the mulloon institute
for environment, farming and society

2020 ANNUAL REPORT

Contents

L-R: (front) Emeritus Professor Stephen Dovers, Diana Cavanagh, Martin Royds, Hon. Gary Nairn AO, Carolyn Hall, Bill McAlister, Anne Gibson, Nolani McColl, (back) James Diack and Luke Peel.

Front: Cattle on the floodplain at Mulloon Creek Natural Farms, Home Farm.

Back: Floodwaters at Mulloon Creek Natural Farms, Duralla.

the mulloon institute
for environment, farming and society

REGISTERED CHARITY
acnc.gov.au/charityregister

The Mulloon Institute
info@themullooninstitute.org
www.themullooninstitute.org

3585 Kings Highway
Bungendore NSW 2621 AUSTRALIA
ABN: 53 153 605 531

Printed on paper partly or wholly manufactured from recycled material.

About Us

Our globally recognised property and catchment scale rehydration and restoration research, is used by farmers across Australia to create resilient, productive and profitable farms where agriculture and the environment are working in unison.

The Mulloon Institute (TMI) is a leading research, education and advocacy organisation committed to building resilient rural and regional communities by supporting the long-term, sustainable growth of Australian agriculture.

We acknowledge that changing climatic conditions are impacting Australia's food and water security, habitat and biodiversity and, that we must support our farmers in adapting to new and changing environmental landscapes. This will, in turn, provide substantial social and community benefits.

Partnering with global leaders in agricultural research, regenerative land management practices and innovation, TMI's research is focussed on creating a more resilient, productive and profitable landscape where agriculture and the environment are working in unison.

We know that healthy soil is the lifeblood of agriculture and is essential for healthy plant growth, more nutritious food which is required for human health and ecosystems that provide clean water and air. Working with farmers, we promote practices that rehydrate and restore landscapes and so build soil carbon, increase vegetation cover and ecosystem biodiversity.

TMI has been recognised internationally for its ground-breaking research, particularly in the area of landscape rehydration and restoration.

TMI's scientists, hydrologists and researchers work with farmers and other stakeholders on leading edge local and catchment scale rehydration and restoration projects across the country. Uniquely, our scientists are continually refining their research on the Institutes own working properties.

The agriculture sector is one of the biggest emitters of CO2. Regenerative agriculture practices produce more carbon in the soil which, in turn, takes more CO2 out of the atmosphere.

Increasing the sequestration of soil carbon will turn the sector from a net emitter of CO2 to a net sequester.

TMI integrates its research results, education tools and programs into its consulting services to farmers across the country.

TMI is an independent not-for-profit registered environmental organisation with Deductable Gift Recipient status.

Mission Statement

vision

To be a global leader in regenerative agriculture through the use of world class scientific research, education and demonstration. To build resilient landscapes that provide food and water security and support healthy ecosystems.

mission

To actively demonstrate, validate and share regenerative agriculture practices in order to create sustainable and resilient environments now and into the future.

promise

Ensure all funding, both public and private, is used transparently and effectively to provide the best possible outcomes for farmers and other key stakeholders.

L-R: Gerard Lyons from 'Four Mile' with Landscape Planner Sam Skeat.

Our Goals

To rehydrate and rehabilitate 2.5 million hectares of agricultural land in Australia.

To improve the resilience, productivity and profitability of over 5,000 farming families through our works, advice and support.

Our Values

Innovative + collaborative...

to remain at the forefront of scientific research and education practices in regenerative agriculture.

Proactive + accountable...

to ensure we provide relevant, quality, outcome focussed services.

Commercially focused...

manage and build business relationships to a high standard to ensure the long-term future of the Institute.

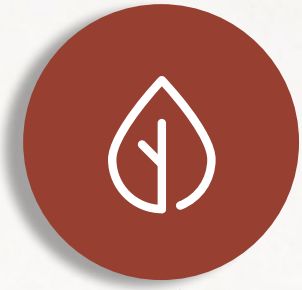
Ambitious + entrepreneurial...

in order to meet our business objectives (Growth and Expansion).

Supported + compassionate...

to act with integrity and create a culture based on understanding the views of all stakeholders, including key partners.

Strategic Priorities



governance

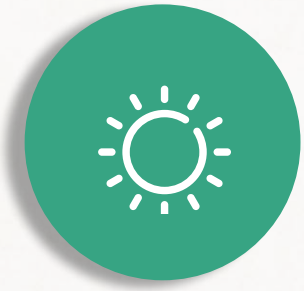
Review and implement industry standard governance practices.

programs

Deliver programs that are cost effective, scalable and meet the expectations of recipients and TMI.

people + culture

Ensure TMI staff are empowered to think outside the box and act with integrity at all times.



financial resilience

Ensure TMI is financially viable in order to meet its immediate and longer-term requirements.

partnerships

Develop partnerships with appropriate stakeholders who will support TMI's strategic objectives.

Chairman's Message

Hon Gary Nairn AO
CHAIRMAN

Despite the disruption caused by the COVID-19 pandemic, my report is not going to do that, not because we haven't experienced disruption, but simply because there are so many more important things to report.

Last year we took great steps in developing The Mulloon Institute (TMI) which I'm sure our Founders, the late Tony and Toni Coote, would have been very pleased with. This year we have taken it to a new level again and sit on the cusp of something quite exciting. The incredible opportunities that landscape scale repair and rehydration can provide continue to attract widespread interest and its role in regenerative agriculture, increasing soil carbon and the whole climate debate is gaining prominence.

To ensure TMI continues to grow and have the impact that we expect across the nation, we have developed a three-year strategic plan which includes TMI's vision, mission, promise, values and five strategic priorities – governance, programs, people and culture, financial resilience and partnerships – as outlined on the previous pages of this report.

Each of the strategic priorities has been broken down further outlining key commitments, goals and measures of success. The three-year strategic plan provides a framework that TMI will continue to build on to ensure it continuously evolves to remain a sustainable and highly relevant organisation well into the future.

I have great confidence that our CEO Carolyn Hall, will successfully implement all the commitments within the plan, on time and on budget! Carolyn was appointed CEO in late 2019 following her role as General Manager of Mulloon Consulting.

Our three-year plan is particularly relevant when considering the level of interest from a range of stakeholders, including those at the highest level of government. You may recall that back in 2018 the Prime Minister, Deputy Prime Minister and Minister for Agriculture visited us at Mulloon Creek Natural Farms. This year, within the space of a month, we welcomed the Hon Shane Stone AC QC, Coordinator General of the Federal Government's National Drought and Flood Recovery Agency, along with eight of his team; closely followed by Andrew Metcalfe, Secretary of the Federal Department of Agriculture, Water and Environment, together with James Larsen, Deputy Secretary Environment; then the new National Soil Advocate, the Hon Penny Wensley AC, her husband, Stuart, and Sue Bestow (Senior Adviser) spent the best part of a day with us; and we were then very honoured to host their Excellencies the Governor General of Australia, the Hon David Hurley AC DSC (Retd) and Mrs Linda Hurley.

The interest in our work shown by these individuals and many others from an increasingly broad cross-section of our community, strengthens our resolve to expand our work nationally and reinforces how vital it is for the future of agriculture and the production of healthy, nutrient rich food. As our nation and the rest of the world grapples with the massive economic effects of COVID-19, agriculture can

Centre: Governor General of Australia the Hon David Hurley AC DSC.

L-R: Nico Padovan PSM, Hon Shane L Stone AC QC from the National Drought and Flood Recovery Agency, with TMI's CEO Carolyn Hall.

play a major role in the recovery. Farming regeneratively will assist with local food production and vital employment opportunities and provide a significant part of the solution to reduce emissions through sequestering carbon dioxide into our soils, increasing soil organic carbon and improving soil fertility. This is the exciting cusp upon which TMI now sits!

Our signature catchment scale project the Mulloon Rehydration Initiative (MRI), has moved along at a greater pace following financial support from the Federal Government, with many more applications approved and kilometres of repair completed. Our design and construction of leaky weirs was tested beyond what we would have wanted at the time with a 1-in-50 year flood during August 2020 only days after completing several leaky weirs. These structures handled the flood well, performing exactly how they were intended, taking the energy out of the flow, spreading it out across the flood plain and depositing nutrients. Peter Hazell and his team should take a well deserved bow!

Last year we welcomed the newly established Mulloon Law Committee (MLC) to our team, chaired by Matt Egerton-Warburton. The MLC has been very active this year, and in March 2020 they met with the NSW Minister for Planning, Rob Stokes, and Water Minister, Melinda Pavey, as well as Deputy Premier, John Barilaro and Agriculture Minister, Adam Marshall. While we went to the NSW Government with a problem – the complex regulatory hurdles required to undertake landscape repair and rehydration – we also went with a solution and even provided draft regulations for consideration. We were given an excellent hearing and while we don't yet have a final solution, we are now working through the details collaboratively with government officials.

Also introduced last year was the establishment of the annual Tony Coote AM Memorial Lecture to honour our Founder, with the inaugural delivery being presented by our Patron, Major General Michael Jeffery AC AO (Mil) CVO MC (Retd). This year, with COVID-19 still restricting events for large numbers of people, we opted to hold the lecture as a virtual online event. We were very honoured to have Holistic Management guru, Allan Savory, deliver the 2020 lecture from lockdown in Zimbabwe with viewers tuning in from across the world for his presentation.

Allan's work had long been admired and practiced by Tony Coote and was a very fitting choice.

This year's lecture also featured the inaugural screening our new corporate video showcasing our work and activities for a broader audience. Getting our message out there is so important and videos provide a valuable tool in achieving this. See details below on how to view our videos online.*

I'm very grateful for the support of my fellow Board Directors who have helpled in overseeing TMI during 2020. Following Jim Guilfoyle's retirement last year, long-time supporter and adviser to TMI, Martin Royds took his place. Martin has also stepped in and acted as our interim farm manager following the departure of Michael Fitzgerald. And old friend of Tony Coote and strong supporter of TMI, Peter Howarth OAM, returned to our Board after having been a member in TMI's early days.

Even though the past 12 months have brought the challenges of drought, bushfires, pandemics and flood, they have provided us with a timely opportunity to demonstrate why our work must be 'rolled out across the country', as the Deputy Prime Minister stated in 2018. With the continued support of people from our Patron, Michael Jeffery, to our wonderful staff, financial supporters and so many community members who want to see our landscapes repaired, we will do even more in the coming year.

* TMI 2020 Corporate Video: https://bit.ly/38fXOPE

"Mulloon is pushing back the frontiers of understanding and knowledge of rehydrating properties, dealing with soil moisture and quality, all of which impact so importantly on productivity in the agricultural sector."

Hon Shane Stone AC QC,
National Drought and Flood Recovery Agency

L-R: National Soil Advocate the Hon Penny Wensley AC with Gary Nairn AO visit Peter's Weir on Mulloon Creek Natural Farms.

L-R: James Larsen and Andrew Metcalfe AO from the Australian Government's Department of Agriculture, Water & the Environment.

TOP: Leaky weir being constructed at Mt Pleasant Learning Hub, September 2019. BOTTOM: Leaky weir after rains, February 2020.

CEO'S REPORT

Carolyn Hall
CHIEF EXECUTIVE OFFICER

2020 has been a year like no other. One that began as 2019 had finished – with drought across much of Australia. Bushfires ravaged the country over the summer, and then by March, COVID-19 had changed the way we all conduct our lives.

The Mulloon Institute (TMI) has been uniquely placed this year, to bring hope to communities by demonstrating how landscape rehydration and regeneration can help build resilience to drought, bushfire and flood, while increasing agricultural productivity and restoring biodiversity. COVID has certainly changed our lives, yet the sense of community in both our urban and rural areas has grown, along with an increasing focus on how and where our food is produced. Regenerative agriculture has also emerged globally as a key strategy in supporting food security and the production of healthy, nutrient dense food, now and into the future.

STRATEGIC PLAN

Development of our 2020–2023 Strategic Plan has created a blueprint for action for us to achieve our vision of being a global leader in regenerative agriculture land management practices. This plan for growth places a real emphasis on building partnerships for success and will include recruitment for specific roles that support the implementation of a number of key projects associated with our programs, partnerships, governance, culture and financials.

MULLOON CONSULTING

The renamed Mulloon Consulting (MC) has expanded into North Queensland and Western Australia with our focus on the delivery of technical excellence in catchment-scale landscape rehydration projects and ensuring we are relevant to farmers' needs.

This year Mulloon Consulting has been developing the next generation of landscape rehydration design professionals. Peter Hazell and Cam Wilson continue to provide invaluable guidance to our clients and our team; Anne Gibson is a project leader with expertise in landscape rehydration and erosion control; Sam Skeat operates our Townsville office and advises on landscape rehydration with a grazing management perspective; Bill McAlister is a landscape planner who continues to develop his technical design skills; Nolani McColl provides invaluable support in scheduling and project planning; and, Joe Skuse joined us recently from ANU as a graduate landscape planner.

QUEENSLAND + WESTERN AUSTRALIA

MC's expansion into Queensland is a reflection of our approach which helps increase productivity, enhance biodiversity and reduce sediment reaching the Great Barrier Reef. Our work makes a real contribution to agriculture and the environment in the reef catchments, and increasing numbers of landholders in North Queensland are realising this too.

Our expansion into Western Australia is being facilitated by local team member Lance Mudgway through a valuable

"I'm a great supporter of regenerative agriculture. It's a great opportunity to achieve more organic matter, more ground cover, more diversity, more wildlife... and in the process be a more productive and profitable grazier."

Paul LeFeuvre,
'Belemaher', North Queensland,
regenerative farmer

"What I've seen in terms of productivity and profitability is a pretty big increase in stocking rate" – Paul LeFeuvre, 'Belemaher'.

partnership with the Muresk Institute in the Wheatbelt. Funding for the work has been secured through MC and Commonland for a project based in Boyup Brook in South-West Western Australia.

EDUCATION

Demand for our workshops continues to grow with landholders, communities, natural resource managers and Landcare groups. Despite the impact of COVID, we have continued planning workshops, running courses with Tarwyn Park Training, and are developing an introductory course on 'reading the landscape' with partners Soil Land Food.

With our grant from the NSW Environmental Trust we are also developing a curriculum for an advanced 'landscape rehydration course in a catchment setting' with Research Officer Laura Fischer who is working on this with TMI and the community at Capertee NSW.

MULLOON CREEK NATURAL FARMS

Mulloon Creek Natural Farms (MCNF) has gone from strength to strength this year producing over 100,000 eggs each week, all of which are certified organic, pasture raised on certified biodynamic paddocks and truly free-range with only 250 birds per hectare.

ECOLOGICAL OUTCOME VERIFICATION

One of the biggest things that happened this year was being awarded Australia's very first-ever Ecological Outcome Verification certificate by Land to Market, who are affiliated with the Savory Institute. This independent assessment is designed to give consumers the confidence that they are supporting healthy agricultural production. Following monitoring and on-ground assessment, our EOV report revealed that the health of our farmland at Duralla is trending positively.

BIODYNAMICS

Biodynamics practitioner and educator Hamish Mackay continued helping us with our 500 and 501 biodynamic preparations this year and provided staff with a fabulous introduction to biodynamics via hands-on learning. Staff member Juan also worked closely with Hamish to learn the physical aspects of making biodynamic preparations and building compost heaps which are now being reinvigorated with biodegradable waste.

CHANGES

Significant change occurred this year when our Farm Manager Michael Fitzgerald moved on after four years with us, during which time he managed to double our

egg production. Huge thanks to Michael for his time and for embracing TMI's landscape rehydration and regenerative agriculture principles. Thanks also to TMI Board Member Martin Royds who took over as interim farm manager while we searched for Michael's replacement, Jim Steele, who will join the team in November 2020. Martin has also been working closely with new Poultry Managers Roberto Garcia Abreu and Maria Bidirinis Rivero while they settled in. Roberto and Maria are fully qualified veterinarians originally from Venezuela who are exploring the interaction of bird health and regenerative agriculture with great success. We also recently welcomed new Brood Shed manager Gareth Law.

TEAM ACTIVITIES

As well as delving into biodynamics this year, MCNF staff have been vital in contributing to on-ground works as part of the Mulloon Rehydration Initiative. Specifically, they assisted with leaky weir construction and tree planting along Mulloon Creek on the Duralla and neighbouring Palerang properties. They have also been planting rows of Chinese Elms along the farm's southern boundary with strips of trees to provide future shade for our chooks, and planting multi-species edibles in our brood shed paddocks.

When major floods inundated the Mulloon Creek catchment in August 2020, in the biggest floods seen since 1974, much of MCNF's Duralla property was underwater for days on end. It caused havoc at Duralla with a road collapse and bogged vehicles amongst the many challenges faced by our team while they cared for our chickens and got our eggs to market.

Our staff did such a great job during these challenging times and in such extreme conditions that Martin developed a unique way to thank them. This great initiative saw staff being given an amount of 'Mulloon Dollars' that could be redeemed at shops in Bungendore and Braidwood. This had the flow on benefit of supporting local businesses that were doing it tough during the COVID lockdown period and was readily embraced by participating shops. All up around $4000 was spent in the local economy through this initiative.

CONCLUSION

Thanks to our Board, our Chairman Gary Nairn and all staff from TMI, MC and MCNF for their support in making our work possible this year. Thanks also to the team at Bedford CA, especially to Raymon Kaawi for his continued assistance.

This year we have been reminded that our people are our greatest assets. Our team are devoted to actively pursuing the delivery of our vision across all our enterprises and can see the nation building potential of our work as we deliver our vision for the future. Thanks to you all for being a vital part of our work to help rehydrate Australia.

Mulloon Creek Natural Farms, where our free-ranging hens roam on certified biodynamic pastures to produce high quality, certified organic, pasture-raised eggs.

TOP: Leaky weir being constructed at Duralla, February 2020. BOTTOM: Leaky weir after rains, March 2020.

MULLOON REHYDRATION INITIATIVE

Peter Hazell
MRI PROJECT COORDINATOR

Emeritus Professor Stephen Dovers
SCIENCE ADVISORY COUNCIL CHAIR

A NEW NAME

This year we renamed our catchment scale project the Mulloon Rehydration Initiative (MRI) to better reflect how the 'initiative' can be implemented more broadly across Australia*.

During this period we rolled out Stage 2 of the MRI at the Palerang and Duralla properties following the successful application for Controlled Activity Approvals (CAA) from the NSW Government's Natural Resources Access Regulator.

Dry conditions in the creek due to the drought provided us with ideal conditions for building leaky weirs even while the bushfires made sourcing suitable logs challenging for a few months. We eventually found a suitable log supply at Tumbarumba while our rocks came from Nerriga.

FIRES + FLOODS

Invariably it is flooding rains that bring the end to a drought and after the driest nine months on record and with bushfires in the upper catchment, major flooding rains finally came to Mulloon in February and March 2020.

Due to fires further up in the catchment and very little vegetation on the ground from the drought, a substantial torrent of ash, mud, sediment and other debris surged through the creek system with the rains.

LEAKY WEIRS

Fortunately for properties where leaky weirs were already in place the flooding resulted in rehydration of the creek and floodplain and nutrient rich sediment deposition, rather than major erosion from the surges of water. The leaky weirs helped slow the water and trap and filter many tonnes of silt that would have otherwise ended up in Sydney's water supply.

The very newly installed leaky weir structures at Palerang and Duralla held up extremely well and have now settled in with good vegetation growth. The weirs are designed to operate as an interconnected system that works together to dissipate the energy of storm surges, turning previously turbulent and high energy flows into gently flowing ponds and spreading riffles. This allows sediment to deposit and vegetation to re-establish, reversing the pattern of degradation and from here on in the resilience of the system will rebuild at an accelerating rate.

TREE PLANTING

Tree planting at Palerang this year saw 1000s of reeds, shrubs, bushes and trees planted and transplanted along Mulloon Creek. We chose native species that were already growing, or would normally grow within and on the banks, and fenced the area to exclude livestock, giving the waterway and plants a better chance of repairing the landscape and healing the erosion. These plants will help hold the banks together, slow the water flow, moderate the micro-climate and increase biodiversity, providing important habitat, food and shelter for various creatures like insects, frogs, birds, reptiles and mammals.

Tree planting at 'Palerang' along the right hand side of the creek with a structure installed halfway up. Two further structures are sited above that.

Overall, 2019–2020 saw us install a further 21 leaky weir structures along another 6 km of Mulloon Creek, with 15 at Palerang and 6 at Duralla, bringing the total to 35 structures installed and 10 km of rehabilitated creek. Seventy-six piezometer wells were installed across the catchment along with 31 soil moisture sensors and two new hi-tech climate stations. All up we will be installing around 100 structures along the creek over five stages, with the remainder to be rolled out between now and 2022.

SCIENCE ADVISORY COUNCIL REPORT

This year the Science Advisory Council (SAC) continued to provide independent, expert guidance in the research and monitoring that ensures The Mulloon Institute's (TMI) work is evidence-based and provides the basis for further implementation of landscape rehabilitation. The SAC's greatest focus is on providing scientific advice around the MRI.

Despite the limitations imposed by bushfires and COVID-19, 2020 has been far busier than ever for the science program, with the roll-out of rehydration works, investment in monitoring systems, and increased interest in the work of TMI.

The year saw continued funding investment in the array of monitoring equipment that tracks the baseline and changes associated with stream, vegetation and biotic responses to the MRI structures and interventions, including maintenance and expansion of stream gauges and piezometers, and expansion of data collection and analysis capacities.

MONITORING PLAN

A major initiative has been the development of a comprehensive and detailed integrated Monitoring Plan and System Specification document, which will set the standard for science-based observation of landscape rehydration and environmental rehabilitation in Australia. This work, being undertaken in partnership with the independent organisation HydroTerra, will be complete in late 2020 and made publicly available to aid both our work as well as transparency and communication to all stakeholders.

FRAMEWORK PAPER

Work has also proceeded on a 'framework' report and paper, describing the past, present and planned future of the research and monitoring of the MRI. Too often, positive interventions in streams and landscapes are not well documented in the literature, meaning that lessons and models cannot be properly evidenced or communicated. We hope to make this work available in 2021.

Ongoing data gathering proceeded apace, often in collaboration with our various university partners, including further rapid stream appraisal and landscape function analysis surveys. Along with ongoing stream and groundwater monitoring and flora and fauna surveys, we are building a comprehensive picture of the functioning of the catchment, especially in response to the placement of in-stream structures and vegetation re-establishment. What we achieve here in our own catchment will have the evidence base to support TMI's mission of enabling successful projects elsewhere.

After several years of drought, decent rain returned to the region, and this allowed a lift in data gathering as the stream system responded to more 'normal' rainfall patterns. The response of floodplain vegetation and groundwater has been closely tracked. The series of floods during the year tested recently-constructed stream structures, which survived with little damage and continue to succeed in slowing flow, retaining water and driving re-establishment of bankside vegetation, and providing further valuable data.

As knowledge of and interest in TMI and the MRI continues to increase, collaborations with our existing and new partners do so as well. TMI renewed its research-focused Memorandum of Understanding with long-time partner the Australian National University, and entered a new agreement with the Maresk Institute. Discussions on further collaborations commenced with a range of bodies including Soils for Life, the CSIRO and Landcare.

* previously the Mulloon Community Landscape Rehydration Project.

"The new regenerative agriculture movement doesn't just regenerate our landscapes.

It's returning health to a landscape, returning profits, returning human health and impacting on the planetary systems."

Dr Charles Massy,
author of 'Call of the Reed Warbler',
regenerative farmer

L-R: Research Coordinator Luke Peel shows CEO Carolyn Hall the climate station newly installed at the Home Farm.

FOUNDERS

Tony Coote AM, BSc. MBA founded the Mulloon Institute in 2011 with his wife Toni Coote, to demonstrate and share innovative approaches to regenerative land management in Australia.

Tony Coote AM
FOUNDER

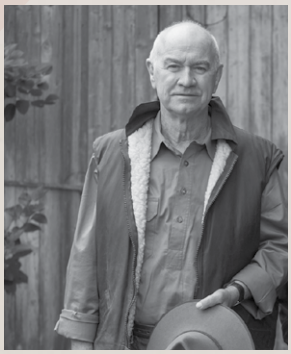
Toni Coote
FOUNDER

PATRON

Major General the Hon Michael Jeffery
AC, AO (Mil), CVO, MC (RETIRED)

Former Governor-General of Australia, Governor of Western Australia and Australia's first National Advocate for Soil Health.

BOARD



Hon Gary Nairn AO
CHAIRMAN

Peter Howarth OAM

Charles Cupit

Richard Allsopp

Diana Cavanagh

Martin Royds

2020 FINANCIAL STATEMENTS

THE MULLOON INSTITUTE LIMITED
ABN 53 153 605 531

DIRECTORS' REPORT

The directors present their report on the company for the financial year ended 30 June 2020.

Information on Directors

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

Mr Gary Roy Nairn
Mr Charles Gordon Cupit
Mr Richard Rundle Allsopp
Mr William James Yule Guilfoyle, retired 29 Nov 2019
Ms Diana Elaine Cavanagh
Mr Martin Roger Royds, appointed 29 Nov 2019
Mr Peter Gordon Howarth, appointed 15 May 2020

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

Operating Results

The profit of the company after providing for income tax amounted to $4,555,458.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company during the year.

Principal Activities

The principal activities of the company during the financial year were fundraising activities for charitable purposes.

No significant changes in the nature of the company's activity occurred during the financial year.

Events After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Environmental Issues

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification and Insurance of Officers and Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Auditors' Independence Declaration

The lead auditors' independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2020 has been received and can be found on page 25.

Signed in accordance with a resolution of the Board of Directors:

Director: _____

Mr Gary Roy Nairn

Dated: 16 November 2020

THE MULLOON INSTITUTE LIMITED
ABN 53 153 605 531

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Income		7,527,583	11,006,299
Expenditure		(2,972,125)	(1,183,804)
Profit for the year		4,555,458	9,822,495
Total comprehensive income for the year		4,555,458	9,822,495

The accompanying notes form part of these financial statements.

THE MULLOON INSTITUTE LIMITED
ABN 53 153 605 531

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**2**	4,467,113	887,531
Trade and other receivables	**3**	825,137	107,438
Other current assets	**5**	3,500	3,500
TOTAL CURRENT ASSETS		5,295,750	998,469
NON-CURRENT ASSETS			
Financial assets	**6**	228,428	10,000
Property, plant and equipment	**8**	9,155,030	9,076,302
TOTAL NON-CURRENT ASSETS		9,383,458	9,086,302
TOTAL ASSETS		14,679,208	10,084,771
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	**7**	46,529	21,880
TOTAL CURRENT LIABILITIES		46,529	21,880
TOTAL LIABILITIES		46,529	21,880
NET ASSETS		14,632,679	10,062,891
EQUITY			
Reserves	**9**	14,330	-
Retained surplus	**10**	14,618,349	10,062,891
TOTAL EQUITY		14,632,679	10,062,891

The accompanying notes form part of these financial statements.

THE MULLOON INSTITUTE LIMITED
ABN 53 153 605 531

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Donations and grant income		2,921,932	1,377,572
Payments to suppliers and employees		(2,409,648)	(817,752)
Event income		135,983	211,984
Interest received		1,026	424
Bequests received		3,500,000	-
Net cash provided by operating activities		4,149,293	772,228
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		537,866	-
Payments for plant and equipment		(78,728)	-
Payments for investments		(633,629)	-
Funds lent to subsidiaries		(395,220)	-
Net cash provided by (used in) investing activities		(569,711)	-
Net increase in cash held		3,579,582	772,228
Cash at beginning of financial year		887,531	115,303
Cash at end of financial year	**2**	4,467,113	887,531

The accompanying notes form part of these financial statements.

THE MULLOON INSTITUTE LIMITED
ABN 53 153 605 531

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1: Statement of Significant Accounting Policies

The Mulloon Institute Limited is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

Reporting basis and conventions

The directors have prepared the financial statements on the basis that the company is a non reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001, and the significant accounting policies, where applicable, disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

Accounting Policies

Property, plant and equipment

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

Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The company's trade and most other receivables fall into this category of financial instruments.

In some circumstances, the company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The company's available-for-sale financial assets comprise listed securities.

All available for sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Impairment of Non-Financial Assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST.

Cash flows in the cash flow statement are included on a gross basis and the GST component of cash flows arising from investing or financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

2: Cash and Cash Equivalents

	2020 $	2019 $
Bendigo Bank Act – 143417673	562,457	879,578
Bendigo Bank Act – 133721290	1,904,656	7,953
Qudos Bank Term Deposit	2,000,000	-
	4,467,113	887,531

Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	4,467,113	887,531
	4,467,113	887,531

3: Trade and Other Receivables

Current

Sundry debtors	354,005	20,901
Trade debtors	75,912	78,452
GST receivable	-	8,085
	429,917	107,438

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.

4: Loans and Advances

Loans to Subsidiaries

Mulloon Consulting Pty Limited	395,220	-

5: Other Assets

Current

Donated auction items	3,500	3,500

6: Other Financial Assets

	2020 $	2019 $
Non-Current		
Shares in listed companies		
Shares in listed companies – cost	204,098	-
Market value adjustment	14,330	-
	218,428	-
Shares in subsidiaries		
Mulloon Consulting Pty Limited	10,000	10,000
	228,428	10,000

7: Trade and Other Payables

Current		
Sundry creditors	16,244	11,129
GST payable	15,817	-
PAYGW payable	14,468	10,751
	46,529	21,880

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short term nature of the balances.

8: Property, Plant and Equipment

PROPERTY		
Property at market value		
'Duralla', 369 Hazeldell Road, Mulloon	3,700,000	3,700,000
'Home Farm', 3585 Kings Hwy, Bungendore	5,250,000	5,250,000
Total Property	8,950,000	8,950,000
	2020	2019

	$	$
PLANT AND EQUIPMENT		
Plant and Equipment		
At cost	205,030	126,302
Total Plant and Equipment	205,030	126,302
Total Property, Plant & Equipment	9,155,030	9,076,302

9: Reserves

Asset Revaluation Reserve		
Current period movement	14,330	-

10: Retained Surplus

Retained surplus at the beginning of the financial year	10,062,891	240,396
Net surplus for the period	4,555,458	9,822,495
Retained surplus at the end of the financial year	14,618,349	10,062,891

11: Statutory Information

The registered office of the company is:

The Mulloon Institute Limited

Level 16, 101 Miller Street
NORTH SYDNEY NSW 2060

The principal place of business is:

3585 Kings Highway
BUNGENDORE NSW 2621

THE MULLOON INSTITUTE LIMITED
ABN 53 153 605 531

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 17 to 29 are in accordance with the Corporations Act 2001 and:

    (a) comply with Accounting Standards as stated in Note 1; and

    (b) give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debt as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: _____

Mr Gary Roy Nairn

Dated: 16 November 2020

JAMES MATHERS & CO.
CHARTERED ACCOUNTANTS
ABN 75 996 318 927

JAMES L MATHERS B.A., F.C.A

27 BYDOWN STREET
NEUTRAL BAY N.S.W. 2089

TELEPHONE: (02) 9953 0744
FACSIMILE: (02) 9953 1390
POSTAL ADDRESS:
P.O BOX 156
NEUTRAL BAY JUNCTION N.S.W. 2089
EMAIL: [redacted]
WEBSITE: [redacted]

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MULLOON INSTITUTE LIMITED A.B.N. 53 153 605 531

Report on the Financial Report

We have audited the accompanying financial report of The Mulloon Institute Limited, which comprises the statement of financial position at 30 June 2020 and the profit and loss statement for the year then ended, notes comprising a summary of significant accounting and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001. The directors' responsibility also includes such internal control as the directors determine 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 I have 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:

a. the financial report of The Mulloon Institute Limited is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards, Australian Accounting interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Regulations 2001;

Name of Firm: James Mathers & Co
Chartered Accountants

Name of Principal: James I Mathers

Address: 27 Bydown Street, Neutral Bay

Dated this 16 **day of** November **2020**

Ref 97263_1

THE MULLOON INSTITUTE LIMITED
ABN 53 153 605 531

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	2020 $	2019 $
INCOME		
Donations – Cash		
General public	454,286	1,377,572
Donations – In Kind		
Australian National University	90,000	80,000
Bedford CA	118,964	83,010
Community Contributions	76,000	76,000
CSIRO	10,000	10,000
Local Land Services	15,000	15,000
Martin Royds	121,200	-
NSW Deparment of Primary Industries	10,000	10,000
NSW Fisheries	5,000	5,000
NSW Office of Environment & Heritage	15,000	15,000
Soils for Life	10,000	25,000
University of Canberra	40,000	40,000
University of Technology, Sydney	10,000	-
University of Melbourne	15,000	10,000
University of Sydney	5,000	-
Charles Sturt University	5,000	-
Western Sydney University	10,000	-
	556,164	369,010
Bequests Received		
Estate of Antony Edmund Rundle Coote	3,468,542	8,950,000
Event income	138,523	309,293
Grant Income		
Landcare Smart Farms	2,675,758	-
NSW Environmental Trust – Education Grant	54,992	-
NSW Environmental Trust – Mulloon Restoration Grant	70,000	-
	2,800,750	-
Interest received	1,026	424
Capital gain/(loss) on disposal of investments	108,292	-
	7,527,583	11,006,299

The accompanying notes form part of these financial statements.

THE MULLOON INSTITUTE LIMITED
ABN 53 153 605 531

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	2020 $	2019 $
EXPENSES		
Accountancy and Administration Fees	118,964	83,010
Advertising	12,727	5,000
Bank charges	4,206	6,182
Consultancy fees	935,285	262,250
Course expenses	168,838	200,219
Project expenses	685,918	25,511
Insurance	9,123	1,236
Mulloon Creek Property Expenses		
Homestead expenses	36,125	-
Barn expenses	142	-
Guesthouse expenses	2,803	-
	39,070	-
Office expenses	2,307	12,123
Posting, printing and stationery	2,692	713
Rates and taxes	21,131	-
Salaries and wages	789,997	508,197
Software expenses	90,418	24,000
Superannuation contributions	75,152	48,057
Telephone and internet	164	164
Travel, accommodation and meals	16,133	7,142
	2,972,125	1,183,804
Profit before income tax	4,555,458	9,822,495

The accompanying notes form part of these financial statements.

THE MULLOON INSTITUTE LIMITED
ABN 53 153 605 531

SCHEDULE OF IN-KIND CONTRIBUTIONS
YEAR ENDED 30 JUNE 2020

Organisation / Individual	Amount $	Detail
Australian National University	90,000	Five staff members on the TMI Science Advisory Committee. Access to ArcGIS license. Access to the soils lab and storage. Provision of Honorary Lecturer status for TMI staff allowing access to meeting rooms and facilities at the University. ANU students assisting with the rehabilitation of degraded landscapes. Paul Cooper's work on aquatic macro-invertebrates.
Bedford CA	118,964	Accounting and administration support.
Community Contributions	76,000	Expertise and advice provided by the broader Mulloon Catchment community in relation to the MRI.
CSIRO	10,000	Advice and support regarding soils mapping and monitoring, climate change and data management standards.
Local Land Services	15,000	Advice, support and baseline monitoring activities. One member on the TMI Science Advisory Council.
Martin Royds	121,200	Supply of machinery, forage harvester, Kabota excavator, tools and trucks. Provision of consultancy services. Acting as Interim Farm Manager. Advice and support when Michael Fitzgerald was Farm Manager.
NSW Department of Primary Industries	10,000	David Mitchell's time and expertise in relation to the MRI, primarily for hydrology and climate data instrumentation and data management and input.
NSW Fisheries	5,000	Advice and support in relation to fish survey and input into Controlled Activity Approvals.
NSW Office of Environment & Heritage	15,000	Advice and support in connection with threatened frog species restoration.
Soils for Life	10,000	Scientific and technical advice and support with field activities and community engagement. Completion of the Mulloon Creek Catchment case study.
University of Canberra	40,000	Dr Leah Moore's time on the Science Advisory Council. Tony Bernadi's time and expertise in relation to the MRI. Various staff members' inputs for advice and support for geology, hydro-geology, and student lab analysis for soil/rock samples. Management of hydrological equipment and data by Tony Bernadi, prior to his appointment with TMI.
University of Melbourne	15,000	Advice and support from Professor Neil Mann and for conducting field surveys of groundwater and sub-surface soil and rock formations. Advice and support from Andrew Weston and the hydrology team.
University of Technology, Sydney	10,000	Provision of PhD student Mr Danny Kenny.
University of Sydney	5,000	Provision of Student Intern, Mr James Hunt, to assist with soil sampling with piezometer drilling and on-ground works.
Charles Sturt University	5,000	Provision of Student Intern, Ms Penny Cooper, to assist with Rapid Appraisal of Riparian Condition and field operations.
Western Sydney University	10,000	Master student project, conducting water sampling and analysis of past rapid stream assessment.
TOTAL	556,164	

The accompanying notes form part of these financial statements.

the mulloon institute
for environment, farming and society

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