW Monaro from 1876. Charles has returned to holding pastoral

interests with a cattle operation in Torryburn, NSW. Charles has been a director of the company for six years.

Special Responsibilities: Member of Investment Committee and a Committee Member of Mulloon Institute Public Fund.



Peter Howarth OAM Director

Experience: Peter is an entrepreneur, former shopping centre and commercial property developer and grazier. He has been involved in agriculture for over 50 years owning a number of properties in NSW where he has operated beef enterprises. He also owned a very successful Black Simmental Stud, the largest in Australia. He has recently sold the property and the stud to concentrate on promoting regenerative agriculture through the Institute, an interest he has held since the mid-nineties. When he lived in Nundle, NSW he and his wife Judy invested much time and capital in making Nundle a sustainable town and successful tourist destination. Peter received an OAM in 1994 for his work as Founder of the Primary Club of Australia, which has raised over \$10 million for sporting and recreational equipment for the disabled. Peter has been a director of the company for two years.

Special Responsibilities: Member of Investment Committee.



Carolyn Hall Director

Qualifications: Bachelor of Science, Master of Sustainable Development, Ecological Society of Australia member, Environment Institute of Australia and New Zealand member.

Experience: With over 25 years' experience in the agricultural and environmental sectors, Carolyn's experience includes environmental consulting with technical expertise in planning and environmental legislation, ecological assessment, wetland management planning, riparian vegetation management for flood mitigation and biodiversity conservation, stakeholder engagement, and education for sustainable development. Carolyn has established and led teams at ERM, Biosis Research and Molino Stewart. She has lectured at Macquarie University for the Masters of Sustainable Development program and chaired the Maroota Bioregional Forum for over 20 years. Carolyn was appointed as CEO of the Mulloon Institute following her role as General Manager of Mulloon Consulting.

Special Responsibilities: Committee Member of Mulloon Institute Public Fund.

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

ABN 53 153 605 531

DIRECTORS' REPORT



Richard Forbes Director

Experience: Richard has worked in Federal Government and various senior corporate affairs and communication roles. He has extensive regional, national and international business experience across four continents

and spent over twenty years supporting rural and regional Australia. A former farmer in SA and NSW, Richard is passionate about supporting the agricultural sector. He has presented the ABC Country Hour program, been Head of Media at CSIRO and worked as Adviser and Press Secretary to former Deputy Prime Minister and Trade Minister Mark Vaile. He specialises in strategic planning, stakeholder mapping and engagement, government relations, strategic communications, media relations, video production and issues and crisis management.



Richard Allsopp Director

Experience: Richard is an entrepreneur who began his career in auctioneering. He opened his first business with Rundles Auctions in Wagga Wagga in 1997 and then expanded into Dubbo and Tamworth. It is now the largest regional industrial auctioneers in NSW, selling cars, trucks, earthmoving equipment and machinery for state and local government, banks, finance companies and corporate clients.

regional industrial auctioneers in NSW, selling cars, trucks, earthmoving equipment and machinery for state and local government, banks, finance companies and corporate clients.



Diana Cavanagh Director

Experience: Diana has a keen passion for natural biological farming and the environment. Diana has a background in floristry and trained at Constance Spry in the UK and lives in the rural Southern Highlands where she pursues her interests in natural flower culture and gardens. Diana is Founder Tony Coote's daughter.

where she pursues her interests in natural flower culture and gardens. Diana is Founder Tony Coote's daughter.



Martin Royds Director

Experience: Martin is a regenerative farmer who uses holistic management, natural sequence farming, biodynamics and permaculture to build soil carbon and biodiversity. His farm 'Jillamatong' has featured as a case study for Soils for Life. Martin is a founding member of the Natural Sequence Farming Association and is involved with NSW Landcare and Farmers for Climate Action.

as a case study for Soils for Life. Martin is a founding member of the Natural Sequence Farming Association and is involved with NSW Landcare and Farmers for Climate Action.

Meeting of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director were as follows:

	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
The Hon. Gary Nairn AO	12	12
Charles Cupit	12	12
Peter Howarth OAM	12	12
Richard Forbes	7	7
Carolyn Hall	3	3
Richard Allsopp	5	5
Diana Cavanagh	5	5
Martin Royds	7	7

Contributions on Winding Up

The Entity is registered with the Australian Securities and Investments Commission as well as the Australian Charities and Not-for-profits Commission and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Entity. At 30 June 2021, the total amount that members of the Entity are liable to contribute if the company is wound up is \$52 (2020: \$54).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2021 has been received and is included in this financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

The Hon. Gary R Nairn AO (Chairman)

Dated: 29 November 2021

THE MULLOON INSTITUTE LIMITED
ABN 53 153 605 531

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Bequests and donations	2	1,925,762	4,218,220
Consulting income	2	355,469	205,585
Farm income	2	4,533,331	0
Grants	2	1,224,836	883,363
Other revenue	2	73,042	122,923
Investment income	2	855,632	109,322
Other income	2	137,500	112,500
Consulting project costs		(48,950)	(1,709)
Education course costs		(24,995)	(168,838)
Grant costs		(550,660)	(685,918)
Livestock fair value adjustments	6	19,920	0
Farm cost of sales	3	(2,539,891)	0
Farm expenses		(64,089)	0
Employee benefits expense		(3,324,462)	(1,329,925)
Depreciation and impairment expense	3	(252,116)	0
Finance costs – Unrelated parties		(18,595)	0
Professional fees	3	(895,836)	(1,081,101)
Property utilities and insurance		(142,732)	(39,403)
Repairs and maintenance		(233,077)	(24,701)
Administration costs		(88,344)	(119,604)
Other expenses		(121,054)	(45,213)
Current year surplus before income tax		820,691	2,155,501
Income tax expense	1(l)	0	0
Net current year surplus		820,691	2,155,501
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Fair value gains/(losses) on financial assets at fair value through other comprehensive income		1,049,914	14,330
Total other comprehensive (losses)/income for the year		1,049,914	14,330
Total comprehensive income for the year		1,870,605	2,169,831
Surplus attributable to members of the Entity		1,870,605	2,169,831
Total comprehensive income attributable to members the Entity		1,870,605	2,169,831

The accompanying notes form part of these financial statements.

THE MULLOON INSTITUTE LIMITED
ABN 53 153 605 531

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,395,143	4,499,769
Accounts receivable and other debtors	5	251,242	538,232
Biological assets	6	1,171,600	0
Inventories	7	97,798	3,500
Financial assets	8	852,254	0
TOTAL CURRENT ASSETS		4,768,037	5,041,501
NON-CURRENT ASSETS			
Financial assets	8	3,164,302	218,428
Property, plant and equipment	9	11,135,283	9,155,030
Intangible assets	10	3,024,995	20,000
TOTAL NON-CURRENT ASSETS		17,324,580	9,393,458
TOTAL ASSETS		22,092,617	14,434,959
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	11	820,898	389,576
Contract liability	12	922,803	1,917,387
Finance liabilities	13	97,936	0
Non-interest bearing loans	14	6,169,031	0
Employee provisions	15	148,702	80,962
TOTAL CURRENT LIABILITIES		8,159,370	2,387,925
NON-CURRENT LIABILITIES			
Finance liabilities	13	5,543	0
Non-interest bearing loans	14	0	4,800
Employee provisions	15	34,144	19,279
TOTAL NON-CURRENT LIABILITIES		39,687	24,079
TOTAL LIABILITIES		8,199,057	2,412,004
NET ASSETS		13,893,560	12,022,955
EQUITY			
Retained surplus		12,829,316	12,008,625
Reserves	20	1,064,244	14,330
TOTAL EQUITY		13,893,560	12,022,955

The accompanying notes form part of these financial statements.

THE MULLOON INSTITUTE LIMITED
ABN 53 153 605 531

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Retained Surplus \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2019		9,853,124	0	9,853,124
Comprehensive income				
Surplus for the year attributable to members of the Entity		2,155,501		2,155,501
Other comprehensive income for the year		14,330		14,330
Transfer – revaluation surplus to Financial Assets Reserve	20	(14,330)	14,330	0
Total comprehensive income attributable to members of the Entity for the year		<u>2,155,501</u>	<u>14,330</u>	<u>2,169,831</u>
Balance at 30 June 2020		<u>12,008,625</u>	<u>14,330</u>	<u>12,022,955</u>
Balance at 1 July 2020		<u>12,008,625</u>	<u>14,330</u>	<u>12,022,955</u>
Comprehensive income				
Surplus for the year attributable to members of the Entity		820,691		820,691
Other comprehensive income for the year		1,049,914		1,049,914
Transfer – revaluation surplus to Financial Assets Reserve	20	(1,049,914)	1,049,914	0
Total comprehensive income for the year		<u>820,691</u>	<u>1,049,914</u>	<u>1,870,605</u>
Balance at 30 June 2021		<u><u>12,829,316</u></u>	<u><u>1,064,244</u></u>	<u><u>13,893,560</u></u>

The accompanying notes form part of these financial statements.

THE MULLOON INSTITUTE LIMITED
ABN 53 153 605 531

CASH FLOWS FROM OPERATING ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Commonwealth, state and local government grants		367,752	2,800,750
Receipts from bequests and donations		918,627	3,662,056
Revenue from customers		5,505,630	245,612
Payments to suppliers and employees		(7,574,301)	(2,654,438)
Interest received		16,818	1,030
Interest paid		(18,595)	0
Net cash generated from/(used in) operating activities	19	(784,069)	4,055,010
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(858,331)	(78,728)
Proceeds from sale of investments in equity instruments designated as at fair value through other comprehensive income		1,964,600	537,867
Payment for investments in equity instruments designated as at fair value through other comprehensive income		(3,126,146)	(633,675)
Loans to Entity that in future becomes a subsidiary		0	(290,018)
Net cash used in investing activities		(2,019,877)	(464,554)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in finance liabilities		114,876	4,800
Repayment of finance liabilities		(426,011)	0
Net cash provided by/(used in) financing activities		(311,135)	4,800
Net increase/(decrease) in cash held		(3,115,081)	3,595,256
Cash on hand at beginning of the financial year		4,499,769	904,513
Cash on hand introduced on acquisition of subsidiary		1,010,455	0
Cash on hand at end of the financial year	4	2,395,143	4,499,769

The accompanying notes form part of these financial statements.

THE MULLOON INSTITUTE LIMITED

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The consolidated financial statements cover the Mulloon Institute Limited and Controlled Entities (the Consolidated Group or Group).

The separate financial statements of the Parent Entity, the Mulloon Institute Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The Mulloon Institute Limited is a company limited by guarantee.

The financial statements were authorised for issue on 29 November 2021 by the directors of the Company.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards – Reduced Disclosure Regime. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Change in the Basis of Preparation

In past years the financial statements have been prepared as special purpose financial statements. The company has reassessed the requirements of our users and has now adopted and prepared general purpose financial statements. As a consequence comparative amounts have been restated in order to apply the required accounting policies to meet Australian Accounting Standards and to prepare consolidated accounts.

Accounting Policies

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (the Mulloon Institute Limited) and all of the subsidiaries (including any structured

entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 21.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

b. Revenue

Revenue Recognition

Operating Grants, Consulting Income, Donations and Bequests

When the entity receives operating grant revenue, consulting income, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Entity:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

THE MULLOON INSTITUTE LIMITED

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Sale of Goods (Eggs)

A sale is recorded when goods have been dispatched to a customer pursuant to a sales order and control of the goods has passed to the carrier or customer.

Interest Income

Interest income is recognised using the effective interest method.

Dividend Income

The Group recognises dividends in profit or loss only when the Entity's right to receive payment of the dividend is established.

All revenue is stated net of the amount of goods and services tax.

c. Inventories

The Group measures inventories held for distribution at cost, adjusted when applicable for any loss of service potential.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

d. Biological Assets

Biological assets, being cattle and chickens are measured at fair value less costs to sell, with any change recognised in the profit and loss.

e. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Freehold Property

Freehold land and buildings are shown at their fair value, less subsequent depreciation and subsequent impairment for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost through a bequest are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Entity commencing from the time the asset is available for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2 - 10%
Plant and equipment	5 - 33%
Motor vehicles	10 - 33%
Computer & office equipment	10 - 33%

Computer and office equipment

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

THE MULLOON INSTITUTE LIMITED

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

f. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (ie. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Financial asset

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

The Group initially designates financial instruments as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise

THE MULLOON INSTITUTE LIMITED

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

from measuring assets or liabilities or recognising the gains and losses on them on different bases;

- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Group made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

General approach

Under the general approach, at each reporting period, the Entity assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and

THE MULLOON INSTITUTE LIMITED

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- there has been no significant increase in credit risk since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to trade receivables.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Entity assumes that the credit risk has not increased significantly since initial recognition and accordingly the Entity can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the Entity applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

g. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

h. Employee Provisions

Short-term employee provisions

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, sick leave and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The Entity's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

THE MULLOON INSTITUTE LIMITED

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

i. Cash and Cash Equivalents

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

j. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods or services sold. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(g) for further discussion on the determination of impairment losses.

k. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

l. Income Tax

No provision for income tax has been raised as:

the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

The subsidiaries of the Company are subject to income tax, however they have carried forward tax losses and have not met the requirements to book a Deferred Tax Asset. Accordingly this has not been brought to account.

m. Intangible Assets

Goodwill

Goodwill has been recorded at deemed cost on adoption of new accounting policies required for general purpose financial statements. Goodwill is tested for impairment annually.

Goodwill is also recorded on acquisition of businesses in accordance with the accounting standards requirements for business combinations.

n. Provisions

Provisions, including income in advance, are recognised when the Entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

o. Comparative Figures

Where required by Accounting Standards and on the introduction of the preparation of the accounts on a general purpose basis, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

p. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Entity.

Key estimates

(i) Impairment

Freehold land and buildings were independently valued at 1 March 2019 by Opteon for the purposes of valuing the properties for probate purposes. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties.

At 30 June 2021, the directors reviewed the key assumptions made by the valuers. Additionally, consideration was given to additions made to property improvements. The directors have concluded that they are satisfied that carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2021.

(ii) Useful lives of property, plant and equipment

As described in Note 1(e), the Entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

THE MULLOON INSTITUTE LIMITED

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

(iii) *Goodwill on acquisition of subsidiary*

In accordance with the accounting standard on business combinations the difference between the cost of the shares in Mulloon Investments Pty Ltd and its net assets at transfer date are considered to be goodwill in the enterprise Mulloon Creek Natural Farms. The directors have then considered the value allocated to goodwill and have concluded based on the evidence of income earning potential, brand value and current supply contacts, that the value allocated to goodwill is reasonable and does not need to be considered for impairment.

q. **New and Amended Accounting Policies Not Yet Adopted by the Company**

AASB 1060

The AASB has issued AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. AASB 1060 defines the disclosure requirements for Tier 2 general purpose financial statements, as defined by Australian Accounting Standards, and serves as a replacement for the existing Reduced Disclosure Regime.

AASB 1060 may be early-adopted and is mandatory for periods beginning on or after 1 July 2021 (and is mandatory for the Company's 30 June 2022 year-end).

	2021	2020
Note	\$	\$

Note 2: Revenue and Other Income

REVENUE

Bequests and donations

Bequest – Estate Late Antony Coote	168,669	3,212,570
Donations – Cash	749,958	449,486
Donations – In-kind	1,007,135	556,164
	<u>1,925,762</u>	<u>4,218,220</u>

Revenue from delivery of services

Commonwealth Govt – DAWE	1,163,245	818,580
NSW State Government grants	36,821	64,783
WA State Government grants	2,296	0
Other non-governmental grants	22,474	0
	<u>1,224,836</u>	<u>883,363</u>

	Note	2021	2020
		\$	\$
Farm income			
Cattle sales	6	337,552	0
Egg sales		4,150,144	0
Other		45,635	0
		<u>4,533,331</u>	<u>0</u>
Other revenue			
Consulting income		355,469	205,585
Education course income		38,455	122,923
Other income		34,587	0
		<u>428,511</u>	<u>328,508</u>
Total revenue		<u>8,112,440</u>	<u>5,430,091</u>
Other income			
Interest received – Unrelated parties		16,818	1,030
Gain on disposal of listed company shares		734,414	108,292
Commonwealth Government Covid-19 funding		137,500	112,500
Rental income from farm prior to acquisition of subsidiary		104,400	0
		<u>993,132</u>	<u>221,822</u>
Total revenue and other income		<u>9,105,572</u>	<u>5,651,913</u>

Note 3: Expenses for the Year

a. **Expenses of significance requiring further disclosure**

Egg cost of sales	2,202,339	0
Cattle cost of sales	337,552	0
Total farm cost of sales	<u>2,539,891</u>	<u>0</u>
Depreciation – Property, plant & equipment	246,310	0
Impairments – Property, plant & equipment	5,806	0
Total depreciation & impairments expense	<u>252,116</u>	<u>0</u>
Professional fees paid	488,675	1,081,101
Directors fees – in-kind	326,000	0
Company secretary fees – in-kind	66,161	0
Professional fees – in-kind	15,000	0
Total professional fees	<u>895,836</u>	<u>1,081,101</u>

THE MULLOON INSTITUTE LIMITED

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$

Note 4: Cash and Cash Equivalents

CURRENT

Cash at bank – Unrestricted	2,395,143	4,499,769
	<u>2,395,143</u>	<u>4,499,769</u>

Note 5: Accounts Receivable and Other Debtors

CURRENT

Accounts receivable	210,286	0
Other debtors	36,066	112,500
Prepayments	4,890	0
Loan - Mulloon Investments Pty Ltd (pre-consolidation)		418,856
Income tax receivable	0	6,876
	<u>251,242</u>	<u>538,232</u>

At 30 June 2021 nil (2020:nil) debtors were considered impaired and all were within trading terms.

Note 6: Biological Assets

CURRENT

Cattle on hand	691,600	0
Chickens on hand	480,000	0
	<u>1,171,600</u>	<u>0</u>

2021

	Cattle	Chickens	Total
	\$	\$	\$
Additions through acquisition of subsidiary	142,360	490,506	632,866
Additions at cost	754,166	83,451	837,617
Sale of cattle	(337,552)	0	(337,552)
Selling costs	18,749	0	18,749
Increase/(decrease) in the value of biological assets	113,877	(93,957)	19,920
	<u>691,600</u>	<u>480,000</u>	<u>1,171,600</u>

Fair value at the end of the year

Note 7: Inventories

CURRENT

At cost:

Auction items	3,500	3,500
Egg packaging stock	46,898	0
Layer feed on hand	47,400	0
	<u>97,798</u>	<u>3,500</u>

Note 8: Financial Assets

CURRENT

Financial assets mandatorily measured at fair value through profit or loss	852,254	0
	<u>852,254</u>	<u>0</u>

NON-CURRENT

Investments in equity investments designated as at fair value through other comprehensive income	3,164,302	218,428
	<u>3,164,302</u>	<u>218,428</u>

a. Financial Assets Mandatorily Measured at Fair Value through Profit or Loss

These assets are loans to entities related to the Estate of the Late Antony Coote that are held within Mulloon Investments.

b. Investments in Equity Instruments Designated at Fair Value through Other Comprehensive Income

Shares in listed corporations	2,864,302	218,428
Shares in unlisted corporations	300,000	0
	<u>3,164,302</u>	<u>218,428</u>

Investments in equity instruments are held for medium- to long-term planned purposes and are not held for trading. The Entity elected to designate investments in equity instruments above as at fair value through other comprehensive income. The reason for this is that they believe that recognising current shorter-term fluctuations in these investments' fair value in profit or loss would not be in line with the Entity's plan to keep this share portfolio over a longer term.

THE MULLOON INSTITUTE LIMITED

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
Note 9: Property, Plant and Equipment		
Land and buildings		
Freehold land at fair value:		
Director's valuation	8,988,763	8,950,000
Total land	8,988,763	8,950,000
Buildings:		
Improvements at cost	1,359,654	0
Less accumulated depreciation	(601,894)	0
Total buildings	757,760	0
Construction in progress	176,502	0
Total land and buildings	9,923,025	8,950,000
Plant and equipment		
Plant and equipment:		
At cost	2,362,347	174,121
Less accumulated depreciation	(1,261,337)	0
	1,101,010	174,121
Motor vehicles:		
At cost	302,464	30,909
Less accumulated depreciation	(191,216)	0
	111,248	30,909
Total plant and equipment	1,212,258	205,030
Total property, plant and equipment	11,135,283	9,155,030

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land & Buildings \$	Plant & Equipment \$	Motor Vehicles \$	Total \$
2020				
Balance at beginning of year	8,950,000	126,302	0	9,076,302
Additions at cost	0	47,819	30,909	78,728
Carrying amount at end of year	8,950,000	174,121	30,909	9,155,030

	Land & Buildings \$	Plant & Equipment \$	Motor Vehicles \$	Total \$
2021				
Balance at beginning of year	8,950,000	174,121	30,909	9,155,030
Carrying value of assets on acquisition of new subsidiary	146,104	270,581	26,362	443,047
Additions at cost	733,869	809,844	69,107	1,612,820
Construction in progress at cost	176,502	0	0	176,502
Depreciation expense	(83,450)	(150,711)	(12,149)	(246,310)
Impairment losses	0	(2,825)	(2,981)	(5,806)
Carrying amount at end of year	9,923,025	1,101,010	111,248	11,135,283

Asset Revaluations

The freehold land and buildings were independently valued on 1 March 2019 by Opteon. The valuation was carried out in order to support the transfer value of the farmland from the Estate of the Late Antony Coote.

At 30 June 2021 the directors reviewed the key assumptions made by the valuers at 1 March 2019 and considered the value of improvements made to the property since that time. They have concluded that these assumptions remain materially unchanged, and are satisfied that the carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2021.

	2021 \$	2020 \$
Note		

Note 10: Intangible Assets

Goodwill

Mulloon Consulting	20,000	20,000
Mulloon Creek Natural Farms	3,004,995	0
Net carrying amount	3,024,995	20,000

The goodwill in Mulloon Creek Natural Farms was acquired when the shares in Mulloon Investments Pty Ltd were transferred to the Mulloon Institute on 1 July 2020.

THE MULLOON INSTITUTE LIMITED

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note	2021 \$	2020 \$
Note 11: Accounts Payable & Other Payables		
CURRENT		
Accounts payable	236,856	0
Other current payables	584,042	389,576
	<u>820,898</u>	<u>389,576</u>

Other current payables at 30 June 2021 include an amount of \$363,430 for cattle purchases which has been subsequently financed through a livestock finance facility.

Note 12: Contract Liability

Balance at beginning of the year	1,917,387
Additions:	
Grants for which performance obligations will only be satisfied in subsequent years	207,778
Expenditure incurred to extinguish contract commitments under grants	<u>(1,202,362)</u>
Closing balance at the end of the year	<u>922,803</u>

If grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15, the amount received at that point in time is recognised as a contract liability until the performance obligations have been satisfied.

Note 13: Finance Liabilities

Hire purchase:		
Farm equipment – Current	97,936	0
Farm equipment – Non-current	5,543	0
Net carrying amount	<u>103,479</u>	<u>0</u>

Note 14: Non-interest Bearing Loans

Loans – Coote family related	1,535,971	0
Loans – Estate Late Antony Coote	4,623,550	0
Loan – Other	9,510	4,800
Net carrying amount	<u>6,169,031</u>	<u>4,800</u>

The Coote family related loans are within Mulloon Investments and are expected to be settled out of financial assets held by that company. The loan from the Estate is expected to be

settled in favour of the Mulloon Institute as residual beneficiary, on finalisation of the Estate of the Late Antony Coote.

Note 15: Employee Provisions

Analysis of employee provisions

Note	2021 \$	2020 \$
CURRENT		
Annual leave entitlements	148,702	80,962
Total current employee provisions	<u>148,702</u>	<u>80,962</u>
NON-CURRENT		
Long service leave entitlements	34,144	19,279
	<u>34,144</u>	<u>19,279</u>

Employee Provisions

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Note 16: Contingent Liabilities & Contingent Assets

The directors are not aware of any significant contingent liabilities or contingent assets.

Note 17: Events after the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

THE MULLOON INSTITUTE LIMITED

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note	2021 \$	2020 \$
------	------------	------------

Note 18: Related Party Transactions

a. Key Management Personnel

Key management personal compensation:

Short-term employee benefits	659,145	304,751
Post-employment benefits	62,617	28,951
	<u>721,762</u>	<u>333,702</u>

b. Other Related Parties Transactions

Purchase of accounting services from Bedford CA for TMI subsidiaries	132,022	24,912
--	---------	--------

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

The amounts disclosed above are paid amounts and exclude in-kind contributions.

Receipts from related parties

Donations received from:		
Charles Cupit	25,500	25,000
The Howarth Foundation	300,000	300,000
Richard Forbes	2,000	0
Carolyn Hall	2,000	0
Gary Nairn	10,000	10,000

Note 19: Cash Flow Information

Net current year surplus	820,691	2,155,501
Adjustment for:		
Depreciation and impairment expense	252,116	0
Gain on disposal of investments	(734,414)	(108,292)
Movement in working capital:		
(Increase)/decrease in accounts receivable and other debtors relating to income items	543,788	(195,396)
(Increase)/decrease in inventories	12,178	0
(Increase)/decrease in biological assets	(538,734)	0
Increase/(decrease) in accounts payable and other payables	(63,650)	222,401
(Increase)/decrease in contract liabilities	(994,584)	1,917,387
Increase/(decrease) in employee provisions	22,940	63,409
Decrease in loan from Mulloon Investments prior to acquisition of subsidiary	(104,400)	0
Net cash generated by/(used in) operating activities	<u>(784,069)</u>	<u>4,055,010</u>

Note 20: Reserves

The financial assets reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as available-for-sale.

Opening balance	14,330	0
Revaluation gains/(losses) on investments in equity instruments designated as at fair value through other comprehensive income	1,049,914	14,330
Financial assets reserve	<u>1,064,244</u>	<u>14,330</u>

Note 21: Subsidiaries

The Mulloon Institute owns 100% of the following subsidiaries:

- Mulloon Consulting Pty Ltd
- Mulloon Investments Pty Ltd

The shares in Mulloon Investments Pty Ltd were transferred to the Mulloon Institute on 1 July 2020 and accordingly only the 2021 balance sheet and financial results for the year then ended have been incorporated into these consolidated accounts.

Mulloon Investments Pty Ltd is the trading vehicle for Mulloon Creek Natural Farms operations and includes some residual assets and liabilities relating to the Estate of the Late Antony Coote that are expected to be settled in the short term.

THE MULLOON INSTITUTE LIMITED

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note	2021 \$	2020 \$
Note 22: Parent Entity Financial Information		
SUMMARY FINANCIAL INFORMATION		
Statement of financial position		
Current assets	3,006,917	4,525,370
Non-current assets	12,767,983	10,136,184
Total assets	15,774,900	14,661,554
Current liabilities	1,230,394	2,265,651
Non-current liabilities	30,162	24,080
Total liabilities	1,260,556	2,289,731
Net Assets	14,514,344	12,371,823
Equity		
Retained earnings	13,450,100	12,357,493
Asset revaluation surplus	1,064,244	14,330
	14,514,344	12,371,823

Note	2021 \$	2020 \$
Profit for the year	1,092,607	2,383,180
Total comprehensive income	2,142,521	2,397,510

Note 23: Entity Details

The registered office of the Entity is:

Level 16, 101 Miller Street
NORTH SYDNEY NSW 2060

The principal place of business is:

3585 Kings Highway
BUNGENDORE NSW 2621

Note 24: Members' Guarantee

The Entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Entity. At 30 June 2021, the number of members was 52.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of the Mulloon Institute Limited, the directors of the Company declare that, in the directors' opinion:

- The attached financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and:
 - comply with Australian Accounting Standards – Reduced Disclosure Requirements, applicable to the Company and its Controlled Entities; and
 - give a true and fair view of the financial position of the consolidated entity as at 30 June 2021 and of its performance for the year ended on that date.
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Director: _____
The Hon Gary R Nairn AO (Chairman)

Dated: 29 November 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE MULLOON INSTITUTE LIMITED & ITS CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying financial report of the Mulloon Institute Limited and Controlled Entities, which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the statement of cash flows for the year then ended, notes to the consolidated financial statements comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity.

Directors' Responsibility for the Financial Report

The directors of the company and consolidated entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the Mulloon Institute Limited and controlled entities, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

The 2020 audited accounts for the Mulloon Institute Limited were not prepared on a consolidated basis and therefore did not include the financial position and results of Mulloon Consulting Pty Ltd. Additionally, during the year the shares in Mulloon Investments Pty Ltd were transferred to the Mulloon Institute Limited.

The previous years' financial statements of both companies were unaudited. We advise that we have been unable to satisfy as ourselves by alternative means as to the financial position of the companies as at 1 July 2020.

Since opening inventories enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the income for the year reported in the statement of comprehensive income and the net cash flows operating activities in the statement of cash flows.

James I Mathers
Principal

James Mathers & Co
Chartered Accountants
27 Bydown Street, Neutral Bay

Dated: 29 November 2021

Limited by a scheme approved under Professional Standards Legislation.

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

In accordance with Section 307C of the *Corporations Act 2001* I declare that, to the best of my knowledge and belief, in relation to the audit of the Mulloon Institute Limited and Controlled Entities for the financial year ended 30 June 2021 there have been:

- (i.) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii.) no contraventions of any applicable code of professional conduct in relation to the audit.

James I Mathers
Principal

James Mathers & Co
Chartered Accountants
27 Bydown Street, Neutral Bay
Dated: 29 November 2021

Limited by a scheme approved under Professional Standards Legislation.

Team members from the Mulloon Institute and Mulloon Consulting discussing landscape rehydration at Mulloon Creek Natural Farms.



THE MULLOON INSTITUTE LIMITED

ABN 53 153 605 531

SCHEDULE OF IN-KIND CONTRIBUTIONS YEAR ENDED 30 JUNE 2021

Organisation / Individual	Amount \$	Detail
Australian National University	108,000	Five staff on TMI's Science Advisory Committee and provide assistance with reporting. Access to ArcGIS license. Access to field operations equipment. Provision of Honorary Lecturer status for TMI staff allowing access to meeting rooms and facilities at ANU, including library services. Paul Cooper's work on aquatic macro-invertebrates. Advice and input from the Borevitz Lab and from the Institute for Water Futures. Student projects provide resources towards monitoring, reporting and developing educational processes and outcomes. Students also assist in rehabilitating degraded landscapes.
Bedford CA	165,069	Accounting and administration support.
Biodiversity Conservation Trust	15,000	Advice, support with monitoring activities. One member on TMI's Science Advisory Committee.
Bureau of Meteorology	15,000	Advice and support with monitoring program, monitoring design and systems specifications, specifically regarding data management standards and protocols.
Charles Cupit	104,000	Director role, including membership of the Investment Committee.
CSIRO	22,000	Advice and support with monitoring program, monitoring design and systems specifications, specifically regarding soils mapping and monitoring, climate change and data management standards.
Danny Hall Plumbing Pty Ltd	3,200	Project management.
The Hon. Gary Nairn AO	118,000	Chairman of the Board.
Judy Howarth	10,000	Interior design and project management.
Kathy Kelly	66,161	Company Secretary / Chief Operating Officer.
NSW Department of Primary Industries	15,000	David Mitchell's time and expertise through TMI's Science Advisory Committee input, primarily for hydrology and climate data instrumentation and data management. Scott McKinnon's assistance with developing a NSW-wide scoping project.
NSW Fisheries	5,000	Advice and support in relation to fish surveys, input into Controlled Activity Approvals and the Natural Resource Access Regulator.
NSW Office of Environment & Heritage	20,000	Advice and support in connection with threatened frog species restoration, and conducting bird surveys.
Peter and Donna Hazell	1,000	Food and board for Krishna Nagarajan while conducting his internship at Mulloon.
Peter Howarth OAM	104,000	Director role, including membership of the Investment Committee.
Richard Campbell (HydroTerra)	110,400	Contribution towards the Mulloon Rehydration Initiative, including the monitoring manual.
Soils for Life	10,000	Scientific and technical advice and support with field activities and community engagement.
Tia Kelly Pty Ld	1,305	Social media review.
University of Canberra	50,000	Dr Leah Moore's time on TMI's Science Advisory Committee and supervising student under-graduate and post-graduate projects. Various staff members' inputs for advice and support for geology, hydro-geology, and student lab analysis for soil/rock samples. Advice and expertise regarding monitoring of fish and frogs.
University of Melbourne	30,000	Professor Neil Mann's time on TMI's Science Advisory Committee. Student projects conducting field surveys of groundwater and sub-surface soil and rock formations and associated reporting. Advice and support from Andrew Weston and the hydrology team.
University of New England	6,000	Provision of student intern Krishna Nagarajan, who assisted with field monitoring operations, on-ground works and maintenance over seven weeks.
University of Sydney	8,000	Provision of student intern Nick Bassett, who assisted with installation and maintenance of hydrological monitoring equipment and on-ground works over five weeks.
University of Technology, Sydney	10,000	Supervision of PhD student Danny Kenny and associated support and facilities.
Various community volunteers	10,000	Support to TMI's Technical Officer for planting native plants throughout Mulloon.
TOTAL	1,007,135	

The accompanying notes form part of these financial statements.

Our Supporters

Our work is made possible through the generous support of various individuals and organisations.

The Howarth Foundation

Founded by Board member Peter Howarth OAM, The Howarth Foundation is an extremely strong and valuable supporter of the Mulloon Institute's work. We are very grateful for the foundation's continued support.

Major Sponsors



Key Funders



The Mulloon Institute's work is supported by the Australian Government's National Landcare Program, the NSW Government's Department of Primary Industries, the Department of Planning, Industry & Environment, the Office of Environment & Heritage, NSW Local Land Services and through its Environmental Trust.

Key Collaborators



Erosion Control and Landscape Rehydration workshop, Batchelor, Northern Territory. (Credit: Territory NRM)





Mulloon Institute
For environment, farming and society.



Mulloon Institute

3585 Kings Highway, Bungendore NSW 2621, AUSTRALIA
info@themullooninstitute.org | www.themullooninstitute.org

