



Mulloon Institute

For environment, farming and society.



Annual Report

2023

*“Thousands have
lived without
love, not one
without water”,
W.H. Auden*

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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.

Vision

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

Mission

To actively demonstrate, validate and share landscape rehydration, restoration and regenerative practices, in order to meet the challenge of climate change and 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.

Goals



2.5 million hectares of agricultural land rehydrated & rehabilitated



5,000 farming families with improved resilience & productivity



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Front cover – Landscape Planners Erin Healy and Lance Mudgway setting up survey equipment at Glen Helen station, Northern Territory.

Opposite page – Water running over a leaky weir (landscape rehydration infrastructure) at Mulloon Creek Natural Farms.

Printed on paper partly or wholly manufactured from recycled material.

A story of hope



With thanks to our Founders
TONY & TONI COOTE

**THE
COOTE
ESTATE**

Our annual report is an important time for reflecting on how we are delivering on the original direction of our late founders – Tony and Toni Coote.

LEGACY IN ACTION

Tony Coote's concern over food and water security for our country led to him establishing the Mulloon Institute with his wife Toni in 2011.

The Institute's initial goal was to demonstrate and share innovative approaches to regenerative land management with Australian farmers. This continues to this day.

The farms that Tony bequeathed to the Mulloon Institute on his passing in 2018, also continue to help deliver his remarkable legacy – both as a living laboratory showcasing the impact and value of landscape rehydration work, and as a viable agricultural enterprise that helps fund the Institute.

MULLOON REHYDRATION INITIATIVE

As home to a large part of the 23,000ha Mulloon Rehydration Initiative, the farms provide a valuable real-life example of a catchment-scale project that is effectively rehydrating and restoring landscape and ecosystem function.

This allows us to bring visitors to Mulloon to see and experience first-hand the intent and results of this important landscape rehydration work.

Whether we take them to the top of the hill at 'Duralla' for an overview of the project, or out onto the floodplain to see a leaky weir in action – seeing really is believing!

THANKS

It is thanks to the amazing foresight and vision of Tony and Toni Coote and their generous investment of time and money, that Mulloon's story of hope and inspiration of what can be achieved through landscape rehydration – can continue to be shared!



Deputy Chairman's Message



Matt Egerton-Warburton
DEPUTY CHAIR

on behalf of
the Hon Gary Nairn AO
CHAIRMAN

The Mulloon Institute is many things, but at its core it is a family and a community of people working together to rehydrate and repair Australia.

The Hon Gary Nairn AO has asked me to write this report on his behalf.

THE HON GARY NAIRN AO

Gary Nairn has faithfully followed the legacy of Tony Coote AM, and as Chairman, has taken a concept (rehydrating Australia) and an asset (Tony Coote's generous gifts) and developed the Mulloon Institute into one of Australia's leading agricultural and environmental charities. Gary has appointed the right people, made the right calls and successfully guided the organisation through its fair share of minefields. Through his efforts, the Institute is providing effective and ground-breaking leadership and advocacy in Australia.

Gary is currently struggling with kidney and lung cancer and is undergoing intensive treatment for both cancers.

To assist Gary, I have been appointed by the Board as Deputy Chair to undertake Gary's role until his health improves. I accept this position with a heavy heart and I hope to be worthy of the trust and faith placed in me.

We all wish Gary well during this tough battle. Our thoughts are also with Gary's wonderful wife

Rose who continues to be a pillar of strength to her family and to all of us.

The Institute is in good hands. Carolyn Hall continues to lead and inspire the organisation as CEO, Jono Forest is diligently reshaping and growing Mulloon Consulting, Peter Hazell continues to lead key projects and Jim Steele and Matt Narracott are running and transforming farm operations. The remaining directors – Kathy Kelly, Carolyn Hall and I – have inherited an efficient, functioning organisation from Gary and we look forward to his return to the Chairman's role when his health improves.

NEW & RETIRING DIRECTORS

I would like to acknowledge the work and dedication of two directors.

Kathy Kelly accepted the duties and obligations of directorship earlier this year. Kathy has been our Company Secretary and de-facto CFO for the last three years. Kathy has provided sterling and selfless service to our organisation and her skills and diligence has provided the Institute with the financial skills to navigate ongoing complicated issues. Carolyn, Gary and I are huge beneficiaries of her counsel and we are grateful she has joined us on the Board.

Peter Howarth OAM resigned as director at the start of this year. Peter was a director for three years and he and his wife Judy have been generous donors to the Institute for many years. Peter has many skills – a consummate networker,



a diligent director, financial acumen and expertise in farm management. He was one of the vital links that transformed the Institute from a small family-controlled enterprise into a professional, independent organisation. We miss his counsel and we thank him for his years of service.

GOVERNANCE

There are currently four directors on the Board – Gary, Kathy, Carolyn and myself. We operate as a tight unit overseeing the operations of the not-for-profit Mulloon Institute and its wholly owned subsidiaries – Mulloon Consulting (with General Manager Jono Forrest) and Mulloon Creek Natural Farms (led by Jim Steele).

While the Board is currently functional and efficient, we are considering the addition of new members with skills in farm management (to provide both the Board and Jim with counsel) and fundraising (to grow our membership and philanthropic revenue).

The Board meets regularly (every 4-6 weeks) and we regularly review reports from Carolyn, Jono and Jim. Kathy provides the Board with accounting and financial advice.

The Institute has recently accepted debt financing secured by 'Duralla' (which lowered our borrowing costs). This financing has been used by Mulloon Creek Natural Farms to purchase a state-of-the-art egg grader and update its facilities. We believe this financing is a prudent move that will be repaid over the next 5-10 years.

Mulloon Consulting continues to build and now has 14 employees. Mulloon Consulting aims to serve a dual role of providing financing to the Institute and, through its work, fulfilling our mission and goals of rehydrating Australia. We are excited by how it is developing but we still have work to do in developing a steady stream of profitable forward works.

TOP: The Hon Gary Nairn AO, Member for Monaro Nichole Overall and Carolyn Hall at a BBQ for Mulloon Rehydration Initiative landholders.

BOTTOM: Carolyn Hall and Kathy Kelly at the Commonwealth Bank Momentum Gala dinner in Sydney with RCS Australia's Founding Director Dr Terry McCosker OAM.

THE CARBON MARKET

The Board has been actively considering our role in the Carbon Market and how best to fulfil our mission within this space.

When we repair landscapes and catchments we create hydrated, healthy soils. These soils are not only good for biodiversity and agricultural productivity, they are also excellent carbon sinks.

When landholders set up a Carbon Project, the Clean Energy Regulator requires a landholder to do something 'new' to their land to qualify as a Carbon Project. Our landscape rehydration techniques meet this 'newness' requirement and sit within the requirements of the 'soil carbon method' and the 'integrated farm management method'.

Sequestering carbon is not the primary aim of our process and techniques, but since it is a natural by-product of our methods, we understand that landholders can profit from this process by receiving Australian Carbon Credit Units (ACCUs) as credit for carbon sequestered in their soil.

We have always encouraged landholders to not only run regenerative operations but also to run profitable operations as financially secure landholders have resources to manage their land responsibly. If a by-product of positive land stewardship is the ability to earn (and potentially sell) ACCUs, we support this outcome.

HOPE

Hope is an essential emotion. It improves our mental wellbeing, encourages positive action, shows us how to act and helps boost our immune systems (really).

The goal of the Mulloon Institute is to facilitate hope. We bring people together and we heal landscapes.

In a Mulloon catchment, you hear running water, the calls of native birds, the croaking of frogs, the rustling of trees and the bellowing of well-fed cattle. You smell, wet, heathy soils, you feel the moisture in the air and you see native fish and green pastures. You hear the calls of farmers, the barking of cattle dogs and the laughter of children and grandchildren.

Hope is a message that is currently missing in society. We need to turn this around. While we have a series of significant environmental challenges if we work diligently and with good cheer, we can heal our landscapes. The fix is here and it is not hard.

With more resources we can be more effective. We encourage all members and supporters to

seek opportunities to help us fulfil our goals. If you are aware of organisations seeking to support environmental remediation or persons seeking to donate to a worthy cause please keep us in mind.

This year, please help us sow a message of hope!

MAJOR PROJECTS & FOCUS

Our mission is to rehydrate and restore landscapes and to create sustainable, profitable and resilient agricultural and environmental systems.

Our plans for 2023-2024 include:

- Lobbying for environmental reform at federal and state levels: **to substantially lessen the significant regulatory burdens we consistently face when trying to rehydrate and restore landscapes.**
- Continue delivering our education and outreach programs across Australia: **to our landholders, students, regulators and environmental and agricultural professionals.**
- Seeking ongoing funding for our groundbreaking research: **along the Mulloon Creek system (and elsewhere) to scientifically prove the value of our techniques and interventions.**
- Supporting and encouraging our two subsidiaries: **to become healthy, profitable, stand-alone businesses.**
- Growing our philanthropic base and corporate sponsorships.
- Publicising our methods and success: **so more people adopt our sustainable and profitable practices.**

*Part of the Mulloon Institute's 'landscape rehydration toolkit'.
Learn more in the Education report.*



CEO's Report



Carolyn Hall
CHIEF EXECUTIVE OFFICER



Mulloon Institute
For environment, farming and society.

The Mulloon Institute continues to grow with our expansion underpinned by collaboration. Connecting and deepening our ties with partners and the regenerative agriculture community has seen our profile grow. Our work has become hard to ignore.

Returning recently from Central Australia, I observed our work firsthand in the red soils of the central desert. It was amazing seeing landscape rehydration infrastructure holding onto water in one of the harshest environments in the country.

INSPIRING HOPE

Sharing the message of hope that landscape rehydration offers has never been more important, and the opportunity for Australia and our farmers to reap benefits from landscape rehydration has never been greater.

This year we welcomed old friends and new to view the Mulloon Rehydration Initiative, including the National Landcare Network, Australian Conservation Foundation, American Embassy, Productivity Commission, Minister Plibersek's Office (Senior Water Adviser), Kristy McBain (Member for Eden Monaro, Advisers) and the House of Representatives Standing Committee on Agriculture.

MULLOON REHYDRATION INITIATIVE

This year we farewellled Research Manager Luke Peel after over eight years of tirelessly delivering the research and monitoring program for the Mulloon Rehydration Initiative. Luke remains a huge advocate for our work and we wish him well with his new career in consulting. Chris Inskeep (Science Officer/ Spatial & Remote Sensing Specialist) now joins Peter Hazell (Principal Landscape Planner), Tony Bernardi (Hydrologist) and Max Brunswick (On-ground Works Coordinator) in delivering the MRI.

As the National Landcare Program funding for the MRI comes to a close in April 2024, we look forward to finalising construction of the project. This includes delivering a conference in May 2024 showcasing the project's key outcomes and learnings.

DRIVERS FOR CHANGE

The rise of the carbon market and the race to net zero has certainly captured our attention and inspired consideration of how our work connects to this space. While we aren't becoming carbon project developers, we can provide expert technical advice on how restoring and rehydrating landscapes can help sequester carbon (above and below ground), build natural capital and produce high quality, high integrity credits.

We have closely observed the expansion of global financing, reporting and accountability frameworks that will drive investment into landscape repair.



TOP: Filming a video about the CReSt tool, with Chris Inskeep (TMI), Richard Campbell (HydroTerra) and Matt Pierce (NSW DPI).

BOTTOM: Sam Skeat (TMI) during the Hon Penny Wensley's visit to the Burdekin in North Queensland. [Photo: NQ Dry Tropics]



The International Financial Reporting Standards (IFRS) formally brings climate and nature into accounting standards. The taskforces on climate and nature related financial disclosures show how to assess, disclose and manage climate and nature-related risks and impacts. Both taskforces bring an explicit risk and opportunity lens to the climate and nature related impacts of corporations. Reporting along complete supply chains mean that activities of Australian farmers will be recorded.

EDUCATION & CAPACITY BUILDING

These global and national trends have informed our investment in our education and capacity building program. The Australian Government has taken notice with their funding through the Futures Drought Fund (FDF) of our Communities of Practice Project (CoPP). The CoPP project will be covered further in the Education Report but this funding builds on the investment of the Mulloon Institute and the assistance of the NSW Government's Environmental Trust to develop a formal education curriculum. It recognised the key role education has in building community and landscape resilience to climate extremes and reflects the hard work of Tam Connor (Education Manager) and Laura Fisher (Creative Adaptation & Partnerships).

WA COLLABORATIONS

It was a pleasure catching up with Warren and Lori Pensini at their 'Paraway' property in Boyup Brook in south-west Western Australia and meeting Jim Mackintosh from Commonland (co-funders of the original farm plan for 'Paraway'). I also caught up with our friends from Perth NRM (#wemakechange), led by CEO Keith Perkin. We have been collaborating on delivering landscape rehydration resources for Western Australia through Perth NRM's website, a great legacy of the Community Stewardship grant funding. I also had the pleasure of meeting Alan Beattie CEO of the Noongar Land Enterprise Group while in Perth.

The depth of these connections helped us form a consortium to apply for the FDF's Long Term Trials of Drought Resilience Farming Practices Grants Program in WA. We were supported and

encouraged by Barb Howard from the Institute of Regenerative Leadership in this application. While the \$4m grant application was not successful, the deepening of our relationships in the west during the submission's preparation was clear, creating a great opportunity for Jono Forrest to connect with existing and new collaborators in the region.

DEMONSTRATION SITES

Our program of expanded demonstration sites to enable more landholders and managers to witness the success of our approach firsthand has also been taking shape, with collaboration a key plank of our expanded footprint.

We delivered privately funded on-ground works at 'Lorinna' in Braidwood, NSW and at 'Tidbinbilla Station, ACT. We have also delivered a suite of on-ground works for the Centralian project in the Northern Territory, funded by the FDF and underpinned by collaboration with Mike Clark of Top End Conservation Management, the Northern Drought Hub, Charles Darwin University, Hewitt Foods, Ahakeye Aboriginal Land Trust and Aileron Station. On-ground works were also completed for the Lansdown Catchment Rehydration Initiative, QLD which was another FDF funded project aiming to improve landscape function in the catchment for Townsville's water supply.

In north-western NSW, we explored how our work can contribute to building drought resilience on farms through the demonstration of carbon farming and landscape rehydration activities as part of a project jointly funded by the FDF Drought Fund and Climate Friendly. This project aimed to demonstrate resilience by implementing carbon farming and landscape rehydration activities on five properties. In the Murray Darling, we have embarked on the Biolinks Alliance restoration project with the Western Murray Land Improvement Group.

REEF CATCHMENTS IN FOCUS

Our work in Queensland has attracted attention in Canberra earlier this year when the then National Soils Advocate the Hon. Penny Wensley toured our work in the Burdekin in the Great Barrier Reef Catchment in North Queensland, which was delivered in partnership with NQ Dry Tropics.

A renewed team (see Mulloon Consulting report for staff movements) are now running our Queensland office and we are now well placed to collaborate with our partners NQ Dry Tropics, Terrain NRM and Fitzroy Basin NRM in developing and delivering projects to respond to the Minister for the Environment's \$150m funding announcement for the Great Barrier Reef. The projects to be supported include fencing, structural works to improve riverbanks, revegetation and grazing management of cattle to improve water quality in the priority reef catchments.

SCALING LANDSCAPE REHYDRATION

In New South Wales, we have developed the CReST prioritisation tool in partnership with HydroTerra to help prioritise where to start with landscape rehydration work when we have so many kilometres of degraded streams and rivers in Australia.

Funded by the NSW Department of Primary Industries' Climate Smart Pilots Project – Demonstrating Adaptation Program, the tool accesses and assesses a variety of geospatial layers. The criteria for landscape rehydration were identified and prioritised by 50 internal and external experts across the academic and natural resource management sector. JB Pacific (UK) and their software engineers then analysed various data sets and created the data behind the CReST model and online portal, resulting in a roadmap for optimising large-scale adoption of landscape rehydration across NSW.

This first iteration of CReST will need further field validation and refinement and we will seek grant and philanthropic funding to support its testing and expansion into a national tool. This new tool brings technology to the forefront to assist in scaling landscape rehydration!

LAND REHYDRATION AUSTRALIA

The CReST tool will also support our 'Land Rehydration Australia' campaign to catch water and restore land, by identifying where landscape rehydration work is needed the most. Together with our creative partners at Redhanded and

Osmosys, we are crafting a promotional campaign to attract the funding needed for delivering landscape rehydration across the country.

FINAL THANKS

The Mulloon family has grown this year. My heartfelt gratitude to my fellow Board Directors Kathy Kelly and Matt Egerton-Warburton and our Chairman Gary Nairn AO for their ongoing support. Thanks also to Peter Howarth and his wife Judy for their support – we wish Peter well as his energies are redirected. Thanks to the entire Mulloon team – Mulloon Consulting, Mulloon Institute and Mulloon Creek Natural Farms – for all their hard work this year, they have lifted and delivered.

LESSONS

We know how critical restored and rehydrated landscapes are for a climate resilient future. We understand the barriers to this work presented by regulations, but see a way forward via the proposal for a national code. We have demonstrations of successful landscape rehydration and repair across the country, and we can now prioritise where this work should be done across NSW, and ultimately with a little help, across Australia.

The lesson from this year is to keep on collaborating and keep going despite the apparent barriers to our work. As the climate changes, our work and the hope our approach brings is more important than ever.



8
new team
members



4
new landscape
planners

Mulloon Law Committee



Matt Egerton-Warburton
CHAIR

Thanks to the tireless work of the Mulloon Law Committee, the NSW Government has now published a world-first piece of legislation that significantly reduces the consent barriers to undertaking vital landscape rehydration work.

FIRST VICTORY

After three years of hard yards by the Mulloon Law Committee – publishing papers, proposing legislation, talking with politicians and bureaucrats and endless meetings up at Macquarie Street – the State Environmental Planning Policy Amendment (Miscellaneous) (No 2) 2022 was published on 2 December 2022.

This ground-breaking work creates a world-first definition of “landscape rehydration infrastructure works” and means that anyone conducting this work in NSW no longer needs local council approval and consent.

This amendment not only lays the legal and legislative ground work for further pieces of legislation across Australia (and potentially the world), it saves landholders across NSW millions of dollars and assists them to commence their rehydration and regenerative work earlier.

The legislative amendment was an elegant solution to a complex issue – instead of amending council regulations across NSW, “landscape

rehydration infrastructure works” became exempt from consent in these local council areas.

The success has even featured on the ABC TV's Landline program:

- <https://iview.abc.net.au/show/landline/series/2023/video/RF2304Q005S00>

FUTURE CODE

Our success in this space has led to a bold new proposal – a National Code for Landscape Rehydration – which the Mulloon Institute is currently publishing. We propose that works conducted in accordance with the Code will be exempt not only from local councils across Australia, but also from multiple, duplicative and costly consents from separate state government departments.

We hope our Code will “clear the way” and empower landholders and local communities across Australia to quickly and efficiently repair their catchments and rehydrate their land.

Special thanks to Dr Gerry Bates for doing the heavy lifting in drafting the Code. It is a monumental effort and a significant document.

The coming year will be a big one for us as we take it to Minister Plibersek and Canberra!

An outdated approvals process

Currently, for catchment repair the law requires:

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

To receive approvals, landholders are often required by government to submit:

- environmental impact assessments
- development applications
- site descriptions
- engineered designs
- hydraulic modelling reports
- vegetation management plans
- sediment and erosion control plans
- Biodiversity Assessment Reports
- WAL applications, and/or
- cultural heritage assessment reports.

This process takes significant time and money.

As an example, the Mulloon Institute has spent over \$350,000 on planning and approvals alone across five properties and 10km of creek within Mulloon catchment. The red tape can take several years to process before any on-ground work takes place. In the meantime, the system can and often does, become substantially more degraded as a result of extreme weather events.

COMMITTEE ROLE & MEMBERS

The Mulloon Law Committee advises the Mulloon Institute on legal and regulatory issues, with a focus on reducing significant and burdensome government approvals needed for implementing catchment remediation projects.

The committee meets monthly with regular attendees including Matt Egerton-Warburton (Chair), Wilfred Finn, Dr Gerry Bates, Jamie Kerr, Gary Nairn AO, Peter Hazell, Carolyn Hall and Dr Laura Fisher.

FURTHER INFORMATION

- **State Environmental Planning Policy Amendment (Miscellaneous) (No 2) 2022**
<https://legislation.nsw.gov.au/view/pdf/asmade/epi-2022-742>
- **National Code**
<https://themullooninstitute.org/advocacy#MLC-papers>
<https://themullooninstitute.org/mlc-rfp>

L-R: TMI's Gary Nairn AO, Matt Egerton-Warburton, Dr Gerry Bates, Peter Hazell and Carolyn Hall at Mulloon Creek Natural Farms during filming for ABC TV's Landline program.



Science Advisory Council



Emeritus Professor Stephen Dovers
SCIENCE ADVISORY COUNCIL CHAIR

The Mulloon Institute's Science Advisory Council was established a decade ago to provide independent, expert advice on the scientific, research and monitoring aspects of the Institute's projects and programs.

TMI is guided by the best available science and seeks to generate data and knowledge to inform the initiatives of other groups, especially with regards to on-ground projects.

EXPERT GUIDANCE

All SAC members are qualified in a range of relevant disciplines including ecology, hydrology, agriculture, food and nutrition, geology, plant sciences and natural resource management. They offer their service on a voluntary basis, abide by 'conflict of interest' rules, and are affiliated with universities, other research organisations and land management agencies.

Members review monitoring reports, assist with funding applications, offer advice on technical and specialist matters, and have input into extension and partnership programs.

The SAC meets quarterly, and over the last year has particularly focused on stream conditions, biodiversity monitoring and the role of animals in regenerative agricultural systems.

MULLOON REHYDRATION INITIATIVE

The SAC's other major focus over the past five years has been in guiding and reviewing the establishment of a rigorous monitoring and reporting system for the Mulloon Rehydration Initiative. As this system continues to mature on top of the monitoring and sensor infrastructure developed over previous years, the Mulloon catchment is now likely the most comprehensively monitored substantive catchment in Australia!

PUBLICATIONS

SAC committee members are dedicated to driving the publication and dissemination of research findings from the MRI and formally publishing analyses of the hydrological and biological effects of the Initiative and its interventions.

The Science Advisory Committee's 'Monitoring Framework paper' was published in 2022.

- <https://onlinelibrary.wiley.com/doi/epdf/10.1111/emr.12549>



31
soil
moisture
sensors
installed



71
piezometers
installed
across entire
project



6
stream
gauges
measuring
water level
& quality

Mulloon Creek Natural Farms

SOUTHERN TABLELANDS, NSW
Ngunnawal, Ngambri, Yuin, Ngarigo
& Gundungurra Country



Jim Steele
MCNF GENERAL MANAGER



This year has been challenging with variable seasonal conditions and economic factors impacting the farms' operations.

CHALLENGES

The cost of doing business has increased dramatically with inputs all going up – feed, transport, packaging, fuel, gas, electricity and labour. Inflation, commodity prices and a falling Australian dollar have also had a significant impact on the farm's bottom line.

While wet conditions continued throughout winter and spring 2022 and early 2023, the summer remained relatively dry. We had a fantastic autumn break with above average rainfall but it was short lived with early frosts and snow slowing pasture growth.

ECOLOGICAL HEALTH

More positively, MCNF continues to monitor its ecological health through the Australian Holistic Management Co-operative. For our fourth year, the trend shows that the farms' ecological health continues to improve under the 'Ecological Outcome Verification' monitoring protocols.

This very pleasing result was achieved during a range of extreme and variable climatic conditions. It adds substance to our methods and

inspires us to continue pushing the boundaries of the farms' ecological health with more biodiversity and sustainable regenerative practices.

MULLOON CREEK EGGS

Despite drops in production and egg revenue caused by mechanical breakdowns and increased vermin and disease pressures following the big wet, Mulloon Creek Eggs sold similar numbers to the previous year and continue to attract strong demand.

With farm labour shortages in the region for much of the year, installing a new 'state of the art' egg grading machine means that up to 30,000 eggs can now be processed per hour with minimal intervention. Other upgrades to increase efficiency and enable future expansion include: extending and increasing the brood shed's capacity to 10,000 birds (up from 6,000), building a new packing shed and cool room complex, and ongoing fencing for the poultry paddocks to exclude vermin and to contain the guardian dogs. Excitingly, installing a new feed mill will allow for on-farm production of our own more sustainable and regenerative poultry feed.

CATTLE SALES

This year we've consolidated our cattle numbers at 220 breeders, plus replacements. While below our forecast projection, this was necessary to allow

time for initiating the paddock improvements that weren't possible during the wet conditions of the last two years. Cattle prices had a major correction from the highs of 2022, with falls of 30-40% across most classes. Cattle sales dropped 30% with revenue down \$95,000. On the positive side, our MCNF weaners sold to a strong demand and our average price was in the top 10%.

GOING SOLAR

MCNF commissioned Stage 1 of the solar energy project during the year which has seen the egg grading facilities go 100% off-grid. In Stage 2,

both 'Duralla' and the 'Home Farm' will also be connected to solar energy by early 2024.

LOOKING FORWARD

This year's upgrades and efficiency initiatives mean that Mulloon Creek Eggs are well positioned to capitalise on any egg shortages that may occur as supermarkets phase out caged eggs by 2025. MCNF remains optimistic in its short to medium term prospects and will continue to meet the increasing demand for our quality eggs.

Our happy hens forage for bugs, grubs, worms and grasses in the paddock and eat a diet of chemical-free grains, Calci Grit and Black Soldier Fly Larvae.





Mulloon Consulting



Jono Forrest
GENERAL MANAGER



Our team has been busy working around the country this year:

- **Lansdown Catchment Rehydration Initiative**
Landholders received design and construction support for projects in northern Queensland. Funded through the Australian Government's Future Drought Fund and delivered in partnership with NQ Dry Tropics.
- **Community Stewardship Grant**
Work has continued on establishing landscape rehydration demonstration sites in the Western Australian Wheatbelt. Funded by the WA Government's State Natural Resource Management Program.
- **Centralian Project**
Near Alice Springs, NT. Staff worked on four cattle stations with Charles Darwin University. Funded by the Australian Government's Future Drought Fund.
- **Climate Friendly**
Near Burren Junction, NSW. Project carried out with several landholders. Jointly funded by Australian Government's Future Drought Fund and Climate Friendly.

Preliminary work has been undertaken in the Hunter Valley, NSW for a significant client project expected to continue over the next 3–4 years. Site inspections, design reports and construction implementation projects have also been completed for other locations in NSW.

Our collaborations with Landcare groups around Australia continue, including the Bass Coast and Maffra regions of Victoria. Projects are underway on the Molonglo River through on-going support from the NSW Environmental Trust and other project works are in development in Western Australia.

SYSTEMS & TRAINING

We have implemented a new project management system that is helping manage projects and track time more effectively.

Our entire team has also recently completed Clifton Strengths training with the guidance of Will and Helen Martin from Waterline Leadership.

STAFF MOVEMENTS

Sam Skeat has left Mulloon to follow his passion for regenerative farm management and is now working in the NSW Southern Highlands. Bill McAlister has also left to take up a research role and further study through a Masters at ANU.

Neil Cupples (Senior Landscape Planner) and Leon Van Wyk (Landscape Planner) now make up the Queensland team, while Landscape Planners Shane Hunter and Annabel Manning join us in Western Australia and New South Wales respectively.

'Paraway' owned by the Warren and Lori Pensini, is one of seven properties taking part in the Landscape Rehydration Trial and Demonstration in the Wheatbelt of WA.

Education



Tam Connor
LEARNING & DEVELOPMENT MANAGER

Dr Laura Fisher
CREATIVE ADAPTION & PARTNERSHIPS

Mulloon's 'Learning Programs' continue to grow and adapt to communities and landscapes across the country, with peer learning and confidence in adopting practices very high.

TRAINING CURRICULUM

Our newly developed advanced curriculum for natural resource management professionals and community leaders covers advanced technical skills to build capacity in implementing sub/catchment scale projects using scientific and engineering principles. A pilot course for this curriculum will run in November 2023 thanks to funding from the NSW Government's Environmental Trust.

The team has also been flat out delivering our formal curriculum to nearly 400 people across Australia, with 13 introductory workshops (NSW, WA, VIC, QLD), five bootcamps (NSW, WA, QLD) and three properties progressing to the Mentoring Program.

COMMUNITIES OF PRACTICE PROJECT

Our 'Communities of Practice Project' (COPP) is partnering with five farming communities in NSW, QLD, VIC, NT and WA to upskill them in planning, designing and undertaking landscape rehydration projects using low-risk, nature-based solutions for greater drought resilience.

From 2023 to 2025, land managers and professionals will benefit from field days, bootcamps, mentoring programs and on-ground community events, thanks to the funding from the Australian Government's Future Drought Fund. The collaborative project aims to foster the growth of local communities of practice that continue beyond the project tenure.

- <https://themullooninstitute.org/copp>

TOURS & SITE VISITS

Mulloon's Farm opened the gates for nearly 400 secondary, tertiary and vocational students for tours focusing on environmental science and over 100 people from five community groups visited to learn how landscape rehydration can complement farm enterprises. We also hosted more than ten visits with 100 people learning about our vital advocacy work.

As part of our education program for the next generation of land managers, we were also privileged to spend a day with 25 bright First Nations youth at the Birrigai Outdoor School. This included a creek walk, brushpack workshop and simulated erosion using an interactive stream table model. This program was part of a broader ACT NRM program connecting youth to culture and environment.

CITIZEN SCIENCE

Our citizen science program continues under the expert guidance of Dr Laura Fisher, and includes:

- **Waterland art exhibition** and related workshops in the Capertee Valley, NSW looking at 'the art, science and magic of water in our landscapes'.
- **Learning kit for primary school students** being developed with students from the Australian National University's Institute for Water Futures and from the School of Art and Design, inspired by the Year 2 curriculum we've developed with The Scots College.
- **Landscape rehydration toolkit** containing an interactive stream table, landscape mosaic tile puzzles, and fabric models for exploring landscape transformation.

WATER RESILIENT FARMING

Louise Duff (TMI's Extension and Outreach Coordinator) has achieved a High Distinction with her Master's Thesis 'From Landscape Rehydration

to Water Resilient Farming' with Griffith University. Dr Laura Fisher co-supervised Louise's thesis as part of the Mulloon Institute's Landscape Rehydration Education Project, which is supported by the NSW Government's Environmental Trust.

- <https://themullooninstitute.org/blog/2022/11/22/new-research-on-landscape-rehydration-published>

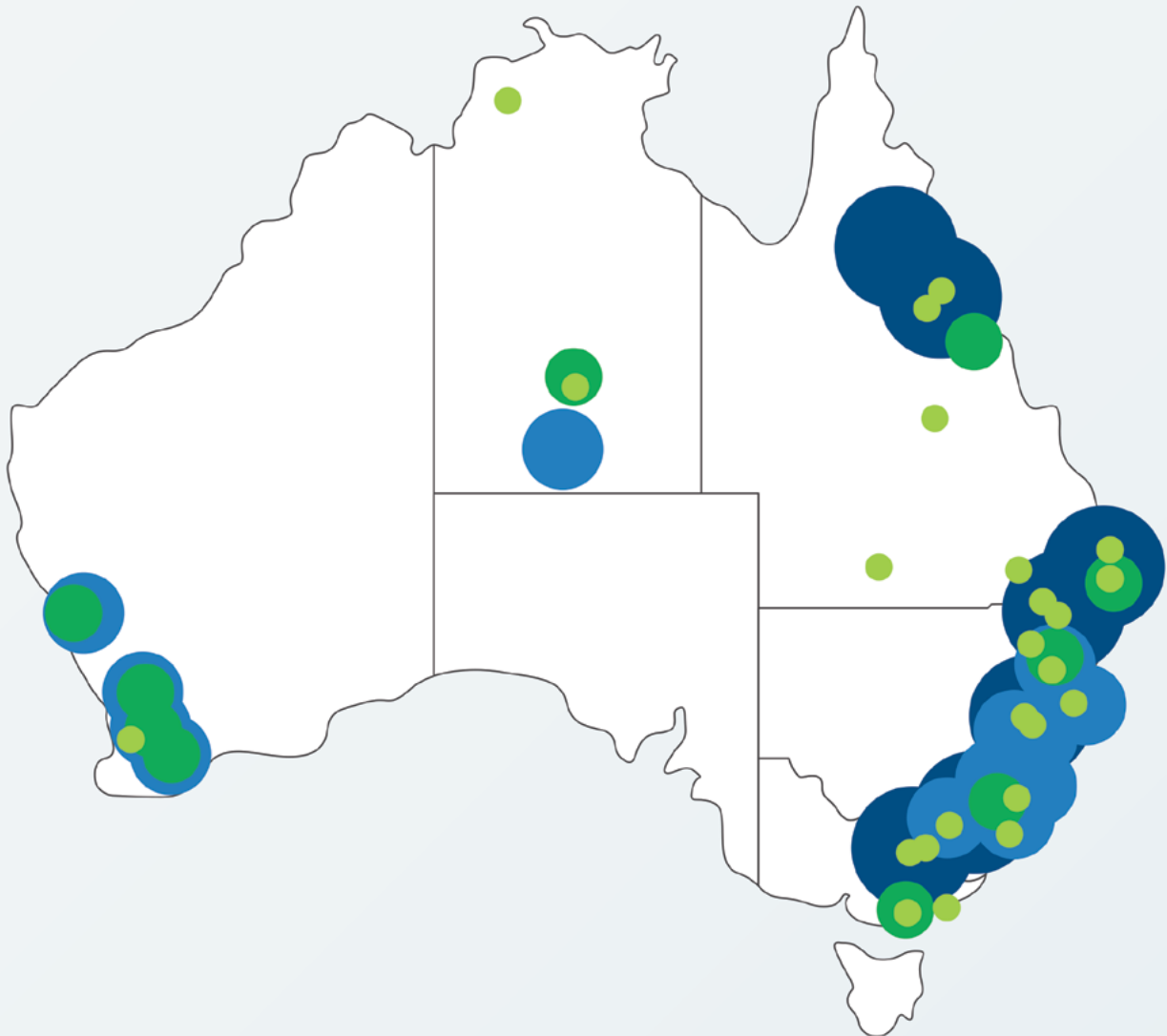
THANKS

To our wonderful partners: Capertee Valley and Watershed Landcare, Soil Land Food, Kandos School of Cultural Adaptation, Maldhan Ngurr Ngurra Lithgow Transformation Hub, Northeast Wiradjuri Co and From the Paddock along with those mentioned above!

TMI's Sam Skeat and Erin Healy discussing how to prioritise which landscape rehydration works are the right fit for your property. [Photo: Tourism Media]



Where we work



LEGEND



CATCHMENT SCALE
PROJECTS



PROJECTS



ON-GROUND
WORKS



WORKSHOPS

NOTE - icons representative only
and NOT drawn to scale.

Map updated June 2023.

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 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 and 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, state based NRM, the National Landcare Network, federal, state and local government agencies, NGOs, community groups, industry bodies and landholders.

Growing a better world

One of our key collaborators in communicating messages of hope and inspiration to a broader audience is Vitasoy Australia – our first-ever corporate sponsor.

While Vitasoy is a household name, not many people know about their commitment to sustainability, which forms the bedrock of their work.

As part of their 'Grow a Better World' campaign, Vitasoy have pledged \$1.25m over five years to help us rehydrate catchments around Australia.

"The Mulloon Institute's work resonates with our values and gives us an opportunity to actively contribute to landscape restoration and environmental conservation," says David Tyack, Vitasoy CEO.

With over half of Australian land under agriculture, partnerships like this can help us put farmers at the centre of the response to climate change.

By working with farmers and First Nations people to catch water and restore land, we can help heal Country and make Australia more resilient to bushfire, drought and flood. It's all about hope and taking action!



Communications



38,000
visits to
TMI
website



17,891
views of
YouTube
videos



16,500
followers
on social
media



6,000
'Resilience'
eNewsletter
subscribers



37%
increase in
YouTube
followers



36%
increase in
Linked In
followers

Mulloon Rehydration Initiative

SOUTHERN TABLELANDS, NSW
Ngunnawal, Ngambri, Yuin, Ngarigo
& Gundungurra Country



Peter Hazell
PRINCIPAL LANDSCAPE PLANNER

The Mulloon Rehydration Initiative is the Mulloon Institute's centrepiece project. Involving over 20 landholders, it extends the length and breadth of the Mulloon catchment.

Started in 2014, the initiative represents a major expansion of the original Mulloon Creek Natural Farm's pilot project. It aims to establish a fully benchmarked, long-term, community driven, catchment-scale demonstration site of landscape rehydration.

A comprehensive monitoring array has been established to measure the outcomes of the many interventions and management changes that have been implemented across the catchment since the project's inception.

Learn more about the Mulloon Rehydration Initiative here:

- <https://themullooninstitute.org/projects#mri-section>

PLANNING & APPROVALS

- **Stages 1 & 2**
Lower Mulloon is mostly complete.
- **Stage 3**
Landtasia is currently going through the approvals process.
- **Stage 4**
Sandhills Creek has just commenced the planning stage.

From a planning and approvals perspective, Stages 1 and 2 were very straight forward. Approval was provided by NSW Government's Water Department, with concurrence from Department of Fisheries. However, all current and future approval processes will require a full review of environmental factors and will require permission or concurrence from Crown Lands, as well as the Departments of Water, Fisheries, and Environment. This is a time consuming and expensive process.

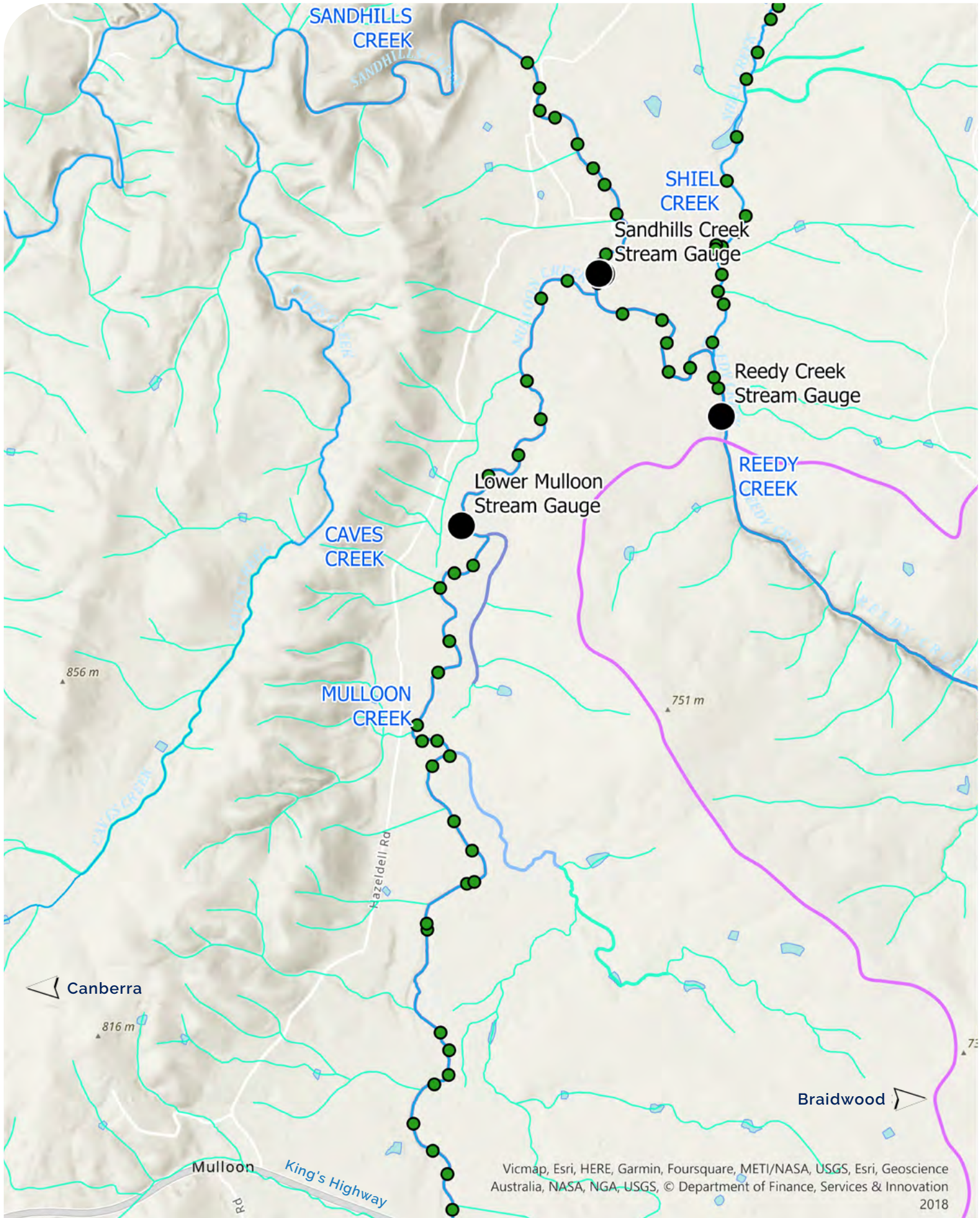
SCIENTIFIC MONITORING

The positive news is that the monitoring array is well and truly set up and the works undertaken to date, along nearly 20km of Mulloon Creek, are yielding exceptional results as climatic conditions lurch from drought to flood, and (potentially) back into drought again.

Biodiversity monitoring is demonstrating positive trends across all the measures. Coupled with hydrology monitoring, where the works have taken place, the system appears to be buffering itself against the climatic extremes of the past five years.

Figure 1 (page 24) shows the location of structures that have been built and that are planned to be built in Stage 2 of the MRI (small dots). It also shows the locations of three automatic stream gauges (large dots) – Lower Mulloon, Sandhills Creek and Reedy Creek. Mulloon Creek flows from south to north and leaky weirs have been installed to the junction with Sandhills Creek.

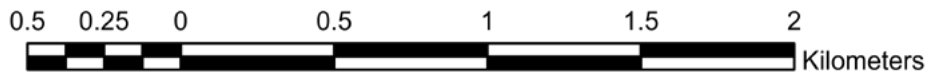
Figure 2 (page 25) presents the hydrographic (depth) data for the Lower Mulloon stream gauge, from the beginning of 2016 to August 2023.

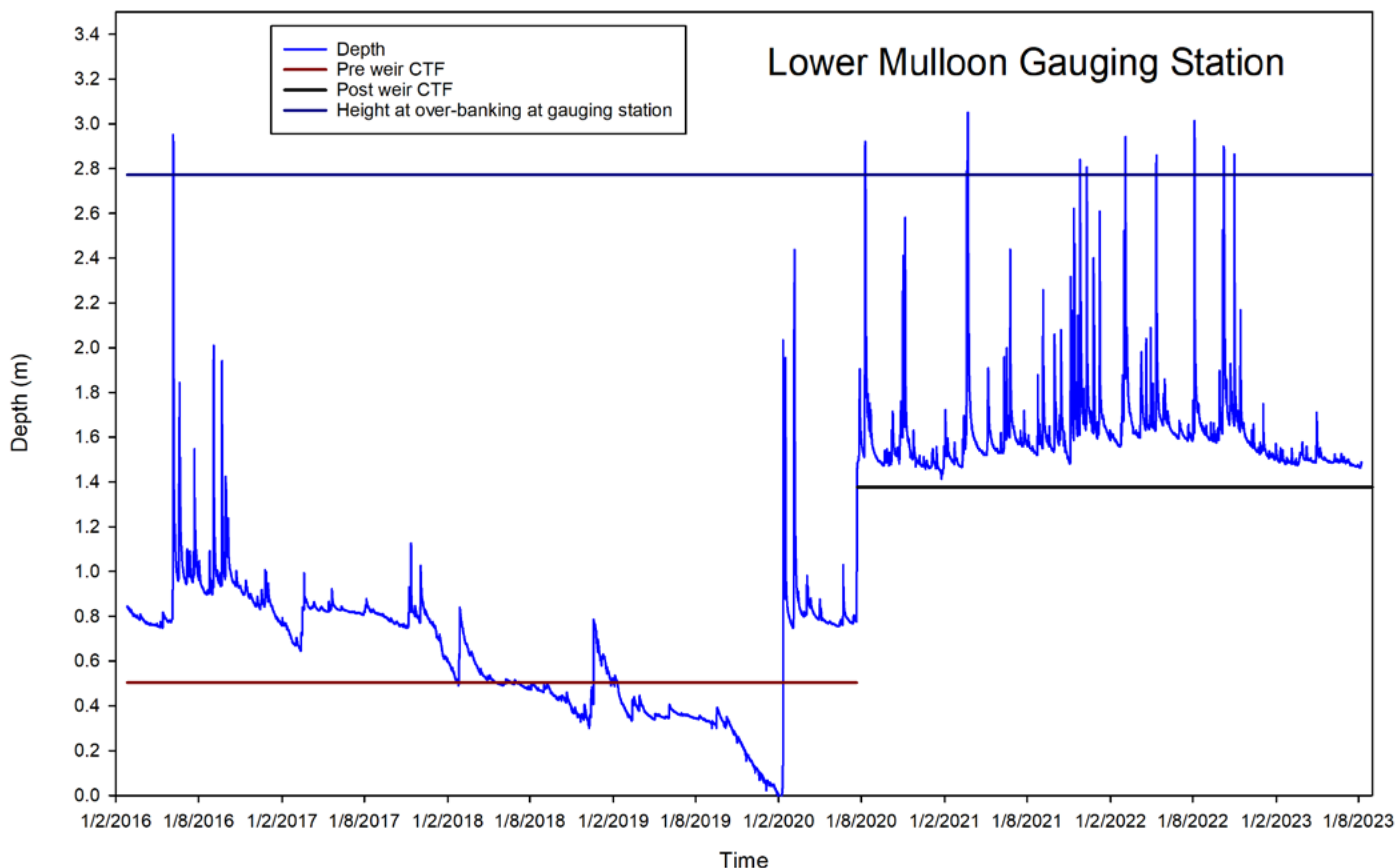


Vicmap, Esri, HERE, Garmin, Foursquare, METI/NASA, USGS, Esri, Geoscience Australia, NASA, NGA, USGS, © Department of Finance, Services & Innovation 2018



- MRI Stream Gauges
- MRI In-stream Structures
- Mulloon Creek Catchment





There are several significant features in this graph.

- Extreme variability**
 During the 2018 – 2020 drought, the pond where the gauge sits effectively dried out and the creek hardly flowed. The rains returned in February 2020 and recharged the creek with large flows.
- Raised creek levels & floods**
 In August 2020, installing a leaky weir immediately raised the creek’s level by about 800mm. Right after, Mulloon Creek and much of eastern Australia experienced nearly two and a half years of extremely high flows. You can see where 13 of these broke the creek banks, spilling water and nutrients onto the floodplain.

Before leaky weirs and riparian fencing were installed throughout Lower Mulloon, high flows would damage and alter the creek’s course. The series of leaky weirs and regenerating vegetation are now armouring the system against

the onslaught of multiple large floods. The creek and floodplain system is transforming back into one that buffers and benefits from these high energy events.

As we move back into a drying period, it remains to be seen how well the system can buffer itself against the other extreme of drought. So far, the creek continues to flow at a steady rate.

MULLOON INTERACTIVE MAP

To see exactly what is being monitored and where, check out our new interactive map!

- <https://mulloon.maps.arcgis.com/apps/instant/interactivelegend/index.html?appid=a062a9a0c9da435aad18293694a4c03>

LEFT: Figure 1. Locations of Lower Mulloon stream gauges.

ABOVE: Figure 2. Hydrographic (depth) data for the Lower Mulloon stream gauge, from February 2016 to August 2023.



The Mulloon Rehydration Initiative is jointly funded through the Mulloon Institute and the Australian Government’s National Landcare Program and is supported by the NSW Government’s Environmental Trust.

VIEW the full case study here:

<https://themullooninstitute.org/s/2023-Case-study-Centralian-FINAL.pdf>



TOP: Ben Neuendorf (Glen Helen Station), Lance Mudgway (TMI) and Shane Hunter (TMI) inspect at a contour bank at Narwietooma Station.

BOTTOM: Grade and flow control structures south of Bore Crossing at Glen Helen Station. (PHOTO: Ben Neuendorf, Hewitt Cattle Co.)



Beyond the Back Fence

CENTRALIAN PROJECT, CENTRAL RANGELANDS, NT
Anmatyerre & Arrente Country

The Centralian Project demonstrates drought resilience at scale and assesses the environmental and economic outcomes of landscape rehydration in an arid, pastoral landscape.

Working landscape rehydration demonstration sites were designed and constructed within creek catchments on the four participating stations:

- **Aileron Station**
(Aileron Pastoral Holdings)
- **Ahakeye Aboriginal Land Trust**
(old Ti Tree Station)
- **Glen Helen Station**
(Hewitt Cattle Co)
- **Narwietooma Station**
(Hewitt Cattle Co)

All properties had various degrees of historical heavy grazing pressure degrading the topsoil, with the subsequent reduction in ground cover resulting in overland flows that concentrated into incised and actively eroding channels that dehydrated the floodplains.

Set stocking and overgrazing in this region has reduced vegetation cover resulting in bare soils that are washed away and incised by heavy rainfall. Without adequate soil moisture, vegetation cover further declines, leading to hotter, drier and less biodiverse landscapes. The cycle of degradation continues and eventually the landscape becomes dysfunctional and far less productive.

Brush weirs were installed to regenerate and repair eroded channels and gullies, restoring ecological function.

Shallow riplines were installed across scalded floodplains to slow water flow across previously compacted and bare soil surfaces, increasing infiltration and deposition of seeds and organic material.

Contour banks were installed at key locations to capture and slow water flow and redirect water away from lower-lying areas towards scalded floodplains and drier ridges.

Earth banks were constructed in highly eroded channels to absorb water energy and force water to pool upstream of the bank, re-establishing a chain-of-ponds. With increased soil moisture, vegetation soon regenerates, increasing productivity and the ecosystem resilience.

A field day and on-ground training in landscape rehydration were held to increase the capacity of station workers and Aboriginal Rangers to plan, survey and construct structures.

Results of this project will be widely communicated to encourage adoption of the proven drought resilience methods throughout arid rangeland regions of Australia.

This project is a collaboration between the Mulloon Institute, the Northern Western Australia and Northern Territory (NWANT) Innovation Hub, Tierra Australia and station managers and owners from the Central Australian rangelands.



The Centralian Project is jointly funded by the Australian Government's Future Drought Fund and the Northern WA and Northern Territory Drought Hub.

Beyond the Back Fence

LANSDOWN CATCHMENT REHYDRATION INITIATIVE, WOODSTOCK, QLD
Bindal Country

The Lansdown Catchment Rehydration Initiative is a landscape rehydration demonstration site near Townsville that supports six local landholders in developing a catchment-scale rehydration initiative.

Since European settlement, the Lansdown catchment has lost its ability to manage, capture and store water in the landscape. The loss of landscape function is most visibly expressed in the deepening and widening of Lansdown Creek, which flows into the Ross River Dam. Loss of function in Lansdown Creek and in the broader catchment is leading to losses in ecological value, agricultural productivity and poorer drinking water quality for Townsville.

With the majority of the catchment grazed by cattle, the Institute has been working with graziers to integrate landscape rehydration into the management and development of local properties.

The project includes implementing landscape rehydration measures such as leaky weirs, dams, fencing, grazing infrastructure and regenerative landscape management. This will create a more drought resilient landscape that better manages, captures and stores water, and results in increased soil carbon and biodiversity, and reduced in-stream erosion. By working closely with landholders, landscape rehydration designs have been developed that are tailored to their goals, enterprise and landscape.

Workshops have been held in the Lansdown community on identifying, designing and

implementing landscape rehydration measures across the catchment.

Community engagement in the catchment is vital for fostering grass roots enthusiasm for landscape rehydration and the opportunities that come with it. It is hoped that future development of the project will be defined by an enthusiastic and engaged community base that is working to a common goal of landscape repair.

In a changing climate where rain-events are shorter, more intense and more sporadic, it is important to capture and store as much of that water as possible in the landscape to ease the pressure of more intense droughts and dry seasons. It is hoped that this project will be a demonstration of how graziers can run more stock, more sustainably, even in a drying climate.

TOP: Modified dam wall at 'Stone Creek'.

BOTTOM: Leaky weir return structure installed at 'Stone Creek'.



The Lansdown Catchment Rehydration Initiative is delivered in partnership with NQ Dry Tropics through funding from the Australian Government's Future Drought Fund.





Beyond the Back Fence

WORKSHOP & BOOTCAMP, BOYUP BROOK, WA
Kaniyang Country

It was fantastic to return to Paraway Farm, WA in early 2023 to deliver a workshop and bootcamp to an eager audience.

This followed on from the successful implementation of on-ground landscape rehydration works and the planting 25,000 seedlings in 2022.

Warren and Lori Pensini's Paraway Farm in Boyup Brook is a valuable demonstration site for a range of Mulloon's techniques and tools such as contour banks, leaky weirs, mulching and establishment of perennial pastures, as well as problematic areas such as eroded gullies and salt scalds still requiring restoration work. They are marvellous hosts, sharing their passion for sustainable farming practices and their deep connection to the landscape and its ecosystems.

Mulloon bootcamps form part of our Learnings Program and are aimed at giving land managers the confidence and skills to plan and implement their own low-risk landscape rehydration interventions. With a focus on practical learning opportunities, we took participants back to their school days as they designed landscape models using a variety of materials and a lot of creativity.

Participants also got their hands dirty constructing small-scale intervention techniques in the field and then watched as water was released to observe how these methods work. The many lightbulb moments were wonderful to witness, as participants grasped the complex processes and proudly shared their newfound insights and enthusiasm to implement what they had learned on their own land.

Salinity is a major issue for many agricultural producers and land managers in Western Australia, and it is often closely related to waterlogging in low-lying areas. This adds an extra layer of complexity to planning rehydration works as spreading saline water across the floodplain is not a desirable outcome. The bootcamp gave us the opportunity to identify the early stages of salinity-affected landscapes and explain how effective early intervention is in helping mitigate its impacts.

We were also able to emphasise the importance of holding water higher up in the landscape and re-establishing deep-rooted native species and perennial pastures to restore the water cycle and reduce waterlogging.

TOP: The Mulloon Institute's Lance Mudgway, Erin Healy, CEO Carolyn Hall and Shane Hunter.

BOTTOM: Participants designed landscape models using a variety of materials and a lot of creativity.



natural resource
management program



This project is funded by the Western Australian Government's State Natural Resource Management Program.

Beyond the Back Fence

TIDBINBILLA STATION, PADDYS RIVER, ACT
Ngunnawal Country

The Tidbinbilla Station project involves the construction of log-sill bed control structures and smaller rock weirs to elevate the channel's bed level by around 1 metre in the treated section.

A significant flood in 2011 resulted in major erosion of the floodplain and the loss of over 50 mature native trees adjacent to the Tidbinbilla Station farmstead. This event resulted in the deep incision and widening of the Tidbinbilla River along a 1,500m stretch, disconnecting the channel from the adjacent floodplain and dehydration of the surrounding landscape. Without intervention, the river remains exposed to ongoing erosion and degradation.

Construction at Tidbinbilla Station has been divided into two stages, with Stage 1 completed in June 2023, comprising the installation of four log-sill bed control structures. Planning is currently in progress for Stage 2, which will encompass the construction of an additional seven bed-control structures to further enhance the channel's stability.

Mulloon Consulting collaborated with the landholder and the ACT Government to develop designs and secure approvals. Although the initial design and regulatory approvals were completed in 2018-19, on-site implementation faced delays due to the COVID-19 pandemic, further flood events, and persistently wet site conditions.

Finally, in June 2023, the on-ground efforts were successfully executed. This encompassed tasks such as procuring and transporting materials to the site, supervising earthworks contractors, ensuring

construction oversight, and engaging in ongoing consultations with various stakeholders, including government agencies, funding partners, and the landholder.

The works serve to slow the flow of water and encourage the spreading of flows across the landscape with the following related benefits:

- decreased risk of large downstream sediment loads
- establishment of diverse native vegetation along the channel
- extended baseflow duration
- buffering of flood peaks
- capture and storage of fine sediment
- increased carbon capture and storage
- enhanced aquatic and terrestrial habitat and connectivity.

It is hoped that the restoration of this degraded section of the Tidbinbilla River will serve as a successful demonstration of landscape rehydration and floodplain restoration within the Paddys River catchment and the ACT more broadly.

TOP: Hardwood logs securely fixed in leaky weir at 'Tidbinbilla Station'.

BOTTOM: Geofabric and rock in place on leaky weir.



Funding for this project was provided through a combination of ACT Environmental Grant funds through the Southern ACT Catchment Group and landholder contributions.





Beyond the Back Fence

CLIMATE FRIENDLY, NORTHERN NSW
Gamilaroi Country

The Mulloon Institute has been working closely with Climate Friendly on a project to increase understanding of how carbon farming activities can affect drought resilience.

The project's aim is to test how carbon farming activities impact drought resilience and if carbon farmers can receive an Australian Carbon Credit Unit premium recognising the enhanced drought resilience of their farm business.

Based in the North-West Local Land Services region of New South Wales, landholders were chosen from a variety of locations and across a mix of farming enterprises.

With landscape rehydration fundamental to drought resilience, the Mulloon Institute partnered with Climate Friendly to assist landholders with on-ground activities, to undertake farm assessments and to develop a 'whole-of-farm' landscape rehydration design for implementation.

Croppers and graziers took part in a two-day bootcamp at Burren Junction, run by the Mulloon Institute and funded by the Future Drought Fund and Climate Friendly. The hands-on bootcamp introduced landscape rehydration concepts to participants and improved their skills in observing the landscape patterns and processes which influence water movement on their properties. Activities also included a site health assessment and exploring a range of strategies and tactics which could be applied to restore function.

By understanding how to collect and retain water in their landscape, participants learned how to build greater drought resilience into their

management practices and business operations, while implementing a carbon farming activity.

Despite all properties showing historic evidence of drought, bare soils and previous management practices, there still remain a variety of landscape rehabilitation interventions that landholders could cost-effectively implement on their properties, including adaptive livestock management to improve plant cover.

Landholders are now working on demonstrating different types of carbon farming activities which can help enhance future drought resilience, including: repairing erosion, adaptive livestock grazing management, renovating pastures, water budgets, establishing cover crops, improved use of technology and using it to plan for feed gaps and future droughts.

Case studies are also being developed to showcase the diversity of approaches, as well as the similarities in all farming operations.

By increasing the knowledge, skills and confidence of these landholders, simple changes that drive water infiltration and carbon cycling can make a substantial difference in building drought resilience for the future.

TOP: Burren Junction is in north-west New South Wales.

BOTTOM: Landholders were chosen from a variety of locations and across a mix of farming enterprises.



This project is funded through the Australian Government's Future Drought Fund – Natural Resource Management Drought Resilience Program and Climate Friendly.

Beyond the Back Fence

TURNIP CREEK CATCHMENT REHYDRATION PILOT PROJECT, VIC Yorta Yorta Country

The Turnip Creek Catchment Rehydration Pilot Project aims to provide landholders with the knowledge and tools to implement landscape rehydrating practice changes to increase their agricultural production sustainability.

The Turnip Creek catchment is located between Euroa and Benalla in Victoria, east of the Hume Highway in the foothills of the Great Dividing Range.

The focus of this collaboration is a large-scale research project, trialling the impact of land management practices on landscape hydration. Twelve different locations will trial one of several land management techniques, including contour ripping, managed grazing, improved pasture and canopy cover.

Over time, practices such as land clearing, drain construction and compaction have resulted in dehydrated landscapes, reducing the landscape's ability to retain moisture. This has a direct and diminishing impact on farm biodiversity and productivity, especially in drought periods.

There are a number of management actions available to halt and reverse dehydrated landscapes, but there is a lack of science-based literature and demonstration sites. This significantly limits farmer understanding, support and adoption of hydrating practices, ultimately impacting on-farm natural and productive capital.

Over the next four years, this project will bring together farmers and key experts to develop and interrogate innovative hydrological pilots which measure and quantify changes in landscape hydration relative to changes in targeted land management practices. The findings from these pilots will provide the basis for the development of a commercial model, enabling pilot insights to be rolled out on a broad scale. This will increase landholder knowledge and capacity and lead to

improved sustainability of agricultural production.

Findings from these pilots will provide the basis for the development of a commercial model, enabling pilot insights to be rolled out on a larger scale, providing broad application for the research findings. This will increase landholder knowledge and capability and lead to improved sustainability of agricultural production.

The Mulloon Institute's role in the project is examining and quantifying smaller land-based rehydration works and delivering a capacity building program for landholders.

Key partners:

- **Bush Heritage Australia** brings over 30 years' experience in best-practice land management and directly manages 1.2m hectares.
- **Victoria Drought Resilience Adoption and Innovation Hub and Deakin University** (through Dr Rebecca Lester), brings and mentors a PhD student to orchestrate the pilot scale studies and data interrogation.
- **Alluvium Consulting** leads the hydrological mapping, monitoring and evaluation.
- **Goulburn Broken Catchment Management Authority** is a supporting partner who offers insights into waterway and catchment health.

Staff from Bush Heritage Australia, Deakin University and Mulloon Consulting determining research plot locations.



THE
WILLIAM BUCKLAND
FOUNDATION
— WBF —



**Bush Heritage
Australia**

The project is sponsored by the William Buckland Foundation, with key support from the Victoria Drought Resilience Adoption and Innovation Hub.

Mulloon Finance Report



Kathy Kelly
EXECUTIVE DIRECTOR / COMPANY SECRETARY

The 2023 financial year has been financially challenging for the Mulloon Institute, with a significant decline in donations and philanthropic contributions.

STRATEGIC PLAN

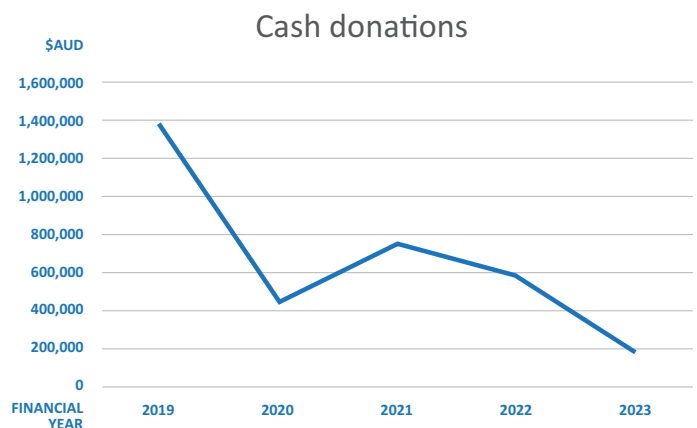
Despite this shortfall, our works are continuing to expand dramatically across Australia. We are currently preparing a new strategic plan which will focus on building a sustainable financial model. Our net assets remain strong thanks to the philanthropic support of our founder, the late Tony Coote AM, however we currently feel like many farmers – asset rich and cash flow poor!

FINANCIAL MANAGEMENT

In my third year with the Mulloon Group, I have now moved into a strategic role and was appointed to the Board of Directors in April 2023.

We have engaged an internal accountant, Trish Brunton, who is providing fantastic support to our day-to-day operations as they grow and expand. I continue to oversee finance in my role.

In October 2023, we introduced a project management system to better aid our team in managing workflows, grants and projects. A big thanks to Jono Forrest our Mulloon Consulting General Manager for his work in implementing this important tool.



MULLOON CREEK NATURAL FARMS

Mulloon Creek Natural Farms continues to carry out major capital upgrades that are expected to result in increases in profitability in the short-term. We have continued to fund farm upgrades from internal resources, however, significant plant requirements for the farm have been funded from bank loans.

In the 2023 year, Mulloon Creek Natural Farms took out finance with the Commonwealth Bank to replace livestock funding and to fund the new egg grading machine and other equipment. The Board chose to use the 'Duralla' property as security in order to ensure the best interest rates for this finance could be obtained.

Additionally, cash funds not set aside for unexpended grants were advanced to the farm for capital improvements. The farm is paying the Institute at a rate half way between the rate it

could borrow at versus what the Mulloon Institute could obtain as interest income.

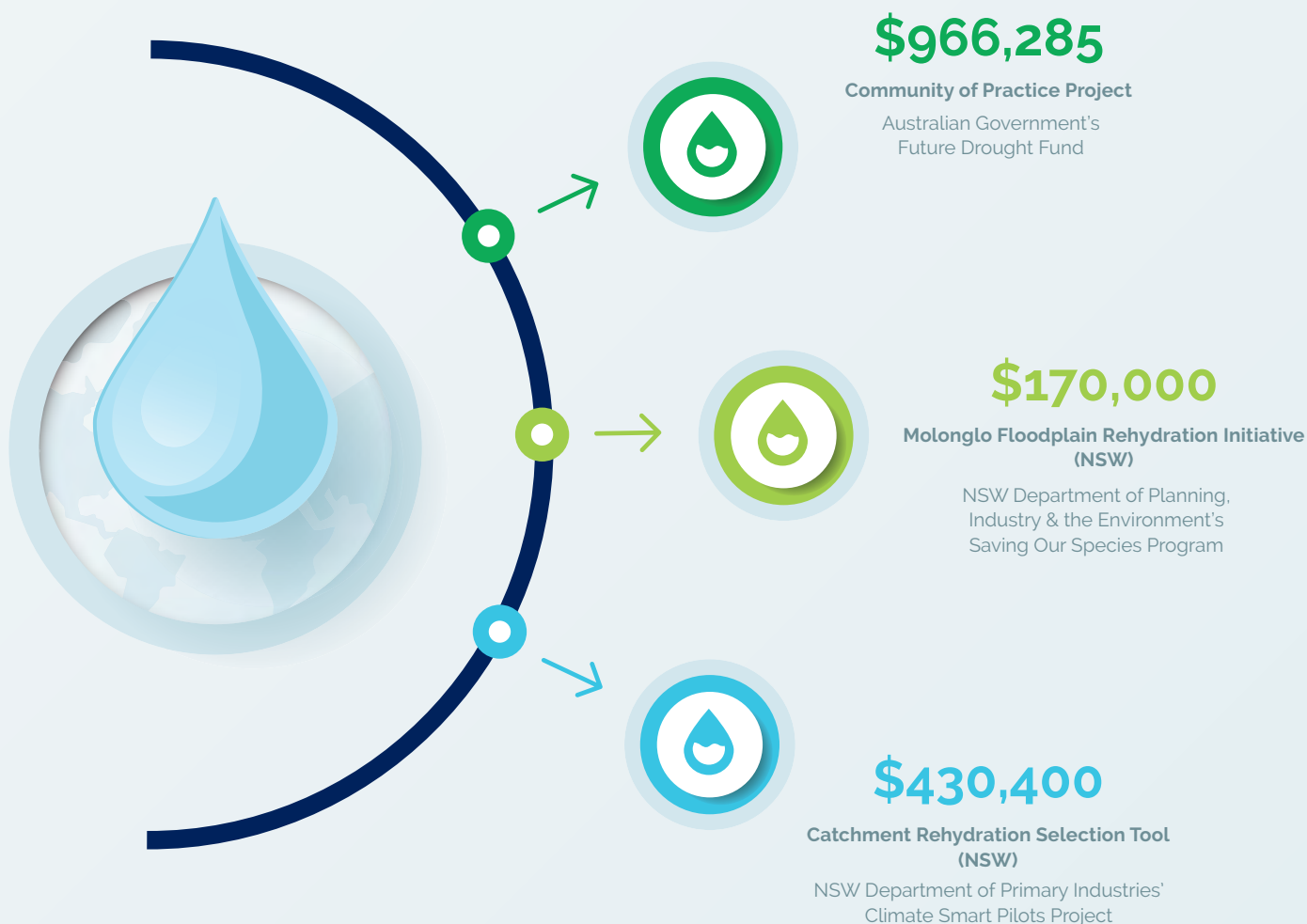
The Board believe the approach to financing is conservative and responsible. Having an efficient and profitable farm is core to our financial model of funding the Institute's activities.

LOOKING FORWARD

Our investment portfolio has been subject to the market volatility witnessed across the markets this year. We are taking advice and are continuing to consider how we transition to a portfolio that more closely matches our risk profile.

In a period where there is a growing realisation of the impacts of climate change and the need to mitigate its consequences, we will continue to strive to spread our science based knowledge. With the help of current and future corporate partners and donors alike, our plan is to expand our footprint and our works throughout Australia.

GRANT FUNDING FOR 2023



2023 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 2023.

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	
Matt Egerton-Warburton	(appointed 19-08-2022)
Carolyn Hall	
Kathy Kelly	(appointed 03-04-2023)
Peter Howarth OAM	(resigned 20-02-2023)

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 and their function;
- provide education, capacity building and demonstration services;
- advocate for policy and regulatory reform to facilitate landscape rehydration and restoration; and
- operate our farms in order to both demonstrate our practices and provide funding for our charitable goals.

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, measurement and communication of the impacts of the works;
- build a team of landscape rehydration consultants who are able to support the education and capacity building of landholders;
- be a recognised leader in the provision of landscape rehydration and restoration and environmental regeneration;

- achieve demonstration sites across Australia that promote uptake and build understanding of the benefits of landscape rehydration and restoration in building natural capital, mitigating the impacts of bushfire, flood and drought and equipping rural communities to adapt to climate change; and
- invest in the capital infrastructure of our farms to ensure the continued profitability of our farms.

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;
- deliver the 'Land Rehydration Australia: Catch water, Restore land' campaign, to enable landscape rehydration and restoration at the catchment-scale across Australia; 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.

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

ABN 53 153 605 531

DIRECTORS' REPORT

Key Performance Measures

The Company measures its own performance through the use of both quantitative and qualitative benchmarks. KPIs being measured include:

- Budgets and reforecasting tools are used for the Group and monthly reporting is in place to measure actual against budget results;
- Achieving regulatory reform at the state and national level; and
- Delivering on-ground demonstrations in every state and territory in Australia.

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 eight years and Chairman for the last seven years.

Special Responsibilities: Committee Member of Mulloon Institute Public Fund.



Matt Egerton-Warburton, Deputy Chairman

Qualifications: Bachelor of Arts/ Bachelor of Laws (USyd), Graduate of the Australian Institute of Company Directors, Member of the NSW Law Society.

Experience: Matt is an experienced corporate law partner with Mills Oakley who has worked in, and is licenced to practice law in, Australia, Hong Kong and New York. He advises a broad range of public and private companies, funds, charities and government bodies on mergers and acquisitions, equity capital markets and governance and compliance issues. Recently he has been acting for landholders and carbon service providers to establish Carbon Projects that generate Australian Carbon Credit Units (ACCUs). He guest lectures at the University of Sydney on corporate law issues. Matt's family has been a financial supporter of the Mulloon Institute since 2018. Matt is currently Chair of the Mulloon Law Committee and has been lobbying for regulatory and legislative change on behalf of the Mulloon Institute since 2019. Matt has been a director of the company for one year.

Special Responsibilities: Chair, Mulloon Law Committee.



Carolyn Hall, Managing Director/ CEO

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

Experience: Carolyn has over 30 years' experience in the agriculture and environmental sectors. Her experience includes environmental consulting and is grounded in technical expertise with a focus on balancing biodiversity values with flood mitigation. Carolyn has well developed experience in planning and environmental legislation, ecological impact assessment and wetland management planning. Her career has included a focus on 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. Carolyn is a graduate of the Australian Institute of Company Directors and has been a director of the company for three years.

Special Responsibilities: Committee Member of Mulloon Institute Public Fund.

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

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DIRECTORS' REPORT



Kathy Kelly, Director/ Company Secretary

Qualifications: Bachelor of Economics, Fellow of the Institute of Chartered Accountants in Australia and New Zealand, Graduate of the Australian Institute of Company Directors, Registered Company Auditor.

Experience: Kathy has a deep understanding of the agriculture sector over her 30 years as a practising accountant. Her experience has led to a comprehensive practical knowledge of the business, accounting and tax issues in agricultural and related agribusiness entities. Kathy was a Director of Boyce Chartered Accountants from 1989-2019, the largest regional accounting firm in Australia. Based in Cooma NSW, she managed the office and provided specialist audit and tax services predominantly in agriculture and related industries. Kathy has a strong interest in ESG matters, carbon sequestration and the opportunities within agriculture to address the impacts of climate change. Kathy has had various appointments including advising the Australian Government on the industry impacts of legislation and 'red tape' in small business and has been on Advisory Committees to the Federal Minister for Small Business and R&D Tax Incentives. Kathy is currently a Director of Landcare NSW Limited and Plant Health Australia Limited. Kathy held the role of Chief Operating Officer at the Mulloon Institute from November 2020 and in April 2023 has transitioned to the Director role. Kathy continues to support the group in an executive capacity.

Special Responsibilities: Committee Member of Mulloon Institute Public Fund.

Information on Past Directors who held office during the year



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. 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 was a director of the company for three years.

Special Responsibilities: Member of Investment Committee.

Meetings of Directors

During the financial year, seven 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	7	7
Carolyn Hall	7	7
Matt Egerton-Warbuton	5	5
Kathy Kelly	1	1
Peter Howarth OAM	5	4

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 2023, the total amount that members of the Entity are liable to contribute if the company is wound up is \$62 (2022: \$59).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2023 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: 6 October 2023

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Bequests and donations	2	1,147,469	7,642,648
Consulting and education income	2	761,441	367,139
Farm income	2	3,661,899	3,963,175
Grants	2	1,048,113	920,158
Other revenue	2	214,370	156,023
Investment income/(losses)	2	(79,731)	1,490,002
Other income	2	0	174,278
Consulting project costs		(255,716)	(82,058)
Education and event costs		(5,214)	(30,467)
Grant costs		(618,602)	(668,090)
Livestock fair value adjustments		(341,958)	211,928
Farm cost of sales	3	(1,625,824)	(2,018,723)
Farm expenses		(25,814)	(14,664)
Employee benefits expense		(3,293,079)	(3,112,588)
Depreciation expense		(255,755)	(281,785)
Finance costs – Unrelated parties		(23,604)	(48,179)
Professional fees	3	(735,622)	(814,707)
Property utilities and insurance		(138,631)	(130,967)
Repairs and maintenance		(87,621)	(86,849)
Administration costs		(99,692)	(89,836)
Other expenses		(37,038)	(31,942)
Current year surplus/(deficit) before income tax		(790,609)	7,514,496
Income tax expense	1(l)	0	0
Net current year surplus/(deficit)		<u>(790,609)</u>	<u>7,514,496</u>
Other comprehensive income			
Fair value gains/(losses) on financial assets at fair value through other comprehensive income	19	44,714	(2,036,535)
Total other comprehensive (losses)/income for the year		44,714	(2,036,535)
Total comprehensive income for the year		<u>(745,895)</u>	<u>5,477,961</u>
(Deficit)/surplus attributable to members of the Entity		<u>(745,895)</u>	<u>5,477,961</u>
Total comprehensive income attributable to members the Entity		<u>(745,895)</u>	<u>5,477,961</u>

The accompanying notes form part of these financial statements.

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,448,020	2,503,482
Accounts receivable and other debtors	5	335,855	1,408,866
Biological assets	6	815,200	1,155,681
Inventories	7	202,050	37,531
TOTAL CURRENT ASSETS		2,801,125	5,105,560
NON-CURRENT ASSETS			
Financial assets	8	2,368,289	2,382,825
Property, plant and equipment	9	13,123,823	11,318,512
Intangible assets	10	3,024,995	3,024,995
TOTAL NON-CURRENT ASSETS		18,517,107	16,726,332
TOTAL ASSETS		21,318,232	21,831,892
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	11	479,911	696,158
Contract liability	12	1,360,994	1,267,062
Finance liabilities	13	25,732	201,015
Employee provisions	14	140,509	171,185
TOTAL CURRENT LIABILITIES		2,007,146	2,335,420
NON-CURRENT LIABILITIES			
Finance liabilities	13	635,192	84,787
Employee provisions	14	50,268	40,164
TOTAL NON-CURRENT LIABILITIES		685,460	124,951
TOTAL LIABILITIES		2,692,606	2,460,371
NET ASSETS		18,625,626	19,371,521
EQUITY			
Retained surplus		19,553,203	20,343,812
Reserves	19	(927,577)	(972,291)
TOTAL EQUITY		18,625,626	19,371,521

The accompanying notes form part of these financial statements.

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Retained Surplus \$	Financial Assets Account \$	Total \$
Balance at 1 July 2021		12,829,316	1,064,244	13,893,560
Comprehensive income				
Surplus for the year attributable to members of the Entity		7,514,496		7,514,496
Other comprehensive income for the year		(2,036,535)		(2,036,535)
Transfer – revaluation surplus to Financial Assets Account	20	2,036,535	(2,036,535)	0
Total comprehensive income for the year		<u>7,514,496</u>	<u>(2,036,535)</u>	<u>5,477,961</u>
Balance at 30 June 2022		<u>20,343,812</u>	<u>(972,291)</u>	<u>19,371,521</u>
Balance at 1 July 2022		20,343,812	(972,291)	19,371,521
Comprehensive income				
Surplus for the year attributable to members of the Entity		(790,609)		(790,609)
Other comprehensive income for the year		44,714		44,714
Transfer – revaluation surplus to Financial Assets Account	20	(44,714)	44,714	0
Total comprehensive income for the year		<u>(790,609)</u>	<u>44,714</u>	<u>(745,895)</u>
Balance at 30 June 2023		<u><u>19,553,203</u></u>	<u><u>(927,577)</u></u>	<u><u>18,625,626</u></u>

The accompanying notes form part of these financial statements.

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

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CASH FLOWS FROM OPERATING ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Commonwealth, state and government grants		1,142,045	1,438,695
Receipts from bequests and donations		233,947	980,013
Revenue from customers		4,862,521	4,326,916
Payments to suppliers and employees		(6,487,145)	(5,843,159)
Dividends received		5,771	0
Interest received		33,722	1,082
Interest paid		(23,604)	(48,179)
Net cash generated from/(used in) operating activities	18	(232,743)	855,368
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		948,193	0
Payment for property, plant and equipment		(2,067,281)	(477,297)
Proceeds from sale of investments in equity instruments designated as at fair value through other comprehensive income		74,583	1,377,217
Payment for investments in equity instruments designated as at fair value through other comprehensive income		(153,336)	(1,829,272)
Net cash used in investing activities		(1,197,841)	(929,352)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in finance liabilities		645,000	681,262
Repayment of finance liabilities		(269,878)	(498,939)
Net cash provided by/(used in) financing activities		375,122	182,323
Net increase/(decrease) in cash held		(1,055,462)	108,339
Cash on hand at beginning of the financial year	4	2,503,482	2,395,143
Cash on hand at end of the financial year		1,448,020	2,503,482

The accompanying notes form part of these financial statements.

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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. It is a not-for-profit entity registered with the Australian Charities and Not-for-profits Commission (ACNC). The financial statements were authorised for issue on 6 October 2023 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 – Simplified Disclosure Standard. 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. Comparatives are consistent with prior years, unless otherwise stated.

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 20.

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.

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.

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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%

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

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.

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

f. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group's financial assets are all classified at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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.

Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in

full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

Financial liabilities are classified as financial liabilities at amortised cost or at fair value through profit or loss, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group has no financial liabilities at fair value through profit or loss or derivatives designated as hedging instruments in an effective hedge.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

i. Cash and Cash Equivalents

Cash and cash equivalents 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; and
- 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.

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

o. Comparative Figures

Where required by Accounting Standards 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 2023, 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 2023.

(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.

(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.

(iv) Revenue recognition

To determine if a grant contract should be accounted for under AASB1058 or AASB15, the Group has to determine if the contract is enforceable and contains sufficiently specific performance obligations. When assessing if the performance obligations are sufficiently specific, the Group has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts and review of accompanying documentation. Income recognition from grants received by the Group has been appropriately accounted for under AASB1058 or AASB15 based on the assessment performed.

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Note 2: Revenue and Other Income			
Bequests and donations			
Bequest – Estate Late Antony Coote		117,762	6,018,378
Donations – Cash		191,185	578,412
Donations – In-kind		838,522	1,045,858
		<u>1,147,469</u>	<u>7,642,648</u>
Revenue from delivery of services			
Commonwealth Government grants		634,031	577,208
NSW State Government grants		310,360	244,526
WA State Government grants		103,722	98,424
Consulting income		741,153	347,778
Education course income		20,288	19,361
		<u>1,809,554</u>	<u>1,287,297</u>
Farm income			
Cattle sales	6	148,344	567,357
Egg sales		3,489,896	3,380,030
Other		23,659	15,788
		<u>3,661,899</u>	<u>3,963,175</u>
Other revenue			
Sponsorship		212,500	138,182
Other revenue		1,870	17,841
		<u>214,370</u>	<u>156,023</u>
Total revenue		<u>6,833,292</u>	<u>13,049,143</u>
Other income			
Interest & dividends received – Unrelated parties		34,031	6,544
Gain/(loss) on disposal of listed company shares		(138,002)	803,003
Gain on disposal of property, plant and equipment		24,240	680,455
COVID-19 Government funding		0	174,278
		<u>(79,731)</u>	<u>1,664,280</u>
Total revenue and other income		<u>6,753,561</u>	<u>14,713,423</u>

	Note	2023 \$	2022 \$
Note 3: Expenses for the Year			
a. Expenses of significance requiring further disclosure			
Egg cost of sales		1,463,610	1,451,366
Cattle cost of sales		162,214	567,357
Total farm cost of sales		<u>1,625,824</u>	<u>2,018,723</u>
Professional fees paid		92,600	59,348
Directors fees – in-kind		299,048	299,250
Company secretary/COO fees – in-kind		87,157	128,165
Professional fees – in-kind		256,817	327,944
Total professional fees		<u>735,622</u>	<u>814,707</u>
b. Auditors remuneration included in professional fees above:			
2020 Financial Report			8,150
2021 Financial Report – paid			20,000
2022 Financial Report – paid		18,000	
2021/2022 Financial Report – in-kind contribution		6,000	6,000
Audit & assurance services – grant acquittals			1,200
Total		<u>24,000</u>	<u>35,350</u>

Note 4: Cash and Cash Equivalents

CURRENT			
Cash at bank – Unrestricted		1,448,020	2,503,482
		<u>1,448,020</u>	<u>2,503,482</u>

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note	2023 \$	2022 \$
Note 5: Accounts Receivable and Other Debtors		
CURRENT		
Accounts receivable	313,650	358,584
Other debtors	14,049	126,083
Prepayments	8,156	6,460
Amount receivable for sale of Cartier Mystery Clock	0	917,739
Total current accounts receivable and other debtors	335,855	1,408,866

At 30 June 2023 nil (2022:nil) debtors were considered impaired and all were within trading terms.

Note 6: Biological Assets

CURRENT		
Cattle on hand	505,200	685,600
Chickens on hand	310,000	470,081
Total biological assets	815,200	1,155,681

	Cattle \$	Chickens \$	Total \$
2023			
Fair value at the beginning of the year	685,600	470,081	1,155,681
Additions at cost	41,909	107,912	149,821
Sale of cattle	(148,344)	0	(148,344)
Increase/(decrease) in the value of biological assets	(73,965)	(267,993)	(341,958)
Fair value at the end of the year	505,200	310,000	815,200

Note 7: Inventories

CURRENT		
At cost:		
Auction items	3,500	3,500
Egg packaging stock	39,699	5,292
Fuel on hand	5,327	0
Layer feed on hand	153,524	28,739
	202,050	37,531

Note	2023 \$	2022 \$
Note 8: Financial Assets		
NON-CURRENT		
Investments in equities designated at fair value through other comprehensive income:		
Shares in listed corporations	1,594,791	1,782,825
Shares in unlisted corporations	773,498	600,000
	2,368,289	2,382,825

Investments in equity instruments are held for medium-to long-term 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 & CONTROLLED ENTITIES

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note	2023 \$	2022 \$
Note 9: Property, Plant and Equipment		
Land and buildings		
Freehold land at fair value:		
Director's valuation	8,988,763	8,988,763
Total land	8,988,763	8,988,763
Buildings:		
Improvements at cost	2,391,521	1,359,654
Less accumulated depreciation	(769,534)	(685,264)
Total buildings	1,621,987	674,390
Construction in progress	729,176	437,745
Total land and buildings	11,339,926	10,100,898
Plant and equipment		
Plant and equipment:		
At cost	3,181,236	2,476,117
Less accumulated depreciation	(1,598,198)	(1,442,384)
	1,583,038	1,033,733
Motor vehicles:		
At cost	192,662	192,117
Less accumulated depreciation	(81,802)	(98,236)
	110,860	93,881
Construction in progress – Statue	90,000	90,000
Total plant and equipment	1,783,898	1,217,614
Total property, plant and equipment	13,123,823	11,318,512

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 \$
2022				
Balance at beginning of year	9,923,025	1,101,010	111,248	11,135,283
Additions at cost		203,771		203,771
Construction in progress – at cost	261,243			261,243
Sale of assets – written down value				0
Depreciation expense	(83,371)	(181,047)	(17,367)	(281,785)
	10,100,897	1,123,734	93,881	11,318,512
2023				
Balance at beginning of year	10,100,897	1,123,734	93,881	11,318,512
Additions at cost	1,031,868	705,118	38,864	1,775,850
Construction in progress – at cost	291,431			291,431
Sale of assets – written down value			(6,215)	(6,215)
Depreciation expense	(84,270)	(155,814)	(15,671)	(255,755)
	11,339,926	1,673,038	110,859	13,123,823

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 2023, 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 2023.

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note	2023 \$	2022 \$
Note 10: Intangible Assets		
Goodwill		
Mulloon Consulting	20,000	20,000
Mulloon Creek Natural Farms	3,004,995	3,004,995
Net carrying amount	<u>3,024,995</u>	<u>3,024,995</u>

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.

Note 11: Accounts Payable and Other Payables

CURRENT		
Accounts payable	206,735	48,548
Other current payables	273,176	264,150
Funds held in trust	0	383,460
	<u>479,911</u>	<u>696,158</u>

Note 12: Contract Liability

Balance at beginning of the year	1,267,062
Grants for which performance obligations will only be satisfied in subsequent years	1,142,045
Expenditure incurred to extinguish contract commitments under grants and other contracts	<u>(1,048,113)</u>
Closing balance at the end of the year	<u>1,360,994</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

CURRENT		
Loan – CBA	0	0
Livestock loan	0	170,655
Farm equipment	25,732	30,360
	<u>25,732</u>	<u>201,015</u>

Note	2023 \$	2022 \$
NON-CURRENT		
Loan – CBA	576,137	0
Farm equipment	59,055	84,787
	<u>635,192</u>	<u>84,787</u>
Total finance liabilities	<u>660,924</u>	<u>285,802</u>

The CBA loan has been secured against the rural property 'Duralla'. By making use of security better interest rates were obtained to fund farm equipment and upgrades.

Note 14: Employee Provisions

CURRENT		
Annual leave entitlements	140,509	171,185
Total current employee provisions	<u>140,509</u>	<u>171,185</u>
NON-CURRENT		
Long service leave entitlements	50,268	40,164
Total non-current employee provisions	<u>50,268</u>	<u>40,164</u>
Total employee provisions	<u>190,777</u>	<u>211,349</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.

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note	2023 \$	2022 \$
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Note 15: Contingent Liabilities and Contingent Assets

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

Note 16: Events after the Reporting Period

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

Note	2023 \$	2022 \$
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Note 17: Related Party Transactions

a. Key Management Personnel

Key management personal compensation:

Short-term employee benefits	496,965	548,206
Post-employment benefits	82,054	83,945
	<u>579,019</u>	<u>632,151</u>

b. Other Related Party Transactions

Gadens – legal fees	30,000
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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:

The Howarth Foundation	0	310,000
Carolyn Hall	5,000	5,000
Gary Nairn	25,000	14,000
Warburton Foundation (not a related party in 2022)	10,000	

Note	2023 \$	2022 \$
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Note 18: Cash Flow Information

Net current year surplus /(deficit)	(790,609)	7,514,494
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Adjustment for:

Depreciation expense	255,755	281,785
Loss/(Gain) on disposal of investments	138,002	(803,003)
Loss/(Gain) on disposal of property, plant & equipment	(24,240)	(680,455)
Bequests received through extinguishment of finance liabilities & other non-cash items	(75,000)	(5,616,777)

Movement in working capital:

(Increase)/decrease in accounts receivable and other debtors relating to income items	230,273	(164,886)
(Increase)/decrease in inventories	(164,521)	60,267
(Increase)/decrease in biological assets	340,481	15,919
Increase/(decrease) in accounts payable and other payables	(216,244)	(124,738)
Increase/(decrease) in contract liabilities	93,932	344,259
Increase/(decrease) in employee provisions	(20,572)	28,503

Net cash generated by/(used in) operating activities	<u>(232,743)</u>	<u>855,368</u>
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Unused finance liabilities available at end of year	<u>415,000</u>	<u>0</u>
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Note 19: Financial Assets Account

The financial assets account records revaluation increments and decrements that relate to financial assets that are classified as available-for-sale.

Opening balance	(972,291)	1,064,244
Revaluation gains/(losses) on investments in equity instruments designated as at fair value	44,714	(2,036,535)
Financial assets account	<u>(927,577)</u>	<u>(972,291)</u>

Note 20: Subsidiaries

The Mulloon Institute owns 100% of the following subsidiaries:

- Mulloon Consulting Pty Ltd
- Mulloon Creek Natural Farms Pty Ltd

During the 2023 financial year, the subsidiary Mulloon Investments Pty Ltd changed its name to Mulloon Creek Natural Farms Pty Ltd.

THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

ABN 53 153 605 531

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note	2023 \$	2022 \$
Note 21: Parent Entity Financial Information		
SUMMARY FINANCIAL INFORMATION		
Statement of financial position		
Current assets	1,524,298	2,820,681
Non-current assets	19,168,658	18,308,428
Total assets	20,692,956	21,129,109
Current liabilities	1,574,650	1,492,387
Non-current liabilities	30,724	35,030
Total liabilities	1,605,374	1,527,417
Net Assets	19,087,582	19,601,692
Equity		
Retained earnings	20,015,159	20,573,983
Financial asset account	(927,577)	(972,291)
	19,087,582	19,601,692
Surplus/(deficit) for the year	(558,817)	7,123,885
Total comprehensive income	(514,103)	855,365

Note 22: Entity Details

The principal place of business is:

3585 Kings Highway
BUNGENDORE NSW 2621

Note 23: 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 2023, the number of members was 62.

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:

1. The attached financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and:

(a) comply with Australian Accounting Standards – Simplified Disclosure Standards, and

(b) give a true and fair view of the financial position of the consolidated entity as at 30 June 2023 and of its performance for the year ended on that date.

2. 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: 6 October 2023

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Report

Opinion

We have audited the financial report of the Mulloon Institute Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, notes to the financial statements comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- Giving a true and fair view of the consolidated financial position of the Company as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and
- Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the *Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report and other documents contained in the annual report. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-Profits Commission Act 2012*, 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.

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud many involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible persons.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial report, including the disclosures, and whether the consolidated financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

James I Mathers

Principal

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

Dated: 6 October 2023

Limited by a scheme approved under Professional Standards Legislation.

TMI's Max Brunswick (centre) and Bill McAllister (far right) share tips on planting native seedlings at 'Duralla', Mulloon Creek Natural Farms.



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

TO THE DIRECTORS OF THE MULLOON INSTITUTE LIMITED & CONTROLLED ENTITIES

In relation to our audit of the consolidated financial report of the Mulloon Institute Limited and its controlled entities for the financial year ended 30 June 2023, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 or any applicable code of professional conduct.

James I Mathers
Principal

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

Dated: 6 October 2023

Limited by a scheme approved under Professional Standards Legislation.

Sam Skeat (TMI) and Paul Hales (Bush Heritage Australia) investigate a gully system in the Yourka Reserve as part of Terrain NRM's Upper Herbert Sediment Reduction Project. The project is stopping thousands

of tonnes of fine sediment from reaching the Great Barrier Reef each year and is funded by the partnership between the Australian Government's Reef Trust and the Great Barrier Reef Foundation.



THE MULLOON INSTITUTE LIMITED

ABN 53 153 605 531

SCHEDULE OF IN-KIND CONTRIBUTIONS

YEAR ENDED 30 JUNE 2023

Organisation / Individual	Amount \$	Detail
Australian National University	118,000	Five staff members and one PhD student on the TMI Science Advisory Committee and provision of assistance with reporting. Significant input by TMI SAC members for scientific paper. Access to field operations equipment. Provision of Honorary Lecturer status for TMI staff allowing access to meeting rooms and facilities at the University, including library services. Students undertaking projects that provided resources towards monitoring and reporting and development of educational processes and outcomes. Associate Professor Paul Cooper's work on aquatic macro-invertebrates. Advice and input from the Borevitz Lab and the Institute for Water Futures, including student projects. Assistance with strategy for the digital twin project.
Gary Nairn AO	111,000	TMI Chairman.
Peter Howarth OAM	71,333	Director role, including membership of the Investment Committee.
Kathy Kelly	105,789	Company Secretary / Chief Operating Officer and Director contribution.
Dr Donna Hazell	12,000	Member of the TMI Science Advisory Committee.
NSW Department of Planning & Environment	2,500	Assistance provided by Michael Driesma and his team regarding the ecological layers for the NSW DPI Catchment Rehydration Selection Tool (CReST) project.
NSW Department of Primary Industries	18,000	David Mitchell's time and expertise through TMI SAC input, primarily for hydrology and climate data instrumentation and data management. Assistance with the NSW DPI CReST project in generating the biomass growth response layer and other related support for this project.
NSW Office of Environment & Heritage	10,000	Advice and support in connection with threatened frog species restoration.
NT Farmers	1,200	Accommodation provided to Carolyn Hall.
Osmosys / Grant Millington	9,000	Marketing and fundraising advice.
South East Local Land Services	3,000	Rebecca Bradley's input for TMI SAC, and advice, support and collaborations with various other staff.
Soils for Life	2,000	Provision of offices.
University of Canberra	5,000	Advice and expertise regarding monitoring of fish.
University of Melbourne	17,000	Professor Neil Mann's time on TMI SAC. Advice and support from Professor Andrew Weston and the hydrology team.
University of New England	8,000	Provision of advice and support for funding proposal collaboration.
University of Sydney & Dr Gerry Bates	36,000	Contribution of Dr Gerry Bates to the Mulloon Law Committee, advocacy for change, and drafting the discussion paper calling for a National Code for Landscape Rehydration & Restoration.
University of Sydney & Professor Willem Vervoot	10,000	Contribution by Professor Willem Vervoot towards research proposals and recruitment of PhD and Masters students to undertake research.
Jochem Meinen, University of Twente, Netherlands	15,000	Masters' project looking at the MRI: Numerical Groundwater Modelling at the catchment-scale, groundwater flow and solute, including discharge to surface water channels.
Various community volunteers & MRI catchment landholders	25,000	Support to TMI field officer for planting native plants throughout MRI. Landholder support for MRI project.
HydroTerra, including Richard Campbell & Andrew Wollen	76,500	Contribution towards the MRI and the NSW DPI CReST project, as well as general support to TMI.
James Mathers & Co	6,000	Audit fees discounted.
Matt Egerton-Warburton, Gadens	142,400	Matt Egerton-Warburton's time acting as a Director, chairing the Mulloon Law Committee, along with Gadens' support in providing legal advice and meeting venues to the Institute..
Wilfred Finn, Xpansiv	20,800	Contribution to the Mulloon Law Committee.
Kevin McVeigh, Gadens	5,000	Contribution to the Mulloon Law Committee.
Jamie Kerr	8,000	Contribution to the Mulloon Law Committee.
TOTAL	838,522	

Our Supporters

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

MAJOR DONOR



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KEY FUNDERS



National
Landcare
Program



Australian Government
Department of Agriculture,
Water and the Environment



Future
Drought
Fund



Australian Government
Department of Industry, Science,
Energy and Resources



Australian Government
Department of Agriculture,
Fisheries and Forestry



Australian Government
Department of Climate Change, Energy,
the Environment and Water



Primary
Industries



natural resource
management program



Department of
Primary Industries and
Regional Development



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



Using hexagon puzzles to learn about whole-of-landscape thinking and water movements while exploring the concept of landscape rehydration. [PHOTO: Gus Armstrong]



