

Trust for Nature

Annual Report 2019-20



Recognition of Traditional Owners

Trust for Nature recognises the continuing spiritual and cultural connection of Traditional Owners to Victoria's land, wildlife, freshwater and saltwater environments. The Trust shares with Victoria's Traditional Owners a deep appreciation of native wildlife and habitats on both public and private land and in aquatic environments.

The Trust recognises that all Victorians share in the benefits of the custodianship and caring for Country that Traditional Owners have practised for centuries. The Trust is committed to working with Traditional Owners to conserve, restore where possible and protect natural environments, wildlife and cultural heritage value.

About Trust for Nature

We are one of Australia's oldest conservation organisations, established in 1972 under an Act of Parliament in Victoria. Our mission is to work collaboratively to protect nature on private land so that Victoria's most threatened plants and wildlife are conserved for future generations. We hold a unique power in Victoria, enshrined in legislation, to protect private land by applying conservation covenants to property titles in agreement with sympathetic landholders. So far, we have secured more than 100,000 hectares (ha) of native habitat through a mix of conservation covenants and nature reserves. We also work collaboratively on conservation projects with governments, communities, other organisations and partners who share our commitment to Victoria's environment.

Responsible Body Declaration

In accordance with the Financial Management Act 1994, I am pleased to present Trust for Nature's annual report for the year ending 30 June 2020.



Gayle Austen, Chair

23 February 2021

MAJOR ACHIEVEMENTS 2019–20

130

conservation management plans for covenanted properties

Major national and regional events (such as the annual Women in Conservation Breakfast and the Conservation Finance Intensive on behalf of the Australian Land Conservation Alliance) co-hosted

1,772

more ha of Victoria's native vegetation protected, bringing the total area of Victoria that is protected by conservation covenants or is in reserves owned by the Trust to nearly 104,000 ha

Completion of a four-year program to help mitigate the impacts of climate change on Victoria's natural environment by working with landholders to protect and manage habitat on private land

48

events, field days and workshops across Victoria including Spring into Nature community events

48,109

ha of feral animal control delivered

We worked with partner organisations to deliver water for the environment to a covenanted wetland and to Neds Corner Station

30

conservation covenants registered

More than a dozen community groups worked to protect plants and animals on Trust for Nature's 44 conservation reserves across the state

Worked on more than 70 privately and publicly funded projects with conservation partners to protect threatened species including Plains-wanderer, Leadbeater's Possum, Helmeted Honeyeater, Regent Honeyeater, Swift Parrot, Australasian Bittern, Striped Legless Lizard, Squirrel Glider, Golden Sun moth, Button Wrinklewort, Spiny Rice-flower, Red Swainson-pea and Purple Diuris

Staff member Peter Barnes, as part of the Victorian Rabbit Action Network, was a recipient of the United Nations Public Service Award

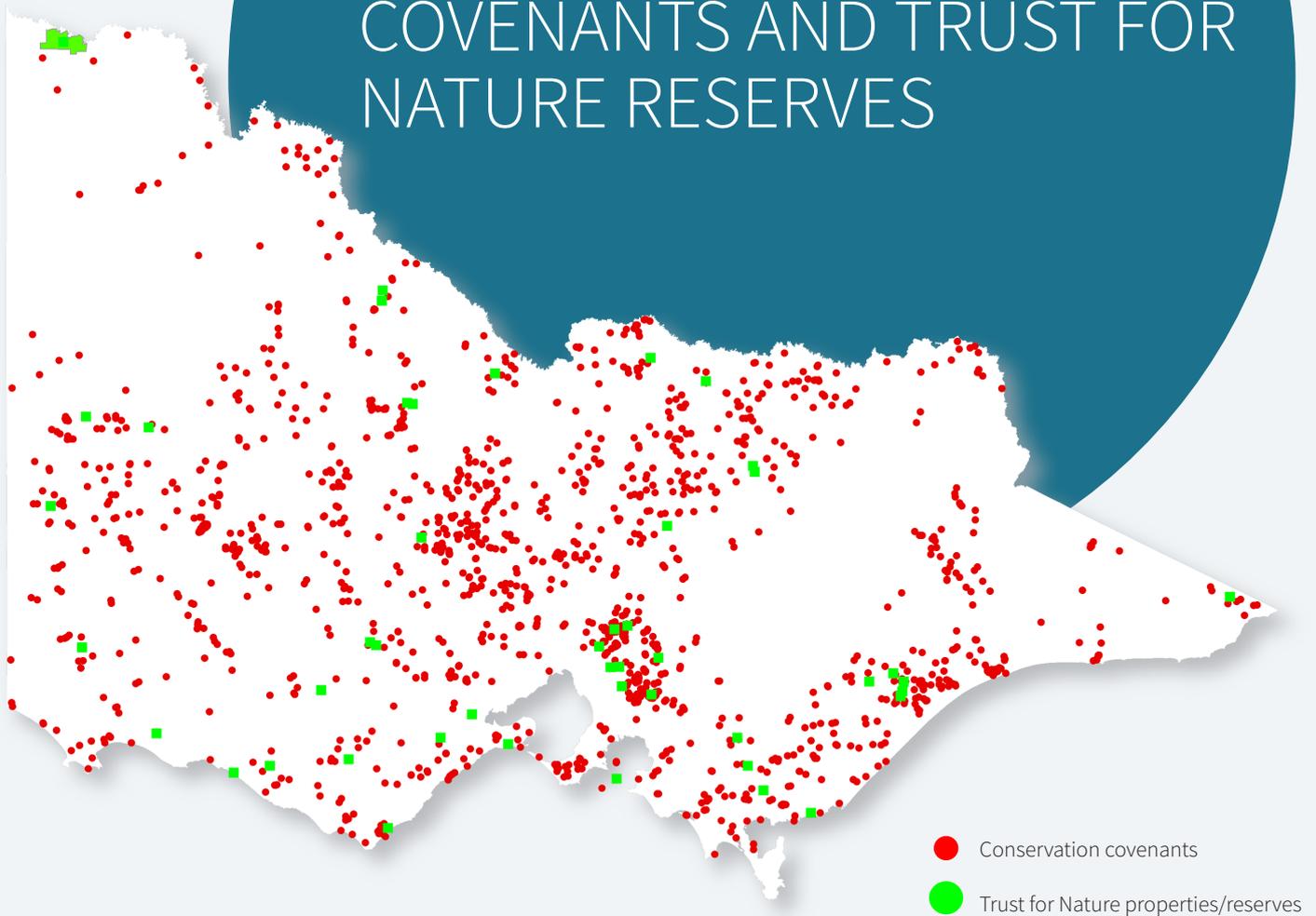
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ecological surveys on covenanted properties and on our reserves

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LAND PROTECTED IN VICTORIA BY CONSERVATION COVENANTS AND TRUST FOR NATURE RESERVES



CHAIR AND CHIEF EXECUTIVE OFFICER REPORT

Hope for the future of Victoria's plants and animals, in good times and bad

In times of crisis, private land conservation networks become more important than ever.

Covenantors provided Trust for Nature with some of the earliest first-hand accounts of the impacts of the summer bushfires on biodiversity in eastern and north-east Victoria. They are the keystones in the conservation of these landscapes, and Trust for Nature's main role in bushfire recovery is to support them. While professional help will come and go from these areas, covenantors will be there for the long haul, and our regional staff will be alongside them.

Forty-six landholders with conservation covenants were impacted, in addition to Trust for Nature's own reserve at Maramingo in East Gippsland. We launched a Bushfire Habitat Recovery Appeal in response to the devastating bushfires, and \$57,000 was raised to assist in the recovery and restoration of habitat on covenanted properties.

Today we are already seeing stories of hope and recovery, with covenanted rainforest gullies surviving to provide refuge patches for lyrebirds, parrots, kookaburras and wallabies. Of course, there is much more work to do in the recovery from bushfires, and we are facing additional challenges and restrictions in a pandemic.

Our dedicated staff have persisted and adapted in these difficult times, and they have our heartfelt thanks. We also thank the Victorian and Australian governments and our valued partners in businesses, institutions and communities for their ongoing support and collaboration. The support we have received during this period of reduced on-ground activity has been much appreciated, and has enabled us to maintain our focus on habitat restoration and helping our covenantors through many months of disruption.

In addition to supporting those impacted directly, Trust for Nature has worked closely with government to tackle the impacts of the fires. We have been part of the Victorian Minister for Energy, Environment and Climate Change's bushfire recovery roundtable and the Bushfire Biodiversity

Relief and Early Recovery Steering Committee, comprised of the Department of Environment, Land, Water and Planning (DELWP), Parks Victoria, catchment management authorities (CMAs) and Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC). The Steering Committee provided input to the process for dispersing \$17 million of Victorian Government bushfire funding.

With support from the Victorian Government's Sustainability Fund, the Trust also provided information to landholders on how they can help to mitigate the impacts of climate change on biodiversity at their properties. The information was presented at 11 workshops and events for covenantors, landholders, staff, committees of management and friends' groups during the year.

We send a big thank you to all Trust for Nature covenantors and to the passionate individuals and groups who donated, fundraised and volunteered: we could not do what we do without your support. More than a dozen community groups worked to protect plants and animals on Trust for Nature's 44 conservation reserves across the state.

During the year, we also launched the West Gippsland Conservation Fund, Nature's Custodians and the Trust for Nature Endowment Fund.

We also thanked Friends of Wanderslore President Geoff Durham, who resigned after 26 years at the helm after spending many thousands of hours working on the beautiful Wanderslore Sanctuary property in the Yarra Valley.

Throughout this reporting year, Trust for Nature registered 30 new conservation covenants and covenant amendments that increased the National Reserve System by 1,772 ha, as well as four offset covenants. Overall, since inception, we have protected nearly 104,000 ha of Victorian land. This year, Trust for Nature also received three donations of land that have conservation significance. We are extremely grateful to the donors for their generosity, as it means that even more of Victoria's precious habitat will be protected for perpetuity.

Our Revolving Fund continued to grow in scale and impact. We have experienced a significant increase in interest in the Fund's properties since March: more Victorians are making the move to regional and rural properties where they can experience natural beauty and build on their new-found experience of working from home. Many people are also expressing a strong desire to make a practical difference to protecting biodiversity. Interest in buying a property that has conservation values has been an unexpected consequence of the impacts of COVID-19.

An important part of Trust for Nature's strategy is to increase protection of the least-protected ecosystems and threatened communities in Victoria. Covenants were registered in 12 of Victoria's 28 bioregions, including nine of the 14 bioregions that are underrepresented in the National Reserve System (which encompasses Indigenous Protected Areas, joint-managed areas, covenants and state and national parks). In total, 83% of all registered covenants in 2019–20 were located in these under-represented bioregions, representing a significant step forward.

As some counter-balance to the devastation of the bushfires, we were delighted to find evidence of some of our vulnerable species reappearing in parts of Victoria. Surveys for the nationally threatened Striped Legless Lizard in north-east Victoria resulted in the first record in this area for more than 40 years. Similarly, surveys conducted south of Benalla in the Goulburn Broken region as part of the Victorian Government's Biodiversity Response Planning approach confirmed for the first time the presence of the endangered Squirrel Glider in this district, leading to consultations with local community groups about actions they could take to assist with this animal's conservation.

During the year, the Trust also helped enable environmental watering on three of its wetlands at Neds Corner Station, in partnership with the Mallee CMA and Victorian Government. Planning also began for the installation of structures to assist with environmental watering on another part of the Neds Corner floodplain, as part of the Victorian Murray Floodplain Restoration project. For the first time, the Trust also collaborated with the Murray Darling Wetlands Working Group to deliver environmental water to a covenanted wetland in the Goulburn Broken region, as part of the Murray-Darling Basin Balanced Water Fund.

Also at Neds Corner Station, Trust for Nature and First Peoples of the Millewa-Mallee Aboriginal Corporation (FPMMAC) met regularly to agree on a memorandum of understanding about developing a shared vision for the short- and long-term management of Neds Corner. The FPMMAC includes Latji Latji, Nyeri Nyeri and Ngintait (Nintay) Traditional Owners of Country.

In October 2019, we took time out to share and learn with colleagues from across Australia at the Private Land Conservation Conference in Adelaide, organised by the Australian Land Conservation Alliance. Trust for Nature's ground-breaking Conservation Finance Intensive workshop was very well received by its 90 attendees. We thank the NAB Foundation, the Department of Agriculture, Water and the Environment, Biodiversity Conservation Trust of NSW and DELWP for sponsoring the workshop, and the Ross Trust for its ongoing support of our conservation finance work.

Despite having to postpone some live events due to the coronavirus (COVID-19) pandemic restrictions, we have successfully held some excellent community engagement events online this year. Webinars featuring fire elder Dave Wandin, Dark Emu author Bruce Pascoe and ecologists Lindy Lumsden, Ed McNabb, Dan Harley and Noushka Reiter were attended by more than 1,700 participants.

Just prior to the restrictions, we were also able to hold our annual Women in Conservation Breakfast with Bush Heritage, attracting more than 500 women in two locations.

Peter Barnes, our hard-working Station Manager at Neds Corner, was recognised in the international arena as a very active member of the Victorian Rabbit Action Network. The network was a recipient of the United Nations Public Service Award, in recognition of the work it is doing towards the United Nations Sustainable Development Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss. The network develops and supports collaboration and engagement with landowners, Traditional Owners, governments and the broader community to address biodiversity loss and land degradation that has occurred due to the introduction and proliferation of rabbits in Victoria over the last two centuries.

The Trust welcomed five new trustees in December: Nina Braid, Dr Dominique Hes, Matthew Kronborg, Nadine Ponomarenko and Jennifer Wolcott. The Trust thanks and acknowledges the significant contribution made by outgoing trustees Deputy Chair Amanda Noble, Cas Bennetto, James Bentley, Katherine Cary and Dr Georgia Garrard for their dedicated support throughout their tenure. We also thank and honour outgoing trustee and Chair of the Board Geoff Driver for the outstanding contribution he made in his six years of service to the Trust.

Despite, or perhaps because of, the year's unexpected challenges, Trust for Nature again had a busy year, with the milestones and highlights in this report reflecting just a few of many. Most importantly, in a time of difficulty and stress for so many Victorians, we were proud to play a role in uniting communities to work together and maintain hope for the future, protecting Victorian habitat and supporting the vital work of our dedicated landholders, donors, staff and partners.



Gayle Austen
Chair
23 February 2021



Victoria Marles
Chief Executive Officer
23 February 2021

HOW WE OPERATE

Manner of Establishment and Responsible Minister

Trust for Nature operates under the *Victorian Conservation Trust Act 1972*. The responsible Minister for the period from 1 July 2019 to 30 June 2020 was the Hon. Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change, and Minister for Solar Homes.

The *Victorian Conservation Trust Act 1972* and the Trust's key services

The objects of the Trust as set out in the Act are:

- For public scientific and public educational purposes encourage and assist in:
 - » The preservation of areas which are:
 - > ecologically significant
 - > of natural interest or beauty; or
 - > of historical interest
 - » The conservation of wildlife and native plants; and
 - » The conservation and creation of areas for scientific study relating to the above.
- Encourage and assist in the conservation and creation of areas of natural beauty or interest for use by the public for the purposes of enjoyment, recreation and education.

To meet these objects, Trust for Nature has the power to:

- Enter into covenants with owners of land
- Accept gifts, donations and bequests
- Purchase, sell, transfer and hold land
- Surrender land to the Crown.

Trust for Nature meets its statutory objects by providing private land conservation services to the Victorian community, government and private landowners. The key services are:

- Land protection services
- Stewardship services
- Environmental markets services
- Conservation reserves
- The Revolving Fund.

Further details about these services can be found on pages 8 to 20 of this report.

Table 1: Links between Trust for Nature’s statutory objects and its activities and services

Victorian Conservation Trust Act 1972 objects

 <p>The preservation of areas which are ecologically significant</p>	 <p>The conservation of wildlife and native plants</p>	 <p>The conservation and creation of areas for scientific study, public enjoyment, recreation and education</p>
<p>Trust for Nature activities and services</p> <ul style="list-style-type: none"> • Land protection services: covenants and land management agreements • Environmental markets services • Revolving Fund • Protecting ecologically significant areas • Working collaboratively 	<p>Trust for Nature activities and services</p> <ul style="list-style-type: none"> • Stewardship services • Focal landscapes and connectivity • Managing protected areas • Improving threatened species conservation 	<p>Trust for Nature activities and services</p> <ul style="list-style-type: none"> • Education • Supporting research • Events • Development and communications activities • Contributing to public policy

Our Statewide Conservation Plan

Trust for Nature is guided by its *Statewide Conservation Plan*. This provides an overarching, statewide, scientific framework to inform conservation on private land in Victoria. It identifies private land most in need of protection.

Specifically, it identifies 12 landscapes across Victoria that will make the greatest contribution towards conservation on private land, and it prioritises protection of the most threatened ecosystems, wetlands and plant and wildlife species.

KEY SERVICES

Land management and covenanting

Trust for Nature registered 30 conservation covenants in 2019–20: These comprised:

- 13 covenants voluntarily placed on title without the landowner receiving an incentive to do so
- 11 incentive covenants, where a covenant is agreed upon as a result of the landowner's participation in an incentive program
- 5 Revolving Fund covenants

- one covenant developed in a commercial context, where a covenant is agreed to due to a planning permit requirement or fee-for-service arrangements with the land manager.

Regional staff conducted 54 property and covenant assessment visits during the year, resulting in the preparation of draft covenant proposals for a further 3,652 ha of land.

Table 2: Conservation covenants registered, area protected

	Registered covenants in 2019–20*	Registered covenants in 2018–19*	Ten-year average registered annual covenants (2010–2020*)	Registered covenant total (1986–2020)**
Total	30	36	44	1,503
	Area protected in 2019–20*	Area protected in 2018–19*	Ten-year average total area protected 2010–20	Total area protected 1986–2020**
Total	1,772 ha	1,918 ha	2,488 ha	70,142 ha

* Registered covenants and area protected in 2018/20 and 2018/19 exclude offset covenants.

** Total includes offset covenants.

Stewardship

Trust for Nature's stewardship program works cooperatively with landowners so that all areas of habitat covenanted by the Trust are managed to maintain and enhance their conservation value. The stewardship program represents a key contribution by the Trust towards the long-term conservation outcomes of government environmental programs.

The Trust works directly with landowners to provide advice on management issues, address threats to biodiversity values and monitor the condition of habitat and trends of species populations on covenanted properties. This is achieved through property visits, the development of management plans and the provision of conservation advice, support and information.

The stewardship program may also identify funding opportunities for landowners to undertake conservation works on covenanted properties.

This can include information about incentive and tender programs, rate concessions, tax concessions or volunteer labour support. The types of activities covered may include revegetation, control of threats such as feral animals or implementing long-term strategies to improve or protect threatened species.

Trust staff developed and reviewed a total of 130 management plans and conducted 168 stewardship visits to covenanted properties throughout the year. Government restrictions for physical distancing and movement have impacted the number of stewardships visits.

Table 3: Stewardship services

	2019-20	2018-19
Stewardship visits	168	200
Management plans prepared	130	157

Environmental markets services

The objective of Trust for Nature’s engagement in environmental markets is twofold:

- to ensure the highest conservation benefits flow from regulated offset sites by securing the biodiversity values through a conservation covenant and stewardship monitoring
- to support and complement Trust for Nature’s activities to conserve native plants and wildlife.

Trust for Nature is engaged in the native vegetation offset market, as its conservation covenant is one of the mechanisms permitted for securing the permanent protection of an offset site in Victoria. The Trust primarily provides services for on-title agreements through its covenant program and ongoing monitoring through its stewardship program. Identification of high-value habitat for protection is also available through its regional network. Commercial agreements are typically negotiated separately through a broker or directly between the parties. Planning and regulatory requirements are the responsibility of federal, state and local governments.

The offset program operates in both state and federal jurisdictions. Initially, an agreement is completed between all parties to develop an offset arrangement, after which an offset covenant that meets regulatory requirements is developed and registered on the land. Covenants facilitated through native offset agreements are separate and distinct from voluntary covenants or those facilitated through incentive programs.

Demand for services in the native vegetation offset market remained steady during this financial year. The number of covenants registered decreased somewhat, but the number of covenants under negotiation doubled.

Trust for Nature provides a stewardship and monitoring service for all covenants registered as a part of an offset agreement. This service provides guidance to landowners in meeting their offset obligations and ensures compliance monitoring.

The Trust continues to assess its role in the emerging carbon offset market and seeks to develop partnerships that will add to its expertise and resources to support conservation through these markets. The Trust is also participating in an informal working group investigating opportunities to develop a voluntary biodiversity credits market in Australia.

Table 4: Offset agreements under negotiation

	2019-20	2018-19
Offset agreements under negotiation	32	15
Area of habitat (ha)	1,557.76	668.10

Table 5: Offset covenants registered on title

	2019-20	2018-19
Offset covenants registered	4	7
Area of habitat (ha)	129.17	520.72

KEY SERVICES (continued)

Revolving Fund

Trust for Nature's Revolving Fund is a market-based conservation instrument. Its objective is to use the real estate market to achieve conservation outcomes, through the Trust's statutory power to buy and sell land. The Revolving Fund is one of the Trust's most important conservation vehicles, and has been successfully deployed across Victoria for over 25 years. The Revolving Fund matches the supply provided by the owners of private properties with high nature conservation values with demand from people in the community who wish to purchase and protect these values. Despite the economic slowdown associated with the pandemic, we have seen increased interest in our Revolving Fund properties.

The Revolving Fund protects conservation values through an obligation for all purchasers to covenant the property. As the Revolving Fund operates in the property market, factors that affect the market will also have an impact on the fund. The Trust aims to maintain the value of the Revolving Fund over time. Since its inception, the fund has purchased 75¹ properties and sold 67¹, resulting in the protection of 6,710 ha of conservation land.

Trust for Nature has a goal to significantly increase the capital value of the Revolving Fund to support the conservation of more high-priority private land. It is currently working with partners on a proposal to achieve that goal.

Table 6: Revolving Fund statistics

	2019–20	2018–19	2017-18
Properties sold	4 properties, total 341.31 ha, value \$1,138,386	2 properties, total 96.48 ha, value \$464,739	4 properties, total 500 ha, value \$1,204,534
Properties bought	0 properties	5 properties, total 301.11 ha, value \$1,052,248	1 property, total 36 ha, value \$175,000
Investment income	\$13,243	\$109,681	\$42,043
Donations/transfers in	\$1,000	\$100	\$0
Properties retained	8 properties, total 378.27 ha, value \$1,310,879	12 properties, total 719.58 ha, value \$2,017,477	8 properties, total 536 ha, value \$1,225,607
Cash/amounts owing	\$2,648,183	\$1,828,737	\$2,596,574
Total value of Revolving Fund	\$3,959,061	\$3,846,214	\$3,822,181

¹ Some properties have been prepared for sale as multiple parcels. This increases the number of properties retained and sold, but it does not affect the area of land protected.

OPERATIONAL OBJECTIVES AND OUTCOMES

Operational and budgetary objectives for key services

The achievements of the Trust's activities and services against the objects of the *Victorian Conservation Trust Act 1972* can be found in summary throughout this report. In line with statutory disclosure requirements, the Trust also reports on the targets and outcomes of its operational objectives.

Table 7: Operational objective and outcomes

Services	Target (qualitative & quantitative)	Outcomes 2019–20
Conservation covenants	<ul style="list-style-type: none"> To negotiate 1,200 ha for conservation covenants To register covenants over 2,400 ha 	<ul style="list-style-type: none"> 6,377 ha under negotiation for conservation covenant 1,772 ha protected by registered conservation covenants
Land stewardship	<ul style="list-style-type: none"> To prepare and review 100 management plans for covenanted properties To visit 100 covenanted properties 	<ul style="list-style-type: none"> 130 management plans prepared for covenanted properties 168 visits to covenanted properties
Environmental markets	<ul style="list-style-type: none"> To increase the number and efficiency of agreements developed through the native vegetation offset market 	<ul style="list-style-type: none"> 32 offset covenants under negotiation 4 offset covenants registered
Revolving Fund	<ul style="list-style-type: none"> To maintain the value of Revolving Fund contributions over time 	<ul style="list-style-type: none"> The value of the Revolving Fund increased by \$112,847 in 2019–20 Investment income on funds held decreased from \$109,681 in 2018-19 to \$13,243 4 properties sold with a total land area of 341.31 ha for net proceeds of \$1,138,386 NIL properties purchased Retained \$2,648,183 in cash for use by Revolving Fund Holding 8 properties comprising 378.27 ha with a value of \$1,310,879
	<ul style="list-style-type: none"> To grow the value of private investment in nature conservation through contributions to the Revolving Fund 	<ul style="list-style-type: none"> \$1,000
Development	<ul style="list-style-type: none"> To grow the value of private investment in nature conservation through development activities and prudent funds management 	<ul style="list-style-type: none"> Development income from donations (excluding bequests and land donated to the Trust this year) was \$1,313,996 Trust for Nature also received three donations of land that have conservation significance, valued at \$1,275,000 Grant income was \$455,447 in 2019–20 Bequest income was \$5,000 in 2019–20 Dividend income was \$321,718 in 2019–20 Interest income was \$267,111 in 2019–20
	<ul style="list-style-type: none"> To carry out two fundraising appeals with a total fundraising target of \$170,000 	<ul style="list-style-type: none"> Christmas appeal in December 2019 raised \$46,000 End of financial year appeal in June 2020 raised \$354,350

OPERATIONAL OBJECTIVES AND OUTCOMES (continued)

Table 8: Conservation covenants registered

Catchment	Registered covenants in 2019-20*	Registered covenants in 2018-19*	Registered covenants total**
Corangamite	2	3	108
East Gippsland	1	1	131
Glenelg Hopkins	0	3	101
Goulburn Broken	4	4	194
Mallee	1	0	45
North Central	8	4	258
North East	2	2	75
Port Phillip and Westernport	6	10	272
West Gippsland	3	4	146
Wimmera	3	5	173
Total	30	36	1,503

* Registered covenants in 2019/20 and 2018/19 excludes offset covenants.

** Registered covenants total includes offset covenants.

Table 9: Area protected by registered conservation covenants (excludes reserves)

Catchment	Area protected in 2019-20 (ha)*	Area protected in 2018-19 (ha)*	Total area protected (ha)**
Corangamite	10.2	79.8	2,510.2
East Gippsland	146.8	17.83	6,813.7
Glenelg Hopkins	65.5	70.53	4,227.4
Goulburn Broken	422.2	158.8	8,461.8
Mallee	92.2	0	3,990.8
North Central	580.8	494.67	13,235.6
North East	40.6	321.79	3,786.2
Port Phillip and Westernport	179.0	115.53	4,406.2
West Gippsland	78.7	158.38	6,379.6
Wimmera	156.3	501.09	16,330.4
Total	1,772.2	1,918.42	70,141.9

Note: The total area shown under covenant can change over time due to improved mapping techniques; and increases to areas already under covenant.

* The area protected in 2019/20 and 2018/19 excludes offset covenants.

** Total area protected (ha) includes offset covenants.

CONSERVATION ACHIEVEMENTS

Protecting ecologically significant areas

In 2019–20, Trust for Nature registered 30 new conservation covenants (excluding four offset covenants) and covenant amendments that increased the National Reserve System by 1,772 ha.

Covenants were registered in 12 of Victoria's 28 bioregions including nine of the 14 bioregions that are underrepresented (based on a 17% land area protection target). In total, 83% of all registered covenants in 2019–20 were located in the underrepresented bioregions, and these comprised 82% of the area protected.

Altogether, 90% of the registered covenants included native vegetation types assessed as being underrepresented in the National Reserve System. This collectively represented 55% of the extent protected through these new covenants in 2019–20. Further, of the 60 different ecological vegetation classes (EVCs) protected under covenant during 2019–20, 65% were classified as rare or threatened in Victoria and 30% as endangered.

Notable ecosystems protected by the Trust in 2019–20 included examples of five communities listed as nationally threatened under the Environment Protection and Biodiversity Conservation Act 1999, which were collectively represented on 53% of all covenants registered this financial year.

The Trust increased the level of protection in seven of our 12 focal landscapes, with the total land protected in these landscapes comprising 43% of the total land area protected under covenant in this financial year. Collectively, 91% of the habitat area protected under covenant this year helped improve the representativeness of the National Reserve System (located in underrepresented bioregions) and/or increase its adequacy (located in focal landscapes).

With the support of the Victorian Government's Sustainability Fund, the Trust commenced a review of its Statewide Conservation Plan during 2019–20, incorporating major new datasets from DELWP and other conservation agencies, including updated climate change information, to assist with priority-setting for additional protection over the next ten years.

The Trust also contributed in 2019–20 to state, national and international programs and forums to protect biodiversity including:

- representation by the CEO on the Commissioner for Environmental Sustainability Victoria Reference Group
- membership of the Victorian Government's Our Catchments Our Communities Strategic Reference Group
- representation on the Bushfire Biodiversity Relief and Early Recovery Steering Committee, which is comprised of DELWP, Parks Victoria, CMAs and Gunaikurnai, providing input to the process for dispersing the \$17 million of Victorian Government bushfire funding
- representation on the Victorian Government's Native Vegetation Advisory Group
- representation on VicEnvironments Forum (VEF), and VEF's science and communications subcommittees and the VEF Working Group
- representation on the inaugural Victorian Nature Festival working group, led by DELWP and its portfolio agencies
- representation on the Australian Business and Biodiversity Initiative
- attendance by the CEO at the Commonwealth and Victorian environment ministers' bushfire recovery roundtables
- attendance at the federal ministerial roundtables convened by the Hon. Sussan Ley MP, the Threatened Species Commissioner Dr Sally Box and Emma Campbell, Deputy Secretary, Department of Energy and Environment in Canberra on the importance of priority private land management actions
- membership of the Australian Land Conservation Alliance
- at the Australian Land Conservation Alliance conference, the Trust coordinated the Conservation Finance Intensive workshop featuring US conservation finance expert Carl Palmer and produced a Blended Conservation Finance Reference Guide
- five presentations at the Australian Land Conservation Alliance Private Land Conservation Conference in Adelaide
- representation on the steering committee of the International Land Conservation Network.

CONSERVATION ACHIEVEMENTS (continued)

Table 10: Bioregions, EVCs protected via conservation covenants (excluding offset covenants) and area in each catchment

CMA region	Victorian bioregion	Area (ha)	Number of covenants	Number of EVCs
Corangamite	Central Victorian Uplands	10.196	2	4
East Gippsland	East Gippsland Lowlands	146.76	1	4
Glenelg Hopkins	Glenelg Plain	65.49	1	3
Goulburn Broken	Central Victorian Uplands	402.16	4	6
	Northern Inland Slopes	20	1	2
Mallee	Murray Mallee	92.2	1	1
North Central	Central Victorian Uplands	64.75	1	1
	Goldfields	223.42	3	4
	Victorian Riverina	292.6	4	4
North East	Northern Inland Slopes	40.61	1	4
Port Phillip and Westernport	Gippsland Plain	144.226	3	12
	Highlands–Southern Fall	34.78	3	6
West Gippsland	Gippsland Plain	24.2	1	1
	Strzelecki Ranges	54.5	2	3
Wimmera	Greater Grampians	143.46	1	4
	Wimmera	12.85	1	1
Total		1,772.20	30	60

Collaborating with others to enhance permanent protection at a landscape scale

In 2019–20, Trust for Nature worked collaboratively with more than 130 organisations including the Victorian Government, the Australian Government, local governments, conservation organisations, land care groups and other community groups and businesses. Through these projects, the Trust delivered the permanent protection and stewardship outcomes outlined on page 8.

Trust staff participated in forums around Victoria including regional partnership and planning meetings. In addition, participation in state, national and international programs and forums to protect biodiversity is listed on page 13.

In particular, the Trust continued to work with key Victorian Government environmental agencies including DELWP's VicEnvironments Forum (VEF), the VEF's science and communications subcommittees, the VEF Working Group and the Commissioner for Environmental Sustainability Victoria Reference Group to help coordinate the collaboration and collective impact of the member agencies in relation to implementing *Protecting Victoria's Environment – Biodiversity 2037* and future initiatives.

In 2019, the Trust also continued relationships with the catchments and water programs of DELWP and CMAs, as part of the Our Catchments Our Communities program, to improve the health of waterways and catchments.

During the year, the Trust also helped enable environmental watering on three of its wetlands at Neds Corner Station, in partnership with the Mallee CMA and the Victorian Government. Planning also began for the installation of structures to assist with environmental watering on another part of the Trust's floodplain as part of the Victorian Murray Floodplain Restoration project. For the first time, the Trust also collaborated with the Murray Darling Wetlands Working Group to deliver environmental

water to a covenanted wetland in the Goulburn Broken region, as part of the Murray-Darling Basin Balanced Water Fund.

Managing protected areas

In 2019–20, Trust for Nature management activities on covenanted properties and on our reserves, as part of funded projects, included:

- weed management on more than 17,854 ha
- feral animal management on more than 48,109 ha
- installation of 7.25 km of fencing
- improving the grazing regime on more than 925 ha
- making other habitat improvements on more than 2,253 ha
- conducting more than 255 ecological surveys and assessments, mostly with threatened species projects.

The Trust was honoured that its Neds Corner Station manager, Peter Barnes, was a recipient of the United Nations Public Service Award for his leadership role as part of the Victorian Rabbit Action Network.

CONSERVATION ACHIEVEMENTS (continued)

Improving threatened species conservation

In 2019–20, the Trust collaborated with conservation and land management agencies and organisations to help secure, maintain or improve habitat for a range of threatened species. Some of the threatened species included the Plains-wanderer, Leadbeater's Possum, Helmeted Honeyeater, Regent Honeyeater, Swift Parrot, Australasian Bittern, Striped Legless Lizard, Squirrel Glider, Golden Sun moth, Button Wrinklewort, Spiny Rice-flower, Red Swainson-pea and Purple Diuris.

The year saw a major focus on Plains-wanderer conservation in partnership with the Australian Government, Victorian Government, North Central CMA, Zoos Victoria, Parks Victoria, universities, community groups and landholders. An additional 129 ha of critical habitat for this species was protected under conservation covenant on the Northern Plains. With funding from Zoos Victoria and North Central CMA, two other important covenants were negotiated during the year, which will help secure a further 144 ha of habitat for this globally endangered bird. Trust for Nature also supported two postgraduate research projects investigating different aspects of this species' ecology and conservation needs, and it assisted with the installation and analysis of song meters to further help understand the species' biology and habitat needs.

Trust for Nature continued to support conservation activities for the nationally endangered Spiny Rice-flower in its role as trustee for the Pimelea Conservation Trust Fund. Staff coordinated recovery team meetings, the preparation of a national recovery plan and on-ground works to help manage populations through weed control, burning, fencing and population supplementation.

Surveys for the nationally threatened Striped Legless Lizard in north-east Victoria resulted in a new record from north-east Victoria, the first record in this area for more than 40 years. Similarly, surveys conducted south of Benalla in the Goulburn Broken region as part of a Victorian Government Biodiversity Response Planning project, confirmed for the first time the presence of the endangered Squirrel Glider in this district, leading to recommendations to local community

groups about actions they could take to assist with this animal's conservation.

The Protecting our Faunal Emblems Program, funded by the Victorian Government, provided incentives to landholders in the Yarra Ranges to protect habitat for the endangered Leadbeater's Possum and critically endangered Helmeted Honeyeater, Victoria's two faunal emblems. The project has resulted in 450 ha of habitat being negotiated for permanent protection.

Education

Trust staff hosted eight school and university education days on covenanted properties and reserves around the state, to increase knowledge about the Trust's role and the importance of private land conservation in Victoria. Trust staff also gave lectures to students and staff at La Trobe University and two secondary schools, and contributed to a review of the wildlife conservation biology course at La Trobe University.

With support from the Victorian Government's Sustainability Fund, the Trust developed new information about how landholders can help mitigate the impacts of climate change on biodiversity at their properties. The information was presented at 11 workshops and events for covenantors, landholders, staff, committees of management and friends' groups during the year.

In partnership with RMIT University, the Trust also conducted a repeat survey of covenantors to better understand their knowledge and behaviours in relation to climate change and how their management might help mitigate impacts.

The Trust also co-hosted school students at a field day at Bank Australia's Conservation Reserve in the Wimmera, in partnership with Greening Australia and the Red-tailed Black-Cockatoo Recovery Team. Trust for Nature continued to co-host an Indigenous trainee with partner Greening Australia as part of the Bank Australia Conservation Reserve project. The Trust also continued to work with partners to increase opportunities for Aboriginal people in Victoria to access tertiary education in conservation management: there are more details on pages 18 and 19.

Supporting scientific study

In 2019–20, Trust for Nature staff provided data and advice to multiple ecology research projects. This included ongoing collaborations with the Threatened Species Recovery Hub and La Trobe University's Research Centre for Future Landscapes. The Trust also maintained research associations with La Trobe University, Monash University, RMIT University, University of Melbourne, Deakin University, University of Queensland, Australian National University and the Arthur Rylah Institute for Environmental Research, supporting scientific study by providing access to covenants and reserves, providing relevant datasets, contributing to science workshops, presenting at conferences and offering industry work placements and mentoring for students.

In part, this happened through the Trust's support of six postgraduate research projects through its Scholes Student Scholarship program. The Trust also continued an industry partnership with The University of Melbourne's Environmental Science Masters program this year, supporting one industry project.

During the year, Trust staff contributed to peer-reviewed scientific research by authoring a paper¹ and by providing expert input to other publications and research forums, particularly Biodiversity Bushfire Response workshops.

Special-purpose trusts and funds

Trust for Nature acts as a trustee for special-purpose trusts and funds established through bequests or regulatory requirements for specified conservation activities. These trusts include the:

- Pimelea Conservation Trust Fund, established to advance the protection and conservation of Spiny Rice-flower
- Growling Grass Frog Trust, established for the protection and benefit of the Growling Grass Frog in the Merri Creek catchment.

The Trust also manages the Golden Sun Moth Conservation Fund, established for the protection and benefit of the Golden Sun Moth.

The Amateur Gardeners Foundation, a trust established to accumulate and share knowledge about dwarfed and alpine plants for the benefit of alpine gardeners, was wound up in 2019–20. The trust's funds were distributed in the previous year to the Alpine Garden Society Victoria Group Inc. to further the work contemplated under the trust deed.

¹ Robinson, D (2019). Is revegetation in the Sheep Pen Creek area, Victoria, improving Grey-crowned Babbler habitat? – an update of feature article published in EMR in 2006. Ecological Management & Restoration, September 2019.

COMMUNITY ENGAGEMENT

Events

As part of our conservation mission, Trust for Nature engages with landholders, covenantors, supporters, volunteers, other conservation organisations, governments and the broader community. In 2019–20, Trust staff hosted or co-hosted over 48 engagement events across the state. Among them were Spring into Nature events held between September and October 2019. Spring into Nature enables people to experience nature by visiting covenanted properties and the Trust's reserves.

The Trust completed the Expert Volunteers Pilot Program (funded by the John T Reid Charitable Trusts), which links covenantors with people who are experienced in their landscapes and who can share their plant and animal knowledge or talk about land management issues (such as emerging weeds).

The ninth annual Celebrating Women in Conservation Breakfast was once again jointly hosted with Bush Heritage Australia and supported by the National Australia Bank. The Tasmanian Land Conservancy hosted a satellite event in Hobart, so Tasmanians could join the event by satellite link.

The West Gippsland Conservation Endowment Fund was officially launched in September 2019. The fund has been created to provide security and sustainability, and it is a game-changing boost to the capacity to act on the ground to preserve and rehabilitate West Gippsland's precious natural habitats.

The Trust also held events to celebrate and acknowledge supporters, covenantors and volunteers including:

- a curated weekend donor visit to Neds Corner Station in September 2019, which allowed supporters to see the 30,000 ha conservation property for themselves and experience its beauty, remoteness, Indigenous history and extraordinary biodiversity and rehabilitation achievements
- Christmas celebrations that were held as morning and afternoon teas for partners, major donors and bequestors in November 2019. For the first time, Trust for Nature held a virtual morning tea to thank our donors and bequestors in early June 2020

- webinars in May and June 2020, which were attended by over 1,700 live viewers, to provide a different opportunity for supporters and the public to engage with the Trust and conservation and ecological experts.

Traditional Owner engagement and partnerships

Trust for Nature's Statement of Intent and Commitment to Victorian Traditional Owner Groups recognises that all Victorians share in the benefits of Traditional Owners' custodianship and caring for Country for millennia. The statement formalises Trust for Nature's ongoing commitment to meaningful engagement and partnership with Traditional Owner groups, guided by the four principles of:

- recognition and respect
- cultural learning and development
- healthy natural environments and ecosystems
- capacity building and economic development.

In 2019–20, the Trust engaged with Australia's first peoples by developing and delivering new partnership projects, spending time together on Country, joint land management, joint funding applications and sharing knowledge at meetings, community events, workshops and presentations. Some of these activities are explained below.

In 2019, the Trust again partnered with the Bunurong Land Council Aboriginal Corporation and Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation to support Traditional Owners to gain a formal accreditation in land management through a Certificate III in Conservation and Land Management with Holmesglen. Students gained experience undertaking conservation projects on land protected by Trust for Nature covenants. In 2019, the course was supported by funding from the Victorian Government's Port Phillip Bay Fund through the Bunurong Land Council, Zoos Victoria, DELWP's Faunal Emblems Program, the Victorian Government's Biodiversity On-ground Action community grants, and support by the Port Phillip and Westernport CMA. The 2020 course has been delayed due to the coronavirus, but 20 people have expressed interest.

Trust for Nature also partnered with the Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation (Wurundjeri) and their Naarap team to complete works on Trust for Nature reserves. This included significant works, land management, fire assessments, cultural actions and habitat improvements on the Uambi, Willis, Harbury and Kopelis reserves.

In the North Central region, Trust for Nature continues to employ Barapa Barapa Traditional Owners to assist with on-ground delivery of projects funded by the Australian and Victorian governments.

In Gippsland, the Trust continued to work with the Gunaikurnai Land and Waters Aboriginal Corporation's On Country works crew to assist with on-ground delivery of projects across Gippsland, including on covenanted properties on the Corner Inlet and Nooramunga coastlines. The Trust also worked with the joint managers and Aboriginal rangers to undertake weed control in the Lakes Entrance - Lake Tyers coastal reserve.

In the North East region, the Woka Walla work crew from the Yorta Yorta nation was employed to carry out woody weed control on covenanted properties in the Warby Ranges.

Across the Corangamite region, the Trust continued to work in partnership with the Wathaurong Aboriginal Co-operative to undertake priority weed control on covenanted properties across the Bellarine Peninsula and Geelong district, supported by a Biodiversity On-ground Action community grant from the Victorian Government. This relationship has led to further employment opportunities for some participating Aboriginal team members. Trust for Nature has also partnered with the Wathaurong Aboriginal Co-operative to undertake threatened grassland revegetation on their Wurdi Youang property at Little River, as well as joint coordination of a wetlands event on the Bellarine Peninsula and joint involvement in the regional Landcare program Protecting the Victorian Volcanic Plains.

At Neds Corner Station, the Trust continued to meet regularly with the First Peoples of the Millewa-Mallee Aboriginal Corporation (FPMMAC) which includes Latji Latji, Nyeri Nyeri and Ngintait (Nintay) Traditional Owners to scope a memorandum of understanding to agree on a shared vision for the short- and long-term management of Neds Corner.

In south-west Victoria, the Barengi Gadjin Land Council are partners with the Trust and Greening Australia on Bank Australia's Conservation Reserve project. Traditional Owners were involved in and conducted activities at the Spring into Nature event at the reserve in September 2019, with activities once again including a welcome from Traditional Owners, art and dance. In partnership with Greening Australia, Trust for Nature continues to co-host an Indigenous trainee and facilitates training and working on Country opportunities through the Bank Australia Conservation Reserve and other regional conservation projects including at the Trust's Snape Reserve with its active committee of management.

Public policy

During the year, Trust for Nature made submissions about or provided input relating to key public policy areas, including:

- the independent review of the *Environment Protection and Biodiversity Conservation Act 1999*
- the draft *Yarra River Strategic Plan*
- the Climate Change Authority's review of the Emissions Reduction Fund, reviews relating to the operation of current carbon methodologies, the inquiry into tackling climate change in Victorian communities, and reducing Victoria's greenhouse gas emissions
- by informing public policymakers of the need for tax and municipal rates reform
- engagement in the design of the Convention on Biological Diversity's post-2020 targets.

COMMUNITY ENGAGEMENT (continued)

Support and development

Trust for Nature launched the Bushfire Habitat Recovery Fund in response to the devastating bushfires that spread across east and north-east Victoria in late 2019 and early 2020. \$57,000 was raised to assist in the recovery and restoration of habitat on the 46 properties protected with conservation covenants impacted by the fires.

Neds Corner Station was the focus of the Trust's annual tax appeal. The appeal raised \$354,350 to support ongoing conservation activities to protect and manage habitat on Neds.

The West Gippsland Conservation Fund was officially launched in 2019 and operates alongside a Trust for Nature Endowment Fund and Nature's Custodians (a bequest program). The fund has now received over \$1 million largely due to generous anonymous donors who provided matching funds of \$500,000.

The Trust continues to improve its digital platforms with the bi-monthly *Nature News*, the *Conservation Bulletin*, *Revolving Fund newsletter*, appeals and other regular communications issued to almost 6,000 people subscribed to the mailing list. The Trust's social media following across four platforms has grown exponentially in this financial year, bringing the total number of followers to about 14,000. Due to proactive media engagement, the Trust continues to attract at least 30 mentions in traditional media each quarter.

To enhance engagement with supporters and the broader community, the Trust has

- continued to embed our new relationship management platform
- continued to improve our website platform and make it more flexible
- implemented a series of webinars to showcase the Trust's work across Victoria.

PARTNERS AND VOLUNTEERS

Trust for Nature carries out its work to protect native plants and wildlife on private land through partnership and collaboration. The Trust gratefully acknowledges the many individuals, community groups, covenantors, associations, foundations and companies who continue to lend their support, both financial and otherwise, to Trust for Nature. It is only through collaboration and cooperation that we can fully achieve our goals.

Trust for Nature sincerely thanks the following individuals and organisations that have made contributions to Trust for Nature in 2019–20.

Government departments and statutory entities

- Aboriginal Victoria
- Australian Government Department of Agriculture Water and Environment
- Baw Baw Shire Council
- Office of the Commissioner for Environmental Sustainability
- Corangamite Catchment Management Authority
- Country Fire Authority
- Department of Jobs, Precincts and Regions
- Department of Environment, Land, Water and Planning
- East Gippsland Catchment Management Authority
- Glenelg Hopkins Catchment Management Authority
- Goulburn Broken Catchment Management Authority
- Mallee Catchment Management Authority
- Nillumbik Shire
- North Central Catchment Management Authority
- North East Catchment Management Authority
- Parks Victoria
- Port Phillip and Westernport Catchment Management Authority
- Royal Botanic Gardens Victoria
- West Gippsland Catchment Management Authority
- Wimmera Catchment Management Authority
- Victorian Environmental Assessment Council
- Zoos Victoria
- Department of Justice
- Victorian Rabbit Action Network
- South Australian Water
- The Commonwealth Environmental Water Holder
- Victorian Environmental Water Holder
- Gunaikurnai Land and Water Aboriginal Cooperation
- Arthur Rylah Institute
- Regional Roads Victoria (formerly Vic Roads)
- Red-tailed Black Cockatoo Recovery Group
- Moira Shire Council
- Municipal Association of Victoria
- Plus other local governments in Victoria

NGO and not-for-profit partners

- Australian Communities Foundation
- Ballarat Environmental Network (BEN)
- Barapa Barapa Traditional Owners
- Bellarine Landcare Group
- Barengi Gadjin Land Council Aboriginal Corporation
- Biodiversity Conservation Trust (NSW)
- Biophilia Foundation
- Birchip Landcare Group
- Birdlife Australia and its regional branches
- Broken Boosey Conservation Management Network
- Bunurong Land Council Aboriginal Corporation
- Bush Heritage Australia
- Cardinia Environment Coalition
- Cassinia Environmental
- Central Victorian Biolinks Alliance
- Connecting Country
- Conservation Volunteers Australia
- Dja Dja Wurrung Clans Aboriginal Corporation
- East Gippsland Landcare Network

PARTNERS AND VOLUNTEERS (continued)

- East Gippsland Conservation Management Network
- Environmental Justice Australia (Victoria)
- Fairley, Bael Bael and Sandhill Lake Landcare
- Federation of Victorian Traditional Owners Corporation
- Field Naturalists Club of Ballarat
- Field Naturalists Club of Geelong
- Field Naturalists Club of Victoria
- First People of the Millewa Mallee Aboriginal Corporation
- Friends of the Helmeted Honeyeater
- Greening Australia (Victoria)
- Habitat 141 Alliance
- Hazel L Henry Farmland Nature Refuges
- Heathmont Bushcare
- Helen Macpherson Smith Trust
- Hindmarsh Landcare Network
- John T Reid Charitable Trusts
- Kara Kara Conservation Management Network
- Lake Tyers Aboriginal Trust
- Landcare Australia Ltd
- Loddon Plains Landcare Network
- Longwood Plains Conservation Management Network
- Lord Mayor's Charitable Foundation
- Myer Family Trust
- Nature Foundation SA
- Nature Glenelg Trust
- Northern Plains Conservation Management Network
- Odonata
- Paul Family Foundation
- Plains-wanderer National Recovery Team
- Project Platypus Association Inc (Upper Wimmera Landcare)
- Queensland Trust for Nature
- RE Ross Trust
- Russell & Womersley Foundation
- Strathbogie Ranges Conservation Management Network
- Tasmanian Land Conservancy
- Taungurung Clans Aboriginal Corporation
- The Nature Conservancy
- Urquhart Foundation
- Victorian National Parks Association
- Victorian Volcanic Plains Conservation Management Network
- Wathaurong Aboriginal Corporation
- Wathaurong Aboriginal Co-operative Ltd
- Wedderburn Conservation Management Network
- Wurundjeri Tribe Land and Compensation and Cultural Heritage Council Incorporated
- Yorta Yorta Nation Aboriginal Corporation
- Ian Potter Foundation
- Cybec Foundation
- Basalt to Bay Landcare Network
- Molyullah Tatong landcare Group
- Regent Honeyeater Project
- Australian Philanthropic Services
- Jim and Heather Phillipson (Rendere Trust)
- Eco Gipps Pty Ltd

Educational institutions

- 15 Mile Creek Outdoor School
- Federation University
- La Trobe University
- Monash University
- RMIT University
- The University of Melbourne
- University of Queensland
- Outdoors Victoria
- Victoria University
- Australian National University
- Monash University

Corporate partners

- Bank Australia
- National Australia Bank
- Pearce Webster Dugdales
- Property Valuers Australia
- HVP Plantations
- Mills Oakley
- Climate Friendly
- Tiverton Agricultural Investment Fund
- Cassinia
- GreenCollar
- GreenFleet
- Dalton and Associates
- Herbert Smith Freehills
- Arnold Bloch Leibler
- Perpetual Trustees

Committees of management, friends' groups, organisations and individuals that provide special assistance on Trust for Nature properties

- Dexter's Bush
- Dog Rocks Flora and Fauna Sanctuary
- Friends of Bungalook Conservation Reserve
- Friends of Burge Reserve
- Friends of Clarkesdale Bird Sanctuary
- Friends of Harbury Reserve
- Friends of Pallister's Reserve
- Friends of Ralph Illidge Sanctuary
- Friends of Uralla Nature Reserve
- Mt Elephant Community Management Inc
- Mt Elgin Swamp Committee of Management
- Ocean Grove Park Association
- Snape Reserve Committee of Management
- Uambi Committee of Management
- Wanderslore Sanctuary Committee of Management and the Friends of Wanderslore

Volunteers

Thank you to the many volunteers who provided invaluable support towards achieving our goal of protecting private land in Victoria. We could not achieve all that we do without you.

THANK YOU TO OUR DONORS

Trust for Nature is grateful to all its donors. With their generosity, the Trust continues its work to protect nature on private land today, tomorrow and forever.

We would especially like to thank the following supporters who have donated \$1,000 or more in 2019–20. We also thank those who wished to remain anonymous. Together, we are making a difference.

Donors

- Alistair Inglis
- Andrew Barrett
- Ann Miller
- Annelie Holden
- Barbara Anne Baird
- Brian Clyde Snape
- Bridget Farmer
- Camilla Graves
- Caroline Welsh
- Carrillo Gantner
- David Harper
- David McLatchie
- David Minifie
- Douglas K Pocock
- Douglas Wilson
- Elizabeth Xipell
- Ellen Koshland
- Estelle E Hewston
- Fons VandenBerg
- Frank Schooneveldt
- Geoff A Durham
- Geoff Wescott
- Geoffrey Giles
- George Durbridge
- Guy Campbell
- Helen & John Schumann
- Helen Garretty
- Helen Symon
- Hilary Irwin
- Ian G Tremellen
- James Vaux
- Jane Edmanson
- Janet Berwick
- Janet Limb
- Jennifer Bourke
- Jennifer Davidson
- Jillian Thomas
- Joe Benshemesh
- Judy & Mick Lumb
- Julia Bruce
- Keith Richards
- Kim Marriott
- Kirsty Bennett
- Lesley Griffin
- Lesley Hodgkinson
- Lesley Perkins
- Lindy Shelmerdine
- Liz Balogh
- M Irwin
- Margaret & Ian Ross
- Matthew Landy
- Max Ervin
- Michael Troy
- Myles McCallum
- Pam Knight
- Pam Petschack
- Peter Lemon
- Peter R Furneaux
- Phyllis Bourke
- Robert Niall
- Rod & Jan Orr
- Roslyn Semler
- Sarah Minifie
- Susan Crosher
- Susan Morgan
- Sylvia Geddes
- Tobi Edmonds
- Victoria Marles
- William Holsworth

Trusts and foundations and corporate donors, that supported specific projects

- Askra Consulting Pty Ltd
- Ballandry (Peter Griffin Family) Fund at Australian Communities Foundation
- Biophilia Foundation
- Blue Environment Pty Ltd
- Hamer Family Fund at Australian Communities Foundation
- Harper Family Endowment at JBWere Charitable Endowment Fund
- Koreen Conservation Ltd
- Lewin Family Foundation
- Limb Family Foundation
- Lord Mayor's Charitable Foundation
- M Dingle Family Trust Donation
- Maddocks
- McBeal Endowment at Australian Philanthropic Services Foundation
- Paul Family Foundation
- Rob + Hope Stewart Gift at Australian Philanthropic Services Foundation
- Souter-Foale Family Trust

Bequests

- Estate of Joyce Gillespie
- Estate of Helen Garretty

FINANCIAL OVERVIEW

Finance and business current year financial review

For 2019-20 the Trust had a net comprehensive result surplus of \$3,963,085 compared to a deficit of \$273,081 in 2018-19.

Overall revenue levels were significantly higher than the previous year due to higher government program grants, for both on-ground works as well as for the acquisition of a conservation property, and also due to higher donation and appeal income. The Trust's two major philanthropic appeals, Christmas and End of Financial Year, were strongly supported despite the many challenges faced by the community during 2020 and an additional appeal was conducted to raise funds to support covenantors affected by the 2020 bushfires. The Trust was very fortunate to be gifted three properties across Victoria and to also receive a major contribution to its West Gippsland Endowment Fund. This fund now exceeds \$1 million and will provide an enduring income stream to support conservation works focused on the West Gippsland area.

Expenditure, including employment expenditure, was slightly higher than the prior year reflecting the higher regional on-ground conservation services delivered using government and philanthropic grants and donations. It is also noted, however, that a significant portion of that higher grant and donation income recognised in 2019-20 will be expended during 2020-21 on conservation works. Other expenses include IT and communications, legal and governance, fundraising and marketing.

Other economic flows includes profits on the sale of four revolving fund properties settled during the year. These profits are used to help fund the Trust's perpetual stewardship services on the properties sold and the remainder is retained by the revolving fund to continue its mandate to purchase, covenant, and on-sell more and more private properties.

The Trust completed an upgrade of its IT systems used for land management and also migrated its CRM system onto the same platform. General

reserves have been used to fund these and other major IT upgrades over the last five or six years and the Trust is pleased to be now operating on up-to-date, effective and well supported systems. The Covenant Stewardship surplus reserve has been used to partly fund the Trust's state-wide stewardship program. The Covenant Stewardship surplus reserve is held for this purpose and \$190,000 was appropriated in 2019-20.

Total assets were \$86 million at year end. The increase of \$14 million from last year is mostly due to an increase in funds being held on behalf of on behalf of private landowners and other third parties in relation to the Trust's offset program. These funds are distributed to landowners for the purpose of improving the habitat on their covenanted land, or are held as a bond pending the completion of a new covenant offset agreement. Of the total assets, \$25 million is represented by Trust owned properties which do not generate income. The remaining \$60 million is held in financial assets, primarily against third party liabilities (\$49 million), which includes the funds held in relation to the Trust's offset program, and reserves with specified purposes (\$8 million) including the Trust's revolving fund. Earnings on these funds are applied for the benefit of those funds and are not available for general use. Net assets at year end are \$37 million. This is an increase of \$4 million and is due to a \$2 million upward revaluation on the value of the Trust's conservation land holdings reflecting cumulative increases in regional land prices over the last four years, and the value of gifts of land and contributions to the Trust's endowments.

There are no significant matters which changed our financial position during the reporting period.

There were no significant changes or factors which affected our performance during the reporting period.

There were no events occurring after balance date which may significantly affect the Trust's operations in subsequent reporting periods.

Table 11: Five-year financial summary

	2020	2019	2018	2017	2016
Operating grant	1,362,000	1,374,000	1,467,000	1,485,000	793,301
Government grants	4,248,461	2,911,444	2,309,691	1,909,451	2,255,263
Government and philanthropic grants used to acquire properties	1,061,055	0	500,000	219,213	135,000
Donations and appeals	2,588,966	585,762	1,308,950	635,836	766,945
Bequests	5,000	898	4,000	212,634	587,463
Interest and dividends, net of interest paid to third parties	588,829	929,618	587,758	492,351	586,651
Philanthropic grants, consulting and other income	1,119,207	1,320,582	876,113	1,302,045	735,885
Total income	10,973,548	7,122,304	7,053,512	6,256,530	5,860,508
Salary and associated expenses	4,682,455	4,259,277	3,918,291	3,502,692	3,398,635
Conservation program expenditure	1,122,696	1,350,098	1,489,645	1,058,487	756,151
Cost of land surrendered to government for nil consideration	1,061,055	0	0	0	0
Payments from appeals and other reserves with specified purposes	236,651	258,988	274,689	433,348	236,356
Other expenses	1,847,539	1,755,554	1,740,234	2,006,620	1,719,881
Total expenditure	8,950,396	7,623,917	7,422,859	7,001,147	6,111,023
Net result from transactions	2,023,152	(501,613)	(369,347)	(744,617)	(250,515)
Gain/(loss) on non-financial assets	438,896	204,360	554,093	9,608	1,400
Gain/(loss) on financial instruments	(483,239)	24,172	191,937	264,826	2,135
Changes in revaluation surpluses	1,984,276	0	0	(766,900)	1,960,897
Total other economic flows	1,939,933	228,532	746,030	(492,466)	1,964,432
Comprehensive result	3,963,085	(273,081)	376,683	(1,237,083)	1,713,917
Total assets	86,007,501	72,345,517	68,807,751	60,134,984	59,414,184
Net assets	37,410,676	33,447,591	33,720,672	33,343,989	34,581,072

Note: Interest income and total income in this table are stated net of interest income and the offsetting interest expense, which is directly attributable to funds held on behalf of third parties. Also refer to note 2.3 and note 3.6.

GOVERNANCE AND ORGANISATIONAL STRUCTURE

Trust for Nature is overseen by a Board of Trustees, appointed by the Governor-in-Council on the recommendation of the Minister administering the *Victorian Conservation Trust Act 1972*.

Patron

Her Excellency the Honourable Linda Dessau AC, Governor of Victoria.

Trust for Nature's Board comprised the following independent members as at 30th June 2020:

Gayle Austen, Chair

BA (Media & Communications), Adv Cert App Language (Mandarin), GAICD (*trustee since 8 December 2015*)

Gayle is a communications and marketing specialist with extensive experience in strategic communications and community engagement. She has held senior executive positions at Seven Network, International CEO Forum and Foster's and was most recently Head of Marketing and Communications at ANZ Institutional. Her senior roles in journalism have been based in Australia, China and the UK, including at The Economist Intelligence Unit and The Age. She is currently Director of Gayle Austen Communications and the Deputy Chair of Access Health and Community. As a former journalist with specialties in environmental and rural affairs, and being from a farming family, Gayle has a particular interest in the way agribusiness can contribute to conservation. She believes there are opportunities to energise and involve farmers, communities and corporations in safeguarding our natural heritage for future generations.

Dr Charles Meredith, Deputy Chair

BSc (Botany, Genetics), PhD (Zoology/Earth Sciences) (*trustee since 8 December 2015*)

Charles is an ecologist and consultant with extensive experience in natural systems and conservation planning. After an early career in

wildlife research, he founded Biosis Research, Australia's largest ecological and heritage consulting firm. He was CEO there from 1984 until he retired in 2011. Charles is an inaugural Fellow of the Environment Institute of Australia and New Zealand. He is Chair of the Melbourne Strategic Assessment Land Protection Advisory Group, a member of the Course Advisory Committee for Wildlife and Conservation Biology Degree at La Trobe University and a board member of the Victorian Environmental Assessment Council. He says Trust for Nature's significant role in contributing to the conservation of privately held vegetation and habitat is critical to the long-term conservation of Victoria's biodiversity. Charles currently chairs Trust for Nature's Conservation Committee.

Nina Braid

BA (AbIPolMgmt), MMgmt, Dip Gov (*trustee since 9 December 2019*)

Nina is an Aboriginal woman from far-north South Australia. She has eight years' experience working in and with communities for conservation and environmental purposes as a project manager at the Indigenous Land Corporation. She also brings a wealth of experience from her roles with AFL SportsReady, Red Dust Role Models and National Indigenous Pastoral Enterprises, as well as the Australian Department of Health and Ageing and Department of Employment and Workplace Relations. Nina is currently working as the Aboriginal Partnerships Manager with Yarra Valley Water. Nina is a member of Trust for Nature's Conservation Committee and the Fundraising and Marketing Committee.

Dr Sandra Brizga

BA (Hons) (Geography, Psychology), Master of Environmental Law, Master of Applied Finance, PhD (Geomorphology), AFin, GAICD (*trustee since 23 August 2017*)

Sandra has extensive experience in environmental and natural resource management. She has been an independent consultant in river, catchment and coastal management since 1995 and is also a sessional member of Planning Panels Victoria. She previously pursued a career in academia and has published a book on river management. Current and previous board and committee memberships include the Australian World Heritage Advisory Committee, Fraser Island World Heritage Area Scientific Advisory Committee, Bellarine Bayside Foreshore Committee of Management, Central Coastal Board, Game Management Authority, Port Phillip and Westernport CMA, Regional Forest Agreement Modernisation Program Scientific Expert Panel and Victorian Catchment Management Council. She is a Fellow of the Peter Cullen Trust, President of the Australian and New Zealand Geomorphology Group and an Honorary Life Member of the River Basin Management Society. Sandra currently chairs Trust for Nature's Finance and Investment Committee.

Binda Gokhale

MBA, GAICD, CPA, BEconomics (*trustee since 23 August 2017*)

Binda is Chief Financial Officer with Wyndham City Council, having previously held senior finance, strategy and planning positions at Telstra. Binda currently chairs Trust for Nature's Audit and Risk Committee, having served on this committee as an external member since 2008. Binda also participates across several other organisations in a board and governance capacity including as a board member of the Satellite Foundation, as a member of the CPA Public Sector and NFP Committee and as Vice-President Professional Development at FinPro (representing finance professionals in the local government sector).

Dr Dominique Hes

BSc (Botany), Grad Dip (Eng), PhD (Arch), GAI (Effective Director Course), M.AIRAH, M.AICD (*trustee since 9 December 2019*)

Dominique is the Principal Researcher at Beyond Zero Emissions, a climate change solutions think tank. She is passionate about good governance, collaboration and finding ways to contribute to the resilience and robustness of human and non-human systems. She was a founding board member of the Living Future Institute of Australia, and she is now on the board of Greenfleet. Dominique has won two national awards for her teaching and contribution to Australia as a sustainability professional. She has served on Victorian and National awards committees for over 15 years, including the Premier's Sustainability Awards, Banksia Sustainability Awards and the City of Yarra's Yarra Sustainability Awards. She has written six books including the award-winning *Designing for Hope: Pathways to Regenerative Sustainability* (2015), *Designing the Eco-City* (2018) and *Placemaking Fundamentals for the Built Environment* (2020). Dominique is a member of Trust for Nature's Conservation Committee and the Marketing and Fundraising Committee.

Matthew Kronborg

Master of Law (Natural Resources and Energy), BBus, BTech (Aviation), DipSustainability, Cert (CarbonManagement), Cert(EnergyTech), ATPL and GAICD (*trustee since 9 December 2019*)

Matthew is a multidisciplinary expert with particular expertise in sustainable development, innovative clean technology and governance. He is the founder of sustainable agrifoodtech Grainstone, a bespoke independent consultant and an impact investor. Previous roles have included National CEO of the United Nations Association of Australia and the top advisor for environment and community strategy to Qantas Airways. He has been an advisor and board member to numerous NGOs, businesses and related bodies. In his spare time, he's an avid bushwalker, outdoorsman and pilot with a strong bond to Australia's natural heritage. Matthew sits on Trust for Nature's Finance and Investment Committee and the Audit and Risk Committee.

GOVERNANCE AND ORGANISATIONAL STRUCTURE (continued)

Nadine Ponomarenko

Master of Environment, MBA, B Bus (Acc), GAICD
(trustee since 9 December 2019)

Nadine is strategically and commercially focused with broad experience in chartered and industry accounting, consulting and sustainability. Current and previous board and committee memberships include Carbon Market Institute, 3000Acres, AFSA, Bush Heritage Australia, Environment Victoria and Sustainable Living Foundation. Nadine is a member of Trust for Nature's Audit and Risk Committee and the Finance and Investment Committee.

Jennifer Wolcott

B. Forest Science (Honours), GAICD *(trustee since 9 December 2019)*

Jennifer has had extensive experience within the Victorian public sector with a focus on environmental and natural resource management and rural and regional development. Jennifer has led significant policy, legislation, regulatory reform and strategy programs and has a keen interest in governance. She has held executive positions with Environment Protection Victoria, Parks Victoria, Regional Development Victoria, Emergency Management Victoria and several departments. Jennifer has been a member of the Victorian Coastal Council and was a longstanding board director of the Royal Botanic Gardens Victoria. Jennifer is currently a director of the Institute of Public Administration Australia (Victoria) and chairs Trust for Nature's Marketing and Fundraising Committee.

Trustees who retired from the board during the reporting period

There were six trustee retirements from Trust for Nature's board during 2019–20.

Board and committee meetings and attendance

Trust for Nature's Board of Trustees met four times in the 2019–20 reporting period, as did its four main committees. See attendance details below.

Table 12: Board and committee meetings attendance

	Board meetings	Audit and Risk Committee meetings	Fundraising Committee meetings	Conservation Committee meetings	Finance and Investment Committee meetings
Geoff Driver	1/3	3/3	3/3	3/3	3/3
Amanda Noble	1/1	-	-	-	1/1
Gayle Austen	4/4	1/1	4/4	1/1	4/4
Cas Bennetto	1/1	-	2/4	1/4	-
Dr Charles Meredith	4/4	3/4	-	3/4	-
Dr Sandra Brizga	3/4	4/4	-	4/4	3/4
Dr Georgia Garrard	1/1	-	2/2	2/2	-
James Bentley	1/1	-	1/2	2/2	-
Binda Gokhale	3/4	4/4	-	2/2	1/2
Katherine Cary	1/1				
Jennifer Wolcott	3/3	1/1	2/2	2/2	-
Dominique Hes	3/3	-	1/2	1/2	-
Nadine Ponomarenko	3/3	2/2	-	-	2/2
Nina Braid	1/3	1/1	2/2	2/2	-
Matthew Kronborg	3/3	2/2	-	-	1/2

A special meeting of the Board of Trustees was held on 27 August 2019. In attendance were Geoff Driver, Binda Gokhale, Cas Bennetto, Dr Charles Meredith, James Bentley, Gayle Austen, Dr Georgia Garrard and Katherine Cary.

Special meetings of the Board of Trustees were held on 1 April and 27 April 2020. In attendance were Gayle Austen, Dr Charles Meredith, Dr Sandra Brizga, Nadine Ponomarenko, Nina Braid, Dr Dominique Hes, Matthew Kronborg and Jennifer Wolcott.

The Executive Remuneration Committee met on 16 August 2019.

GOVERNANCE AND ORGANISATIONAL STRUCTURE (continued)

Audit and Risk Committee

Trust for Nature's Audit and Risk Committee comprised the following independent members as at 30 June 2020:

- **Binda Gokhale** (*Chair from December 2017*)
- **Gayle Austen**
- **Dr Sandra Brizga**
- **Matthew Kronberg**
- **Nadine Ponomarenko**

Key responsibilities of the Audit and Risk Committee are to:

- review and report independently to the board on the annual report
- assist the board in reviewing the effectiveness of Trust for Nature's internal control environment covering:
 - » the effectiveness and efficiency of operations
 - » the reliability of financial reporting
 - » compliance with applicable laws and regulations
- determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors
- maintain effective communication with external auditors
- consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised
- oversee the effective operation of the risk management framework.

Members are appointed by the board and are subject to the committee's terms of reference.

Meetings are held quarterly and at any other time on request of a committee member or the internal or external auditor. In 2019–20, the committee met four times.

Comparative workforce data

Table 13: Trust for Nature staffing statistics by full-time equivalent

	30 June 2020	30 June 2019
Regional program staff	31.0	30.4
Commercial services	1.4	1
Fundraising	3.0	4.4
Executive and support, policy, strategy	7.3	8
Other – reserve projects	2.6	0.8
Total	45.3	44.6

Table 14: Trust for Nature staffing statistics by gender (headcount)

	30 June 2020	30 June 2019
Women	38	36
Men	23	24
Total	61	60

Senior Leadership Team

Trust for Nature's senior leadership team consisted of the following as at 30 June 2020.

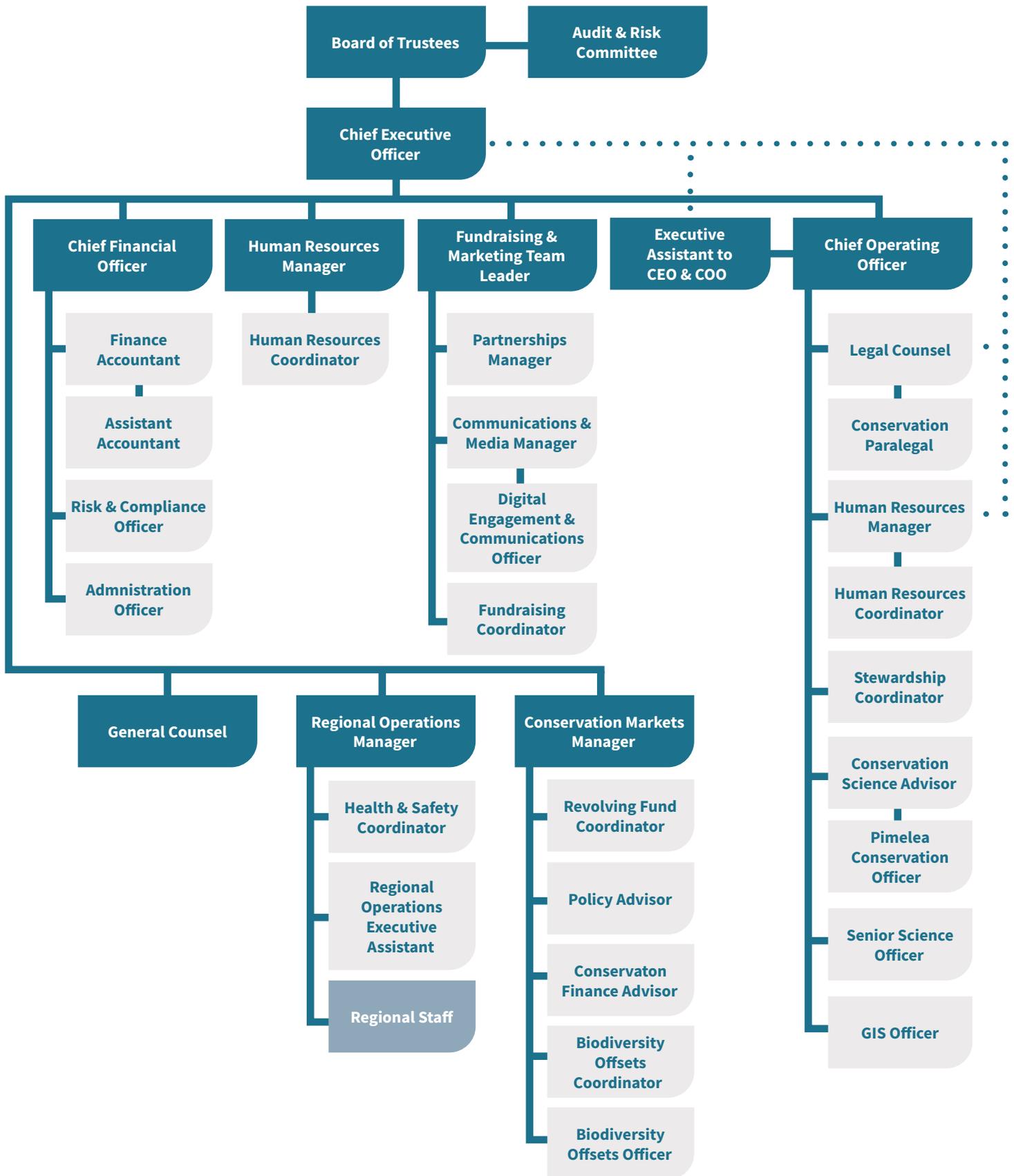
Chief Executive Officer

- Victoria Marles, BA, Dip Ed, Dip Arts, LLB (Hons), LLM, FAICD

Senior officers

- Chief Financial Officer, Greg Bowers, BBus, CPA
- Regional Operations Manager, Anna Foley, BSc (Hons), Master of Environment
- Chief Operating Officer, Stephen Thuan, Cert IV in Governance, Dip. Horticulture
- Conservation Markets Manager, Marnie Lassen, LLB (Hons), BA, GAICD
- Legal Counsel, Sarah Brugler, BA, JD
- Human Resources Manager, Richard Gales, Dip Personnel Admin, Grad Dip Adult Education & Training, Cert in Horticultural Studies, LAHRI

ORGANISATIONAL CHART



OTHER DISCLOSURES

Occupational health and safety

Trust for Nature continues to review and improve the effectiveness of its Health and Safety Management system in line with Australian Standard AS/NZS 4801:2001. The system's plan has health and safety goals, objectives and performance indicators, and it helps us monitor our compliance with our OH&S legal and other regulatory requirements.

OH&S continues to be integrated into our organisational culture and is a core component of our general operations. Regular reporting to the Audit and Risk Committee and the board enables us to identify OH&S risks and to implement and oversee risk mitigation activities.

Major achievements during the year included a refresh of the Occupational Health and Safety Management System including our OHS Management Plan, Risk Register, Document Register, Inspection Suite, and implementing new monthly reporting of key leading and lagging indicators. Additionally, Trust for Nature staff led a range of operational safety improvements across the state relating to bushfire response, pandemic response and other outdoor works.

The Trust commenced implementation of the Leading the Way employee health and wellbeing program with an internal gap analysis.

Table 15: Occupational health and safety statistics

	2019-20	2018-19	2017-18
OH&S committee meetings	9	10	10
Number of reported accidents and near misses received	9	7	7
Number of reported injuries received	1	6	2
Reports proceeding to Worksafe claims	0	0	0
Average cost per claim	0	0	0
Lost time standard claims	0	5	0

Employment and conduct principles

Trust for Nature has policies and practices that are consistent with the Victorian Public Sector Commission's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. Trust for Nature has advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct. The Trust offered free flu vaccinations for all staff in May 2020.

Organisational sustainability

This year, Trust for Nature continued to work towards minimising its impact on the environment through measures focusing on office-based activities and transportation, including reducing consumption of energy and paper and increasing recycling and environmentally sound purchases by utilising shared fleet vehicles and Flexicars.

Details of consultancies over \$10,000

In 2019-20, there were no consultancies engaged where the total fees payable to the consultant were \$10,000 or greater.

Details of consultancies under \$10,000

In 2019-20, there was one consultancy engaged where the total fee payable to the consultants was less than \$10,000. The total expenditure incurred during 2019-20 in relation to this consultancy was \$1,180 (excluding GST).

Major contracts

Major contracts are defined for Victorian Government reporting purposes as greater than \$10 million. Trust for Nature did not award any major contracts during 2019-20.

Government advertising

No government advertising expenditure was incurred by Trust for Nature during the reporting year.

Capital projects

Trust for Nature does not manage any capital projects.

Compliance with the *Building Act 1993*

Trust for Nature does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

Freedom of information

The *Freedom of Information Act 1982* allows the public a right of access to documents held by Trust for Nature, which is considered to be a government agency under the Act.

For the 12 months ending 30 June 2020, no freedom of information (FOI) applications were received by Trust for Nature.

Making a request

Access to documents may be obtained through written request to the Authorised Officer, as detailed in s17 of the *Freedom of Information Act 1982*.

When making a FOI request, applicants should ensure the request:

- is in writing to the Authorised Officer
- clearly identifies which document is being sought
- is accompanied by an application fee of \$29.60 (as at the time of this report's publication): the fee may be waived in certain circumstances.

Access charges may also be applicable.

FOI requests can be lodged:

- online at www.ovic.gov.au or
- directly to Legal Counsel, Trust for Nature, 5/379 Collins Street, Melbourne VIC 3000 or
- by email to trustfornature@tfn.org.au.

A decision to release information is made by Trust for Nature's Authorised Officer.

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act, regulations under the Act and www.ovic.vic.gov.au.

Compliance with the *Public Interest Disclosures Act 2012*

The *Public Interest Disclosures Act 2012* enables people to make disclosures about improper conduct by public officers and public bodies. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

The *Public Interest Disclosures Act 2012* was amended with changes effective from January 2020 and was formerly known as the *Protected Disclosures Act 2012*.

Trust for Nature is committed to encouraging and facilitating the making of disclosures of improper and corrupt conduct by public officers and public bodies. Trust for Nature's *Public Interest Disclosure (Whistleblowing) Policy* and *Public Interest Disclosures Procedures* demonstrate the Trust's commitment to the aims and objectives of the Victorian public sector public interest disclosure regime. Procedures are here trustfornature.org.au/compliance.

What is a public interest disclosure?

A public interest disclosure is a disclosure by an individual about improper conduct on the part of a public body, its staff or board members. Disclosures may also be made about 'detrimental action' taken in reprisal for making a public interest disclosure.

Trust for Nature is a public body subject to the Act, but it is not authorised to receive a public interest disclosure. Any disclosure about Trust for Nature must be made directly to the Independent Broad-based Anti-Corruption Commission.

How do I make a protected disclosure?

You can make a protected disclosure about Trust for Nature or its board members, officers or employees by contacting the Independent Broad-Based Anti-Corruption Commission via the contact details provided below.

OTHER DISCLOSURES (continued)

Protected disclosure contacts

Independent Broad-Based Anti-Corruption
Commission (IBAC) Victoria

Level 1 North Tower, 459 Collins Street, Melbourne
Victoria 3000

Mail: IBAC, GPO Box 24234, Melbourne VIC 3001

Phone: 1300 735 135

Website: www.ibac.vic.gov.au

Email: visit the website above for the secure
email disclosure process, which also provides for
anonymous disclosures.

Availability of other information

Other information to be made available upon
request (subject to the *Freedom of Information Act
1982*) is:

- a statement that declarations of pecuniary interests were duly completed by all relevant officers
- details of shares held in subsidiaries
- details of publications produced and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged
- details of any major external reviews
- details of major research and development activities
- details of overseas visits
- details of major promotional, public relations and marketing activities
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations and details of time lost through industrial accidents and disputes
- a list of major committees, the purpose of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors.

The information is available on request from Legal Counsel, Trust for Nature, Level 5/379 Collins Street, Melbourne VIC 3000 or via email to trustfornature@tfn.org.au.

National competition policy

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Advantages that government businesses may experience, simply as a result of government ownership, should be neutralised. Trust for Nature continues to implement and apply this principle in its business undertakings. Trust for Nature complies with the Victorian Government's *Competitive Neutrality Policy*, issued in September 2012.

Local Jobs First

The *Victorian Industry Participation Policy Act 2003* requires departments and public sector bodies to report on the implementation of the *Local Jobs First – Victorian Industry Participation Policy* (Local Jobs First – VIPP). Departments and public sector bodies must apply the Local Jobs First - VIPP in all procurement activities valued at \$3 million or more in metropolitan Melbourne and for statewide projects, and at \$1 million or more for procurement activities in regional Victoria. Trust for Nature has not commenced or completed any contracts during 2019–20 to which Local Jobs First - VIPP applied.

Trust for Nature Financial Management Compliance Attestation Statement

I, Gayle Austen, certify that Trust for Nature has complied with the applicable Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994* and Instructions.



Gayle Austen, Chair
23 February 2021

Information and communication technology expenditure

NOTE: In 2019–20, the Trust had a total information and communication technology (ICT) expenditure of \$488,934, as detailed below.

Table 16: Information and community technology expenditure

Business-as-usual ICT expenditure	Non-business-as usual ICT expenditure	Operational expenditure	Capital expenditure
Total	Total operational and capital		
247	242	139	103

Disclosure of grants and transfer payments

Trust for Nature made the following payments in 2019-20.

Table 17: Offset agreements

Total amount	Recipients
\$5,989,150	36 private landowners under 95 agreements

These are payments, provided by offset credit purchasers, made to landowners under biodiversity offset agreements to meet approvals under Victorian and Commonwealth legislation. Annual payments are made to landowners upon meeting the requirements of an agreed management plan. Also, payments to landowners are made when surplus offset credits are traded.

Table 18: Incentive programs

Total amount	Recipients
\$56,473	8 private landowners

These are payments made to landowners under government incentive programs and administered under land management agreements to achieve improved on-ground biodiversity outcomes.

DISCLOSURE INDEX

The *Trust for Nature Annual Report 2019–20* was prepared in accordance with all relevant Victorian legislation and pronouncements. This index identifies the Trust’s compliance with statutory disclosure requirements.

Table 19: Trust for nature compliance with statutory disclosure requirements

Legislation	Requirement	Page reference
Directions & Financial Reporting Directions		
Charter and purpose		
FRD 22H	Manner of establishment and relevant Minister	Page 6
FRD 22H	Purpose, functions, powers and duties	Page 6–7
FRD 22H	Nature and range of services provided	Page 8–10
FRD 22H	Operational objectives and outcomes	Page 11–12
FRD 22H	Key initiatives and projects	Page 13-20
Management and structure		
FRD 22H	Governing board	Page 28–33
FRD 22H	Board committee structure	Page 31
SD 3.2.1/FRD 22H	Audit committee membership and role	Page 32
FRD 22H	Organisational structure	Page 33
FRD 15E	Executive Officer data and disclosure	Page 91
FRD 29C	Workforce data	Page 32
Other information		
FRD 10A	Disclosure index	Page 38
FRD 25 D	Local Jobs First	Page 36
FRD 22H	Statement on National Competition Policy	Page 36
FRD 22H	Occupational health and safety	Page 34
FRD 22H	Employment and conduct principles	Page 34
FRD 22H	Application and operation of Freedom of Information Act 1982	Page 35
FRD 22H	Application and operation of the Public Interest Disclosures Act 2012	Page 35
FRD 22H	Compliance with Building Act 1993	Page 35
FRD 24D	Office-based environmental impacts	Page 34
FRD 22H	Statement of availability of other information	Page 36
FRD 30D	Standard requirements for publication of annual reports	Entire document
Financial information		
FRD 22H	Summary of the financial results for the year	Page 26
FRD 22H	Consultancies over \$10,000	Page 34
FRD 22H	Consultancies under \$10,000	Page 34
FRD 12B	Disclosure of major contracts	Page 34
FRD 22H	Disclosure of government advertising expenditure	Page 34
FRD 22H	Disclosure of capital projects	Page 35
FRD 22H	Disclosure of grants and transfer payments	Page 37
FRD 22H	Disclosure of ICT expenditure	Page 37
FRD 22H	Significant changes in financial position during the year	Page 26

FRD 22H	Major changes or factors affecting performance	Page 26
FRD 22H	Subsequent events	Page 26
Compliance attestation and declaration		
SD 5.2.3	Declaration in report of operations	Page 36
SD 5.2.2	Declaration in financial statements	Page 41
SD 5.1.4	Financial management compliance attestation statement	Page 36
Other requirements under Standing Directions 5.2		
SD 5.2.1 (a)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 41
SD 5.2.1 (a)	Compliance with Standing Directions	Page 41
SD 5.2.1 (b)	Compliance with Model Financial Report	Page 40-93
Legislation		
	<i>Victorian Conservation Trust Act 1972</i>	Page 6-7
	<i>Freedom of Information Act 1982</i>	Page 35
	<i>Building Act 1993</i>	Page 35
	<i>Public Interest Disclosures Act 2012</i>	Page 35
	<i>Local Jobs Act 2003</i>	Page 36
	<i>Financial Management Act 1994</i>	Page 41

FINANCIALS

Financial Statements as at 30 June 2020

How this report is structured

Trust for Nature (Victoria) has presented its audited general purpose financial statements for the financial year ended 30 June 2020 in the following structure to provide users with information about the authority's stewardship of resources entrusted to it.

Contents

Declaration in the financial statements
Independent auditor's report
Auditor-General's independence declaration
Comprehensive operating statement
Balance sheet
Cash flow statement
Statement of changes in equity

Notes to the Financial Statements

- 1. About this report**
The basis on which the financial statements have been prepared and compliance with reporting regulations.
- 2. Funding delivery of our services**
Revenue recognised from grants, donations and other income sources.
- 3. The cost of delivering services**
Operating expenses of the Authority.
- 4. Key assets available to support output delivery**
Land, buildings, plant and equipment, and intangible assets.
- 5. Other assets and liabilities**
Working capital balances, and other key assets and liabilities.
- 6. How we financed our operations**
Cash flow information, interest bearing liabilities, leases, funds held awaiting remittance, and commitments for expenditure.
- 7. Risks, contingencies and valuation judgements**
Financial risk management, contingent assets and liabilities as well as fair value determination.
- 8. Other disclosures**

Declaration in the Financial Statements

The attached financial statements for Trust for Nature (Victoria) have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, *Australian Charities and Not-for-profit Commission Act 2012*, the *Australian Charities and Not-for-profit Commission Regulations 2013*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and financial position of Trust for Nature (Victoria) at 30 June 2020.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 12 February 2021.



Gayle Austen
Chair
Trust for Nature (Victoria)
Melbourne
12 February 2021



Victoria Marles
Chief Executive Officer
Trust for Nature (Victoria)
Melbourne
12 February 2021



Greg Bowers
Chief Finance Officer
Trust for Nature (Victoria)
Melbourne
12 February 2021

Independent Auditor's Report

To the Board of Trustees of the Trust for Nature

Opinion	<p>I have audited the financial report of the Trust for Nature (the trust) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration in the financial statements. <p>In my opinion, the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> • presenting fairly, in all material respects, the financial position of the trust as at 30 June 2020 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the trust in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board of Trustees' responsibilities for the financial report	<p>The Board of Trustees of the trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Board of Trustees determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board of Trustees are responsible for assessing the trust'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 it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

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

I also provide the Board of Trustees with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
16 February 2021



Paul Martin
as delegate for the Auditor-General of Victoria

Auditor-General's Independence Declaration

To the Board of Trustees, the Trust for Nature

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for the Trust for Nature for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
16 February 2021



Paul Martin
as delegate for the Auditor-General of Victoria

Trust for Nature (Victoria) financial statements

Comprehensive operating statement

For the financial year ended 30 June 2020

	Notes	2020	2019
		\$	\$
Continuing operations			
Revenue and income from transactions			
Grant and consulting income	2.2	7,241,211	5,003,225
Interest on investments	2.3	814,379	987,081
Dividends	2.4	321,718	499,672
Donations and bequests	2.5	2,641,061	647,972
Other income	2.6	502,447	541,489
Total revenue and income from transactions		11,520,816	7,679,439
Expenses from transactions			
Employee benefits	3.2	(4,682,455)	(4,259,277)
Depreciation & amortisation	3.3	(506,721)	(263,543)
Conservation, covenant and stewardship programs	3.4	(2,183,751)	(1,350,098)
Payments from appeals and other reserves with specified purposes	3.5	(236,651)	(258,988)
Other operating expenses	3.6	(1,888,086)	(2,049,146)
Total expenses from transactions		(9,497,664)	(8,181,052)
Net result from transactions (net operating balance)		2,023,152	(501,613)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁽ⁱ⁾	8.2	438,896	204,360
Net gain/(loss) on financial instruments ⁽ⁱⁱ⁾	8.2	(483,239)	24,172
Total other economic flows included in net result		(44,343)	228,532
Net result		1,978,809	(273,081)
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.3	1,984,276	-
Total other economic flows - other comprehensive income		1,984,276	-
Comprehensive result		3,963,085	(273,081)

The accompanying notes form part of these financial statements.

Notes:

(i) 'Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

(ii) 'Net gain/(loss) on financial instruments' includes unrealised and realised gains/(losses) from revaluations, impairments and reversals of impairment, and gains/(losses) from disposals of financial instruments.

Balance sheet
As at 30 June 2020

	Notes	2020	2019
		\$	\$
Assets			
Financial assets			
Cash and deposits	6.1	25,006,071	14,558,230
Receivables	5.1	421,827	835,004
Investments and other financial assets	5.2	34,653,191	34,990,175
Other assets	5.3	219,113	257,305
Total financial assets		60,300,202	50,640,714
Non-financial assets			
Non-financial physical assets classified as held for sale	4.2	1,965,879	2,017,476
Property, plant and equipment	4.1	23,554,680	19,534,607
Intangible assets	4.3	186,740	152,720
Total non-financial assets		25,707,299	21,704,803
Total assets		86,007,501	72,345,517
Liabilities			
Payables	5.4	746,942	917,136
Borrowings	6.2	398,580	18,402
Employee related provisions	3.2.1	1,168,625	1,008,765
Other provisions	5.5	2,783,027	1,234,314
Other liabilities	6.3	43,499,651	35,719,309
Total liabilities		48,596,825	38,897,926
Net assets		37,410,676	33,447,591
Equity			
Accumulated surplus		12,246,913	11,752,881
Reserves	8.3	25,063,763	21,594,710
Contributed capital		100,000	100,000
Net Worth		37,410,676	33,447,591
Commitments for expenditure	6.5	103,773	17,358
Contingent liabilities and contingent assets	7.2		

The accompanying notes form part of these financial statements.

Cash flow statement
For the financial year ended 30 June 2020

	<i>Notes</i>	2020	2019
		\$	\$
Cash flows from operating activities			
Receipts			
State Government - Operating grant		1,362,000	2,044,000
GST recovered from the ATO		290,447	393,666
Interest received		882,849	624,239
Donations, grants and other receipts		7,426,619	4,997,737
Total receipts		9,961,915	8,059,642
Payments			
Payments to employees		(4,527,740)	(4,196,851)
Payments to suppliers		(3,194,919)	(4,330,325)
Interest paid to landowners		(408,643)	(398,813)
GST paid to the ATO		(570,122)	(303,390)
Total payments		(8,701,424)	(9,229,379)
Net cash flows from/(used in) operating activities	<i>6.1</i>	1,260,491	(1,169,737)
Cash flows from investing activities			
Proceeds from sale of freehold land held for sale		1,181,566	485,174
Proceeds from bonds held in trust		9,916,520	9,000,000
Proceeds from offset landowners and other funds held for third parties		6,419,327	10,668,135
Proceeds from redemption of term deposits		873,868	-
Payments for freehold land held for sale		(1,061,055)	(1,052,249)
Payment from bonds held in trust		(1,276,676)	-
Payments to offset landowners and from other third party funds held		(5,708,002)	(9,493,520)
Payments for property, plant and equipment		(168,424)	(90,625)
Payments for intangible assets		(102,698)	-
Payments for investments in term deposits		-	(721,154)
Payments for investments in managed investment schemes		(650,000)	(1,000,000)
Net cash flows from investing activities		9,424,426	7,795,761
Cash flows from financing activities			
Repayment of lease liabilities		(237,076)	(5,121)
Net cash flows used in financing activities		(237,076)	(5,121)
Net increase in cash and cash equivalents		10,447,841	6,620,903
Cash and cash equivalents at the beginning of the financial year		14,558,230	7,937,327
Cash and cash equivalents at the end of the financial year	<i>6.1</i>	25,006,071	14,558,230

The accompanying notes form part of these financial statements.

Statement of changes in equity
For the financial year ended 30 June 2020

	Notes	Physical asset revaluation surplus	Donations surplus	Covenant stewardship surplus	Properties surplus	Bequest surplus	Endowment surplus	Accumulated surplus	Contributed capital	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018		14,802,806	4,278,512	1,573,816	406,248	1,217,692	-	11,341,598	100,000	33,720,672
Net result for the year		-	-	-	-	-	-	(273,081)	-	(273,081)
Other comprehensive income for the year	8.3	-	-	-	-	-	-	-	-	-
Net transfer to / (from) reserves	8.3	-	(729,798)	(35,265)	-	27,749	52,950	684,364	-	-
Balance at 30 June 2019		14,802,806	3,548,714	1,538,551	406,248	1,245,441	52,950	11,752,881	100,000	33,447,591
Net result for the year		-	-	-	-	-	-	1,978,809	-	1,978,809
Other comprehensive income for the year	8.3	1,984,276	-	-	-	-	-	-	-	1,984,276
Net transfer to / (from) reserves	8.3	-	866,486	(185,849)	351,694	(50,096)	502,542	(1,484,777)	-	-
Transfers between reserves	8.3	-	(971,996)	-	(406,248)	(253,456)	1,631,700	-	-	-
Balance at 30 June 2020		16,787,082	3,443,204	1,352,702	351,694	941,889	2,187,192	12,246,913	100,000	37,410,676

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Note 1. About this report

Trust for Nature (Victoria) (the Trust) is a body corporate established under the Victorian Conservation Trust Act 1972 (the Act).

Its principal address is:
Level 5, 379 Collins Street
Melbourne VIC 3000

A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

Basis of preparation

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item.

Consistent with the requirements of AASB1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Trust.

Consistent with AASB 13 *Fair Value Measurement*, the Trust determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments and for non recurring fair value measurements such as non financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

Coronavirus (COVID-19) pandemic and the impact on the financial statements

In March 2020, the Victorian government imposed Stage 3 restrictions on the community in response to the COVID-19 pandemic. This has had a significant impact on the operating environment for the Trust, and a number of policies and directions were introduced to manage this impact such as extending remote working environments to metropolitan office-based staff and managing the impact from restrictions which limited capacity to deliver regional field-based services.

Management have considered the impacts of COVID-19 on the judgements and assumptions applied to accounting policies and estimates that may result in a decline in the carrying amounts for assets and liabilities. These possible impacts are detailed in Note 2.2 Grants and consulting income, Note 4.1.3 Reconciliation of movements in carrying values, Note 7.1.3 Financial Instruments and Note 8.9 Subsequent events.

Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)*, *Australian Charities and Not-for-profit Commission Act 2012*, the *Australian Charities and Not-for-profit Commission Regulations 2013* and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Note 2 Funding delivery of our services

Introduction

Under the Act, the Trust's objectives are to:

- conserve areas which are ecologically significant, of natural interest or beauty, or of historical interest;
- conserve wildlife and native plants;
- conserve and create areas for scientific study; and
- encourage and assist in the conservation and creation of areas of natural beauty or interest for recreation and/or educational use by the public.

The Trust obtains its funding from a number of sources including State and Commonwealth Governments, donations and bequests, investment income and the sale of goods and services.

Significant judgement: Grants revenue

The Trust has made judgement on the recognition of grant revenue as income of not-for-profit entities where they do not contain sufficiently specific performance obligations. Income from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers is recognised when the Trust satisfies the performance obligation by providing the relevant conservation services to the relevant organisations. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done.

Structure

- 2.1 Summary of income that funds the delivery of our services
- 2.2 Grants and consulting income
- 2.3 Interest on investments
- 2.4 Dividends
- 2.5 Donations and bequests
- 2.6 Other income

2.1 Summary of income that funds the delivery of our services

	2020	2019
	\$	\$
Grant and consulting income	7,241,211	5,003,225
Interest on investments	814,379	987,081
Dividends	321,718	499,672
Donations and bequests	2,641,061	647,972
Other income	502,447	541,489
Total income from transactions	11,520,816	7,679,439

Note 2 Funding delivery of our services - continued

2.2 Grants and consulting income

	2020	2019
	\$	\$
State Government – Operating grant recurrent	442,000	424,000
State Government - Operating grant non-recurrent	920,000	950,000
Government grants	4,248,461	2,911,444
Government & philanthropic grants used to acquire properties ⁽ⁱ⁾	1,061,055	-
Project grants and consulting – philanthropic and other parties	569,695	717,781
Total grant and consulting income	7,241,211	5,003,225

Notes:

(i) From time to time, Trust for Nature receives grant or donation and appeal revenue which is used to acquire properties. Such transactions result in an accounting profit equal to the acquisition cost which resides in the accumulated surplus until such time as the property is surrendered or sold. In 2019-20, one property was purchased with government grant revenue (2018-19: nil). Refer also to Note 3.4, 4.1.3 and 5.5.

The Trust continues to deliver services to customers during the COVID-19 pandemic. At various times the capacity of staff to conduct field-based services has been restricted, however staff have generally been able to perform office-based services during these times.

The Trust has determined that grant income is classified as revenues from contracts with customers in accordance with AASB 15, except for operational grants from the State Government which are not based on an enforceable contract with sufficiently specific obligations which are recognised as revenue in accordance with AASB 1058 *Income of not-for-profit entities*.

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers. These grants relate to the provision of environmental services for the conservation and improvement of biodiversity and ecosystems in Victoria, and community and landowner engagement and education. The Trust transfers control of the services over time and therefore satisfies performance obligations and recognises revenue over time. Revenue is recognised using the input method which depicts the Trust's performance towards complete satisfaction and the extent that it is highly probable a significant reversal of the revenue will not occur.

The funding payments are normally received in advance of the relevant obligation being satisfied and is recorded as a contract liability (Note 6.3).

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Trust has an unconditional right to receive cash which usually coincides with receipt of cash.

The impact of initially applying AASB 15 and AASB 1058 on the Trust's revenue is described in Note 8.4. Due to the modified retrospective transition method chosen in applying AASB 15 and AASB 1058, comparative information has not been restated to reflect the new requirements.

Previous accounting policy for 30 June 2019

Grants are recognised as income when the Trust gains control of the underlying assets in accordance with AASB 1004 Contributions. For reciprocal grants, the Trust is deemed to have assumed control when the performance has occurred under the grant. For non-reciprocal grants, the Trust is deemed to have assumed control when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Income from the provision of services is recognised by reference to the stage of completion of the contract. The income is recognised when the amount of the income, stage of completion and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity. The stage of completion is measured by reference to completion of milestones.

2.3 Interest on investments

	2020	2019
	\$	\$
Interest on investments	267,111	429,946
Interest on investments attributable to funds held awaiting remittance and landowner payments held in trust	547,268	557,135
Total interest on investments	814,379	987,081

Interest income is recognised using the effective interest rate method, which allocates the interest over the relevant period.

Note 2 Funding delivery of our services - continued

2.4 Dividends

	2020	2019
	\$	\$
Dividends from managed funds and equities	321,718	499,672
Total dividends	321,718	499,672

Dividend revenue is recognised when the right to receive payment is established.

2.5 Donations and bequests

	2020	2019
	\$	\$
General donations	856,454	231,962
Donations for appeals and properties	457,542	353,800
General bequests	5,000	898
Donations of land & buildings	1,275,000	-
Other fundraising income	47,065	61,312
Total donations	2,641,061	647,972

Donation and bequest revenue is recognised when the cash is received. Donations and bequests of shares and properties are brought to account at their values on the date of transfer.

Donations and bequests are both general purpose (not subject to conditions regarding their use) and specified purpose (have conditions attached regarding their use). Where they are for a specified purpose, they are transferred to reserves (refer to Note 8.3) until expended (refer to note 3.5), which may be in subsequent financial years.

2.6 Other income

	2020	2019
	\$	\$
Rental and accomodation income	48,577	39,483
Offset program income	239,127	195,709
Other	214,743	306,297
Total other income	502,447	541,489

The offset program income included in the table above are transactions that the Trust has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

Income from the offset program is enforceable and with sufficiently specific performance obligations and is accounted for as revenue from contracts with customers. This income relates to the provision of services associated with a native vegetation offset. The Trust transfers control of the services over time and therefore satisfies performance obligations and recognises revenue over time. Revenue is recognised using the output method by reference to milestones which reflect stages towards completion satisfaction and the extent that it is highly probable a significant reversal of the revenue will not occur.

Consideration is normally received on completion and where the performance obligation is satisfied but not yet billed, a contract asset is recorded (Note 5.3).

The impact of initially applying AASB 15 on the Trust's revenue from contracts with customers is described in Note 8.4. Due to the modified retrospective transition method chosen in applying AASB 15, comparative information has not been restated to reflect the new requirements.

Other income is recognised when the right to receive payment is established.

Previous accounting policy for 30 June 2019

Offset program income was recognised when the amount of the income, stage of completion and transaction costs incurred could be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity. The stage of completion was measured by reference to completion of milestones.

Note 3 The cost of delivering services

Introduction

This section provides an account of the expenses incurred by the Trust in delivering services. In note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Significant judgement: Employee benefit provisions

In measuring employee benefits, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using a single weighted average discount rate based on market yields of national government bonds in Australia that reflects the estimated timing and amount of benefit payment.

Structure

- 3.1 Summary of expenses incurred in delivery of services
- 3.2 Employee benefits
- 3.3 Depreciation and amortisation
- 3.4 Conservation, covenant and stewardship programs
- 3.5 Payments from appeals and other reserves with specified purposes
- 3.6 Other operating expenses

3.1 Summary of expenses incurred in delivery of services

	2020	2019
	\$	\$
Employee benefits	(4,682,455)	(4,259,277)
Depreciation & amortisation	(506,721)	(263,543)
Conservation, covenant and stewardship programs	(2,183,751)	(1,350,098)
Payments from appeals and other reserves with specified purpose	(236,651)	(258,988)
Other operating expenses	(1,888,086)	(2,049,146)
Total expenses incurred in delivery of services	(9,497,664)	(8,181,052)

Expenses from transactions are recognised as they are incurred, and reported in the financial year to which they relate.

Note 3 The cost of delivering services - continued

3.2 Employee benefits

	2020	2019
	\$	\$
Salaries and wages, annual leave and long service leave	(4,161,682)	(3,761,463)
Fringe benefits tax	(8,160)	(5,479)
Defined contribution superannuation expense	(387,251)	(357,278)
Workers Compensation	(84,485)	(77,282)
Other employee expenses	(40,877)	(57,775)
Total employee benefits	(4,682,455)	(4,259,277)

These expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments, fringe benefits tax, superannuation contributions and WorkCover premiums.

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by the Trust to the relevant superannuation plans in respect to the services of the Trust's staff (both past and present). There are no defined benefit superannuation contribution plans. There were no outstanding superannuation contributions as at 30 June 2020 (2019: nil).

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Trust recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

3.2.1 Employee related provisions in the balance sheet

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2020	2019
	\$	\$
Current provisions		
Employee benefits		
Annual leave:		
Unconditional and expected to settle within 12 months ⁽ⁱ⁾	267,149	245,667
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	117,801	98,077
Long service leave:		
Unconditional and expected to settle within 12 months ⁽ⁱ⁾	35,409	33,347
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	536,164	425,325
	956,523	802,416
<i>Provisions for on-costs</i>		
Unconditional and expected to be settled within 12 months ⁽ⁱ⁾	38,253	39,396
Unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾	72,735	58,641
	110,988	98,037
Total current provisions	1,067,511	900,453
Non-current provisions		
Long service leave ⁽ⁱⁱ⁾	90,916	97,194
Provisions for on-costs ⁽ⁱⁱ⁾	10,198	11,118
Total non-current provisions	101,114	108,312
Total provisions	1,168,625	1,008,765

Notes:

(i) The amounts disclosed are nominal amounts.

(ii) The amounts disclosed are discounted to present values.

Note 3 The cost of delivering services - continued

Reconciliation of movement in on-cost provision

	2020	2019
	\$	\$
Opening balance	109,155	110,047
Additional provisions recognised	53,065	47,417
Reductions arising from payments/other sacrifices of future economic benefits	(41,034)	(48,309)
Closing balance	121,186	109,155
Current	110,988	98,037
Non-current	10,198	11,118
Closing balance	121,186	109,155

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Trust does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the Balance Sheet at remuneration rates which are current at the reporting date. As the Trust expects liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is measured at the undiscounted amount expected to be paid, as the Trust does not have an unconditional right to defer settlements of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

On-costs such as workers compensation insurance and superannuation are not employee benefits and are reflected as a separate provision.

Long service leave (LSL)

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the Trust does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

Unconditional LSL represents long service leave entitlements accrued for employees with more than 7 years of continuous service.

The components of this current LSL liability are measured at:

- undiscounted value – if the Trust expects to wholly settle within 12 months; and
- present value - if the Trust does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised in the net result as an other economic flow.

Note 3 The cost of delivering services - continued

3.3 Depreciation and amortisation

	2020	2019
	\$	\$
Buildings	(334,928)	(87,112)
Plant & equipment	(71,906)	(66,433)
Motor vehicles	(24,188)	(23,427)
Leasehold improvements	(7,021)	(4,678)
Amortisation of software	(68,678)	(81,893)
Total depreciation and amortisation	(506,721)	(263,543)

Buildings, plant and equipment and other non-current physical assets (excluding items under operating leases and assets held-for-sale) that have a limited useful life are depreciated. Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their useful life.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The Trust depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

The following are typical estimated useful lives for the different asset classes for current and prior years.

<i>Asset class</i>	<i>Useful life</i>
Buildings	40 years
Fencing (included in buildings asset class)	20 years
Leasehold improvements	Minimum lease term
Plant and equipment	3 to 10 years
Vehicles	7 to 10 years
Intangible non-produced assets - software	3 to 5 years

Land which is considered to have an indefinite life is not depreciated. Depreciation is not recognised in respect of such assets as their service potential has not, in any material sense, been consumed during the reporting period.

The consumption of intangible non-produced assets with finite useful lives is not classified as a transaction, but as amortisation. Consequently, the amortisation is included as an other economic flow in the net result.

3.4 Conservation, covenant and stewardship programs

	2020	2019
	\$	\$
Landowner incentives and on-ground works	(461,573)	(803,678)
Services provided by project partners	(123,652)	(68,208)
Provision for future year stewardship	(296,150)	(261,294)
Other covenant and stewardship program expenditure	(241,321)	(216,918)
Provision for transfer of land to crown for nil consideration ⁽ⁱ⁾	(1,061,055)	-
Total conservation, covenant and stewardship programs	(2,183,751)	(1,350,098)

Notes:

(i) Under the terms of a Service Level Agreement, the Trust acquired a property during 2019-20 for \$1,061,055 (2019: nil) using grant income which will be transferred to the Crown at a later date at nil value once certain conditions are reached. Refer also to note 2.2, 4.1.3 and 5.5.

Conservation, covenant and stewardship programs expense generally represent costs incurred in connection with the Trust's regional conservation service delivery and include payments to suppliers of fencing and revegetation services, landowner incentive programs, payments to grant project partners and contributions to property acquired by the Crown.

Conservation, covenant and stewardship programs expenses are recognised in the period in which they are incurred, including, where income is received for the purpose, provision for future stewardship, which is recognised at the time a new covenant is secured and the stewardship obligation commences.

Note 3 The cost of delivering services - continued

3.5 Payments from appeals and other reserves with specified purposes

	2020	2019
	\$	\$
Payments from appeals and other reserves with specified purposes	(236,651)	(258,988)
Total Payments from appeals and other reserves with specified purposes	(236,651)	(258,988)

3.6 Other operating expenses

	2020	2019
	\$	\$
Occupancy	(36,221)	(307,699)
Software licences and maintenance	(117,617)	(103,391)
Interest attributed to funds held awaiting remittance and landowner payments held in trust	(547,268)	(557,135)
Supplies and services	(1,186,980)	(1,080,921)
Total other operating expenses	(1,888,086)	(2,049,146)

Other operating expenses generally represent the day to day running costs incurred in normal operations and include supplies and services. Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred.

Occupancy expenses up to 30 June 2019 are predominantly made up of operating lease occupancy expenses, which up until 30 June 2019 are recognised on a straight-line basis over the lease term.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- Short-term leases - leases with a term less than 12 months; and
- Low value leases - leases when the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Interest expense attributed to funds held awaiting remittance and landowner payments held in trust represents costs incurred in connection with those interest bearing liabilities. Interest expenses are recognised in the period in which they are incurred.

Note 4 Key assets available to support output delivery

Introduction

The Trust controls property, plant and equipment that are utilised in fulfilling its objectives and conducting its activities.

Significant judgement: Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3.2 in connection with how those fair values were determined.

The impact of the COVID-19 environment has been considered in the current financial year fair value assessment. The uncertainty created by the pandemic may result in a change in the value of the Trust's asset balances in the next twelve months, but at the date of the authorisation of the financial statements this could not be determined.

Structure

- 4.1 Property, plant and equipment
 - 4.1.1 Depreciation and amortisation
 - 4.1.2 Impairment of non-financial assets
 - 4.1.3 Reconciliation of movements in carrying values
- 4.2 Non-financial physical assets classified as held for sale
- 4.3 Intangible assets

Note 4 Key assets available to support output delivery - continued

Note 4.1 Total property, plant and equipment ^(a)

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Land at fair value	20,152,282	16,486,951	-	-	20,152,282	16,486,951
Buildings at fair value	3,741,460	3,137,000	(596,263)	(261,336)	3,145,197	2,875,664
Leasehold improvements at fair value	327,074	327,074	(317,688)	(310,667)	9,386	16,407
Plant and equipment at fair value	695,696	585,576	(498,914)	(454,624)	196,782	130,952
Motor vehicles at fair value	255,390	227,161	(204,357)	(202,528)	51,033	24,633
Net carrying amount	25,171,902	20,763,762	(1,617,222)	(1,229,155)	23,554,680	19,534,607

(a) AASB 16 Leases has been applied for the first time from 1 July 2019.

The following tables are subsets of buildings, and plant and equipment by right-of-use assets.

4.1 (a) Total right-of-use assets: buildings and vehicles

	Gross carrying amount	Accumulated depreciation	Net carrying amount
	2020	2020	2020
	\$	\$	\$
Buildings at fair value	604,460	(247,816)	356,644
Motor vehicles at fair value	53,498	(11,723)	41,775
Net carrying amount	657,958	(259,539)	398,419

	Buildings	Vehicles at fair value
	\$	\$
Opening balance - 1 July 2019 ^(a)	-	16,544
Recognised on implementation of AASB 16	571,049	12,814
Restatement of present value right-of-use assets	33,412	65
Additions	-	40,691
Disposals	-	(11,383)
Depreciation	(247,817)	(16,956)
Net carrying amount	356,644	41,775

(a) This balance represents finance lease assets (recognised under AASB 117 at 30 June 2019) transferred to right-of-use assets (recognised under AASB 16 at 1 July 2019).

Note 4 Key assets available to support output delivery - continued

Initial recognition: Items of property, plant and equipment, are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

The initial cost for non-financial physical assets under finance lease is measured at amounts equal to fair value of the leased asset, or, if lower, the present value of of the minimum lease payments, each determined at the inception of the lease.

Right-of-use asset acquired by lessees (under AASB 16 Leases from 1 July 2019) - Initial measurement

The Trust recognises right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Subsequent measurement: Property, plant and equipment (PPE) as well as right-of-use assets under leases are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category.

Right-of-use asset - Subsequent measurement

The Trust depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

4.1.1 Depreciation and amortisation

Charge for the period ^(a)

	2020	2019
	\$	\$
Buildings	334,928	87,112
Plant & equipment	71,906	66,433
Motor vehicles	24,188	23,427
Leasehold improvements	7,021	4,678
Total property, plant and equipment	438,043	181,650

(a) The table incorporates depreciation of right-of-use assets as AASB 16 Leases has been applied for the first time from 1 July 2019.

The useful lives as stated in Note 3.3 are used in the calculation of depreciation.

4.1.4 Impairment of non-financial assets

Non-financial assets are assessed annually for indications of impairment except for non-financial physical assets held for sale.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an other economic flow, except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

If there is an indication that there has been a reversal in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. The impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

One property was impacted by the significant bushfires in the 2019-20 financial year. That property is valued at \$33,000 so impairment, if any, is considered immaterial.

4.1.3 Reconciliation of movements in carrying values

	Land at fair value		Buildings at fair value		Leasehold improvements		Plant and equipment		Motor vehicles		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Opening balance	\$ 16,486,951	\$ 16,486,951	\$ 2,875,664	\$ 2,962,776	\$ 16,407	\$ 23	\$ 130,952	\$ 127,822	\$ 24,633	\$ 48,060	\$ 19,534,607	\$ 19,625,632
Recognition of right-of-use assets on initial application of AASB16^(a)	-	-	571,049	-	-	-	-	-	12,814	-	583,863	-
Adjusted balance at 1 July 2019	16,486,951	16,486,951	3,446,713	2,962,776	16,407	23	130,952	127,822	37,447	48,060	20,118,470	19,625,632
Fair value of assets received free of charge or for nominal considerations	620,000	-	-	-	-	-	-	-	-	-	620,000	-
Additions	1,061,055	-	-	-	-	21,062	137,736	69,563	49,110	-	1,247,901	90,625
Disposals	-	-	-	-	-	-	-	-	(11,401)	-	(11,401)	-
Restatement of present value right-of-use assets	-	-	33,412	-	-	-	-	-	65	-	33,477	-
Revaluation of PPE	1,984,276	-	-	-	-	-	-	-	-	-	1,984,276	-
Depreciation expense	-	-	(334,928)	(87,112)	(7,021)	(4,678)	(71,906)	(66,433)	(24,188)	(23,427)	(438,043)	(181,650)
Closing balance	20,152,282	16,486,951	3,145,197	2,875,664	9,386	16,407	196,782	130,952	51,033	24,633	23,554,680	19,534,607

Note:

Land and buildings carried at fair value

An independent valuation of the Trust's land and buildings was last performed effective at 30 June 2016 by G.M.Brien & Associates Pty Ltd under contract to the Valuer-General Victoria. The valuation, which conforms to the requirements of AASB13 and FRD 103H, adopted the Market Based Direct Comparison method adjusted for the Community Service Obligations.

The Trust completes an annual assessment of fair value in accordance with FRD 103H Non-financial physical assets for specialised land. Reliance is placed on indices provided by the Valuer-General Victoria and there is a level of uncertainty inherent to this approach during the COVID-19 environment. As a result of this assessment, the movement in fair value, cumulative since 2016, was assessed as material (greater than 10 per cent) and increased by \$1,984,276 (2019: nil). The next scheduled full revaluation will be conducted in 2021.

Fair value assessments have been performed for all classes of assets at 30 June 2020.

(a) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 relating to operating leases - refer to Note 8.4.

Note 4 Key assets available to support output delivery - continued

Note 4.2 Non-financial physical assets classified as held for sale

Non-financial physical assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate use in the current condition; and
- the sale is highly probable and the asset's sale is expected to be completed in 12 months from the date of classification.

	2020	2019
	\$	\$
Current		
Freehold land held for sale	1,757,879	2,017,476
Buildings held for sale	208,000	-
Total non-financial physical assets classified as held for sale	1,965,879	2,017,476

The Trust intends to dispose of certain freehold land and buildings within the next twelve months. This includes Revolving Fund land that was acquired for purposes of conservation with the intention of reselling it with covenants established to ensure particular natural aspects of the properties are conserved. A search is underway for buyers. No impairment loss was recognised on freehold land as held for sale or at reporting date.

Land and buildings held for sale are valued at the lower of carrying amount and fair value less costs of disposal, and are not subject to depreciation or amortisation.

Note 4.3 Intangible assets

	Computer software and website	
	2020	2019
	\$	\$
Gross carrying amount		
Opening balance	547,142	547,142
Additions	102,698	-
Disposals	(82,809)	-
Closing balance	567,031	547,142
Accumulated amortisation and impairment		
Opening balance	(394,422)	(312,529)
Amortisation of intangible non-produced assets	(68,678)	(81,893)
Disposals	82,809	-
Closing balance	(380,291)	(394,422)
Net book value at end of financial year	186,740	152,720

Initial recognition

Intangible assets, which includes externally purchased software and the Trust's website, are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Trust.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

Note 5 Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from the Trust's operations.

Structure

- 5.1 Receivables
- 5.2 Investments and other financial assets
- 5.3 Other assets
- 5.4 Payables
- 5.5 Other provisions

Note 5.1 Receivables

	2020	2019
	\$	\$
Current receivables		
<i>Contractual</i>		
Sale of goods and services ⁽ⁱ⁾	249,333	427,058
Interest receivable	154,577	367,239
Total current receivables	403,910	794,297
Non-current receivables		
<i>Contractual</i>		
Interest receivable	17,917	40,707
Total non-current receivables	17,917	40,707
Total receivables	421,827	835,004

Note:

(i) The average credit period on sales of services is 30 days. No interest is charged on other receivables.

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The Trust holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The Trust applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Details of the Trust's impairment policies, exposure to credit risk, and the calculation of any loss allowance are set out in Note 7.1.3.

Note 5 Other assets and liabilities - continued

Note 5.2 Investments and other financial assets

	2020	2019
	\$	\$
Current investments and other financial assets		
Australian dollar term deposits > 3 months ^{(i)(iv)}	16,483,806	20,807,674
Total current investments and other financial assets	16,483,806	20,807,674
Non-current investments and other financial assets		
Australian dollar term deposits > 12 months ⁽ⁱ⁾	4,950,000	1,500,000
Managed investment schemes ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	13,219,385	12,682,501
Total non-current investments and other financial assets	18,169,385	14,182,501
Total investments and other financial assets	34,653,191	34,990,175

Notes:

(i) Term deposits under 'investments and other financial assets' class include only term deposits with maturity greater than 90 days.

(ii) The Trust designated all its equities and managed investment schemes at fair value through the profit or loss. Therefore, unless they are part of a disposal group held for sale, all equities and managed investment schemes are classified as non-current. This is consistent with the Trust's purpose of holding the investment for long-term management of risk, not for short-term profit gain.

(iii) The managed investment schemes are managed by JBWere.

(iv) This balance includes a term deposit in the amount of \$93,124 held as security against bank guarantees issued for rental sites. The bank guarantees outstanding at balance sheet date amounted to \$93,124 (2019: \$93,124).

Details of the Trust's impairment policies, exposure to market risk are set out in Note 7.1.3.

Note 5.3 Other assets

	2020	2019
	\$	\$
Current other assets		
Prepayments	62,868	53,219
Contract assets ⁽ⁱ⁾	112,106	163,267
Deposits	26,854	34,697
Other current assets	17,285	6,122
Total current other assets	219,113	257,305
Total other assets	219,113	257,305

Note:

(i) Contract assets include offset program services provided but not yet invoiced.

Note 5 Other assets and liabilities - continued

Note 5.4 Payables

	2020	2019
	\$	\$
Current payables		
<i>Contractual</i>		
Supplies and services ⁽ⁱ⁾	181,435	289,202
Interest payable to landowners	330,350	404,927
Other payables	11,090	7,032
	522,875	701,161
<i>Statutory</i>		
Net GST payable	146,368	133,131
Group taxes payables	77,699	82,844
	224,067	215,975
Total current payables	746,942	917,136
Total payables	746,942	917,136

Note:

(i) The average credit period is 30 days. No interest is charged on other payables.

Contractual payables are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid. They consist predominantly of accounts payable, accrued wages and salaries, and other sundry liabilities.

Statutory payables are recognised and measured similarly to contract payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Details of the Trust's exposure to liquidity risk and maturity analysis of contractual financial liabilities are set out in Note 7.1.3.

Note 5.5 Other provisions

	2020	2019
	\$	\$
Current provisions		
Future stewardship services provision ⁽ⁱⁱ⁾	4,168	-
Other provisions	56,300	-
Total current provisions	60,468	-
Non-current provisions		
Make-good provision ⁽ⁱ⁾	70,000	70,000
Future stewardship services provision ⁽ⁱⁱ⁾	1,591,504	1,121,264
Provision for surrender of properties to Crown ⁽ⁱⁱⁱ⁾	1,061,055	-
Other provisions	-	43,050
Total non-current provisions	2,722,559	1,234,314
Total provisions	2,783,027	1,234,314

Notes:

(i) In accordance with the lease agreement over the principal office, the Trust must remove any leasehold improvements from the leased premises and restore the premises to its original condition at the end of the lease term.

(ii) The future stewardship services provision represents grant consideration received under Service Level Agreements as a contribution towards the satisfaction of the Trust's obligation to conduct a stewardship visit and update the property management plan on covenanted properties on a recurring 5-yearly basis from the date of the initial covenant and into perpetuity.

(iii) Under the terms of a Service Level Agreement, the Trust acquired a property during 2019-20 for \$1,061,055 using grant income which will be transferred to the Crown at a later date at nil value once certain conditions are reached. See also note 2.2, 3.4 and 4.1.3.

Provisions are recognised when the Trust has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows, using a discount rate that reflects the time value of money and risks specific to the provision.

Note 5 Other assets and liabilities - continued

Movement in provisions

	Provision for transfer of property to Crown 2020	Make-good 2020	Future stewardship 2020	Other Provisions 2020	Total 2020
	\$	\$	\$	\$	\$
Opening balance	-	70,000	1,121,264	43,050	1,234,314
Additional provisions recognised	1,061,055	-	474,408	13,250	1,548,713
Closing balance	1,061,055	70,000	1,595,672	56,300	2,783,027
Current	-	-	4,168	56,300	60,468
Non-current	1,061,055	70,000	1,591,504	-	2,722,559
Closing balance	1,061,055	70,000	1,595,672	56,300	2,783,027

Note 6 How we financed our operations

Introduction

This section provides information on the sources of finance utilised by the Trust during its operations and other information related to financing activities of the Trust.

This section includes disclosures of balances that are financial instruments, such as cash balances. Note 7.1 provides additional, specific financial instrument disclosures.

Structure

- 6.1 Cash flow information and balances
- 6.2 Borrowings
- 6.3 Other liabilities
- 6.4 Leases
- 6.5 Commitments

Note 6.1 Cash flow information and balances

Cash and deposits recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and those highly liquid investments (with an original maturity of 90 days or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and readily convertible to known amounts of cash with an insignificant risk of changes in value.

Reconciliation of cash and cash equivalents

	2020	2019
	\$	\$
Cash on hand	2,100	2,100
Cash at bank	643,705	57,562
Cash on deposit at call	24,360,266	13,748,568
Australian dollar term deposits < 3 months	-	750,000
Balance as per cash flow statement	25,006,071	14,558,230

Note 6 How we financed our operations - continued

Reconciliation of net result for the period to net cash flows from operating activities

	2020	2019
	\$	\$
Net result for the period	1,978,809	(273,081)
Non-cash movements:		
Provision for transfer of land to crown	1,061,055	-
(Gain)/loss on sale of non-current assets	(438,896)	(204,360)
(Gain)/loss on other financial assets held at fair value	483,239	(24,172)
Depreciation and amortisation of non-current assets	506,721	263,543
Properties received as gifts	(1,275,000)	-
Movements in assets and liabilities:		
(Increase)/decrease in receivables – Sale of goods and services	286,591	522,222
(Increase)/decrease in interest receivable	235,452	(144,249)
(Increase)/decrease in other assets	(375,109)	(727,925)
Increase/(decrease) in payables	(170,194)	159,883
Increase (decrease) in provisions	647,518	635,957
Increase/(decrease) in other liabilities	(1,679,695)	(1,377,555)
Net cash flows from/(used in) operating activities	1,260,491	(1,169,737)

Note 6.2 Borrowings

	2020	2019
	\$	\$
Current borrowings		
Lease liabilities ⁽ⁱ⁾	273,100	15,542
Other borrowings ⁽ⁱⁱ⁾	-	2,860
Total current borrowings	273,100	18,402
Non-current borrowings		
Lease liabilities ⁽ⁱ⁾	125,480	-
Total non-current borrowings	125,480	-
Total borrowings	398,580	18,402

Notes:

(i) Secured by the asset's leased. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(ii) Other borrowings include unsecured purchasing card transactions which are repaid within the interest-free period.

All interest bearing liabilities are initially measured at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the borrowing using the effective interest method.

Additional information relating to lease liabilities is disclosed in Note 6.4.

Details of the Trust's exposure to liquidity risk and maturity analysis of contractual financial liabilities are set out in Note 7.1.3.

Note 6 How we financed our operations - continued

Note 6.3 Other liabilities

	2020	2019
	\$	\$
Current other liabilities		
Funds held awaiting remittance ⁽ⁱ⁾ :		
Land Conservation Strategy	14,351	14,346
Marcus Knapple	2,463	2,462
Potter Farmland	49,866	49,850
AGL – Growling Grass Frog	33,942	45,769
Hume – Native Grasslands	239,503	241,351
Pimelea Fund	350,509	445,074
Golden Sun Moth Conservation Fund	138,419	138,375
PTV - Biomass management study	28,713	28,704
Bonds held in trust: ⁽ⁱⁱⁱ⁾		
Level Crossing Removal Authority	-	1,266,298
Department of Justice & Regulation	9,169,081	9,072,014
Major Road Projects Victoria	6,055,839	-
Australia Post Corporation	3,141,758	-
Roads Corporation of Victoria	804,878	-
Landowner payments held in trust ⁽ⁱⁱ⁾	3,834,710	1,933,230
Deferred 10-year offset stewardship revenue	43,350	36,228
Deferred leasehold incentive benefit	27,237	27,237
Contract liability	2,848,014	4,656,932
Total current other liabilities	26,782,633	17,957,870
Non-current other liabilities		
Landowner payments held in trust ⁽ⁱⁱ⁾	16,317,781	17,399,068
Deferred 10-year offset stewardship revenue	390,158	326,055
Deferred leasehold incentive benefit ^(iv)	9,079	36,316
Total non-current other liabilities	16,717,018	17,761,439
Total other liabilities	43,499,651	35,719,309

Notes:

(i) Funds held awaiting remittance are funds the Trust holds on behalf of third parties for specific projects. The funds are spent in accordance with the agreement the Trust has with the third party. Interest earned on the funds is credited to the benefit of the fund.

(ii) Landowner payments held in trust are funds the Trust holds on behalf of third party land owners under offset arrangements payable over 10 years from the date of covenant registration. Interest earned on the funds is credited to the benefit of the landowner and paid annually.

(iii) Bonds held in trust are funds held on behalf of proponents as security to meet the approval conditions specified through the Environmental Protection and Biodiversity Conservation Act 1999 pending the achievement of offset arrangements and covenant registration.

(iv) Deferred leasehold incentive benefit valued at \$36,316 at 30 June 2019 that was classified as a current liability in the prior year has been reclassified as non-current.

Note 6 How we financed our operations - continued

Note 6.4 Leases

Information about leases for which the Trust is a lessee is presented below.

The Trust's leasing activities

The Trust leases various properties and motor vehicles. The lease contracts are typically made for fixed periods of 1-7 years with an option to renew the lease after that date.

Leases of motor vehicles includes right-of-use assets and short-term leases. The Trust has elected not to recognise right-of-use assets and lease liabilities for these short-term items. As at 30 June 2020, the Trust was committed to short-term leases and the total commitment at that date was \$4,181.

6.4 (a) Right-of-use Assets

Right-of-use assets are presented in note 4.1 (a).

6.4 (b) Amounts recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	2020
	\$
Interest expense on lease liabilities	18,788
Expenses relating to short-term motor vehicle leases	42,281
Total amount recognised in the Comprehensive Operating Statement	61,069

6.4 (c) Amounts recognised in the Statement of Cashflows

The following amounts are recognised in the Statement of Cashflows for the year ending 30 June 2020 relating to leases:

	2020
	\$
Total cash outflows for leases	237,076

For any new contracts entered into on or after 1 July 2019, the Trust considers whether a contract is, or contains a lease. A lease is defined as a 'contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Trust assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Trust and for which the supplier does not have substantive substitution rights;
- Whether the Trust has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Trust has the right to direct the use of the identified asset throughout the period of use; and
- Whether the Trust has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-to-use asset amount.

Note 6 How we financed our operations - continued

Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

Lease Liability - initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Trust's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease Liability - subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

The Trust has elected to account for short-term leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Presentation of right-of-use assets and lease liabilities

The Trust presents right-of-use as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

The Trust determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s); and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where the Trust as lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement.

Contingent rentals associated with finance leases were recognised as an expense in the period in which they are incurred.

Assets held under other leases were classified as operating leases and were not recognised in the Trust's balance sheet. Operating lease payments were recognised as an operating expense in the comprehensive operating statement on a straight-line basis over the lease term.

Note 6 How we financed our operations - continued

Maturity Analysis of Lease Liabilities

Repayments in relation to lease liabilities payable are as follows:

	Minimum future lease payments ⁽ⁱ⁾		Present value of minimum future lease payments	
	2020	2019	2020	2019
	\$	\$	\$	\$
Lease liabilities payable (prior period finance lease) ⁽ⁱⁱ⁾				
Not longer than 1 year	275,465	15,542	273,100	15,542
Longer than 1 year but not longer than 5 years	135,522	-	125,480	-
Minimum future lease payments	410,987	15,542	398,580	15,542
Less future finance charges	(12,407)	-	-	-
Present value of minimum lease payments	398,580	15,542	398,580	15,542
Included in the financial statements as:				
Current borrowings lease liabilities (Note 6.2)			273,100	15,542
Non-current borrowings lease liabilities (Note 6.2)			125,480	-
Total			398,580	15,542

Note:

(i) Minimum future lease payments include the aggregate of all lease payments and any guaranteed residual.

(ii) Finance lease liabilities include obligations that are recognised on the balance sheet; the future payments related to operating lease commitments are disclosed in Note 6.5 below.

Lease liabilities include:

- one motor vehicle finance lease held with Vicfleet with a lease term of three years. The Trust has an option to purchase the leased asset at expiry of the lease
- operating lease commitments relating to motor vehicles and office facilities. These contracts do not allow the Trust to purchase the assets after the lease ends. Motor vehicle leases have terms of between one month and five years. Office facility leases have terms of between one and four years, provide for additional rent payments based on changes in the local price index and include options for extensions of between one and four years. Where it is reasonably certain that those extensions will be exercised, the additional term commitments have been included in the calculation of the lease liability.

Note 6.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present value of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.5.1 Total commitments payable

Nominal amounts	Less than 1 year	1-5 years	5+ years	Total
2020	\$	\$	\$	\$
Novated lease commitments	31,883	71,890	-	103,773
Less: GST recoverable				(9,434)
Total commitments (exclusive of GST)				94,339
2019	\$	\$	\$	\$
Novated lease commitments	17,358	-	-	17,358
Less: GST recoverable				(1,578)
Total commitments (exclusive of GST)				15,780

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed in this note at their nominal value and inclusive of the GST payable.

Note 7 Risks, Contingencies and Valuation Judgements

Introduction

The Trust is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposure to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Trust related mainly to fair value determination.

Structure

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

Note 7.1 Financial instruments specific disclosures

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Trust's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Categories of financial instruments

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Trust to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Trust recognises the following assets in this category: cash and deposits; receivables (excluding statutory receivables); and, term deposits.

Financial assets at fair value through other comprehensive income

Debt investments are measured at fair value through other comprehensive income if both of the following criteria are met and the assets are not designated at fair value through net result:

- the assets are held by the Trust to achieve its objective both by collecting the contractual cash flows and by selling the financial assets, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading and the Trust has irrevocably elected at initial recognition to recognise this category.

These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income.

Upon disposal of these debt instruments, any related balance in the fair value reserve is reclassified to profit and loss. However, upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to accumulated surplus.

At balance date, the Trust did not hold financial assets at fair value through other comprehensive income (30 June 2019: nil).

Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

However, as an exception to those rules above, the Trust may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on a different basis.

The Trust recognises listed equity securities as mandatorily measured at fair value through net result and designated all of its managed investment schemes as fair value through net result.

Note 7 Risks, Contingencies and Valuation Judgements - continued

Categories of financial liabilities

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method.

Financial liabilities at amortised cost category includes payables (excluding statutory payables), borrowings and other financial liabilities.

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Trust retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Trust has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Trust has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Trust's continuing involvement in the asset.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the Trust's business model for managing its financial assets has changed such that its previous model would no longer apply.

However, the Trust is generally unable to change its business model because it is determined by the Performance Management Framework (PMF).

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

Note 7 Risks, Contingencies and Valuation Judgements - continued

7.1.1 Financial instruments: Categorisation

	Cash and deposits	Financial assets at amortised cost (AC)	Financial assets / liabilities designated at fair value through net result (FV/PL)	Financial liabilities at amortised cost (AC)	Total
2020	\$	\$	\$	\$	\$
Contractual financial assets					
Cash and deposits	25,006,071	-	-	-	25,006,071
Receivables: ⁽ⁱ⁾					
Sale of goods and services	-	249,333	-	-	249,333
Accrued investment income	-	172,494	-	-	172,494
Investments and other contractual financial assets:					
Term deposits	-	21,433,806	-	-	21,433,806
Listed securities and managed investment schemes	-	-	13,219,385	-	13,219,385
Total contractual financial assets	25,006,071	21,855,633	13,219,385	-	60,081,089
Contractual financial liabilities					
Payables ⁽ⁱ⁾	-	-	-	522,875	522,875
Lease liabilities	-	-	-	398,580	398,580
Other financial liabilities	-	-	-	43,499,651	43,499,651
Total contractual financial liabilities	-	-	-	44,421,106	44,421,106

Note:

(i) The total amounts disclosed here exclude statutory amounts.

	Cash and deposits	Financial assets at amortised cost (AC)	Financial assets / liabilities designated at fair value through net result (FV/PL)	Financial liabilities at amortised cost (AC)	Total
2019	\$	\$	\$	\$	\$
Contractual financial assets					
Cash and deposits	14,558,230	-	-	-	14,558,230
Receivables: ⁽ⁱ⁾					
Sale of goods and services	-	427,058	-	-	427,058
Accrued investment income	-	407,946	-	-	407,946
Investments and other contractual financial assets:					
Term deposits	-	22,307,674	-	-	22,307,674
Listed securities and managed investment schemes	-	-	12,682,501	-	12,682,501
Total contractual financial assets	14,558,230	23,142,678	12,682,501	-	50,383,409
Contractual financial liabilities					
Payables ⁽ⁱ⁾	-	-	-	701,161	701,161
Lease liabilities	-	-	-	15,542	15,542
Other borrowings	-	-	-	2,860	2,860
Other financial liabilities	-	-	-	35,719,309	35,719,309
Total contractual financial liabilities	-	-	-	36,438,872	36,438,872

Notes:

(i) The total amounts disclosed here exclude statutory amounts.

Note 7 Risks, Contingencies and Valuation Judgements - continued

7.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category⁽ⁱ⁾

	Net holding gain/(loss)	Total dividend income	Total interest income/ (expense)	Impairment loss	Total
2020	\$	\$	\$	\$	\$
Contractual financial assets					
Financial assets at amortised cost	-	-	814,379	-	814,379
Financial assets designated at fair value through net result	(483,239)	321,718	-	-	(161,521)
Total contractual financial assets	(483,239)	321,718	814,379	-	652,858
Contractual financial liabilities					
Financial liabilities at amortised cost	-	-	(547,268)	-	(547,268)
Total contractual financial liabilities	-	-	(547,268)	-	(547,268)
2019					
Contractual financial assets					
Financial assets at amortised cost	-	-	987,081	-	987,081
Financial assets designated at fair value through net result	24,172	499,672	-	-	523,844
Total contractual financial assets	24,172	499,672	987,081	-	1,510,925
Contractual financial liabilities					
Financial liabilities at amortised cost	-	-	(557,135)	-	(557,135)
Total contractual financial liabilities	-	-	(557,135)	-	(557,135)

Notes:

(i) Amounts disclosed in these tables exclude holding gains and losses related to statutory financial assets and liabilities.

The net holding gains or losses disclosed above are determined as follows:

- For cash and cash equivalents and financial assets at amortised cost, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus dividend revenue, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result.
- For financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from revaluation of the financial liabilities measured at amortised cost.
- For financial assets and liabilities that are mandatorily measured at or designated at fair value through net result, the net gain or loss is calculated by taking the movement in fair value of the financial asset or liability.

7.1.3 Financial risk management objectives and policies

The Trust's main financial risks include credit risk, liquidity risk, interest rate risk and equity price risk. The Trust manages these financial risks in accordance with its risk management framework and investment policy.

The Trust uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Board.

Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Trust's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Trust. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Trust's financial assets is minimal. Most receivables are with government-funded organisations, and cash, deposits and held-to-maturity investments are held at a range of financial institutions with high credit ratings of a minimum BBB. No impacts under the COVID-19 environment are expected. Financial assets available-for-sale includes managed investments which are managed by JBWere, and listed securities.

In addition, the Trust does not engage in hedging for its contractual financial assets and mainly obtains financial assets that are on fixed interest, except for cash and deposits, which are cash at bank.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Trust will not be able to collect a receivable. Other evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings.

Note 7 Risks, Contingencies and Valuation Judgements - continued

Financial instruments: Credit risk - continued

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Trust's maximum exposure to credit risk without taking into account the value of any collateral obtained.

There has been no material change in the Trust's credit risk profile in 2019-20.

Credit quality of financial assets⁽ⁱ⁾

2020	Government agencies	Financial institutions (min. AA-credit rating)	financial institutions (min. BBB credit rating)	Other	Equities and managed funds	Total
	\$	\$	\$	\$	\$	\$
Financial assets						
Financial assets with loss allowances measured at 12-month expected credit loss:						
Cash and deposits (not assessed for impairment due to materiality)	-	25,003,971	-	2,100	-	25,006,071
Accrued investment income	-	123,836	48,658	-	-	172,494
Term deposits	-	14,293,124	7,075,000	65,682	-	21,433,806
Listed securities and managed investment schemes	-	-	-	-	13,219,385	13,219,385
Financial assets with loss allowances measured at lifetime expected credit loss:						
Sale of goods and services ⁽ⁱ⁾	94,238	-	-	155,095	-	249,333
Total financial assets	94,238	39,420,931	7,123,658	222,877	13,219,385	60,081,089

Credit quality of contractual financial assets that are neither past due nor impaired⁽ⁱ⁾

2019	Government agencies	Financial institutions (min. AA-credit rating)	Other financial institutions (min. BBB credit)	Other	Equities and managed funds	Total
	\$	\$	\$	\$	\$	\$
Financial assets						
Financial assets with loss allowances measured at 12-month expected credit loss:						
Cash and deposits (not assessed for impairment due to materiality)	-	14,556,130	-	2,100	-	14,558,230
Accrued investment income	-	177,433	230,513	-	-	407,946
Term deposits	-	11,268,124	9,964,570	1,074,980	-	22,307,674
Listed securities and managed investment schemes	-	-	-	-	12,682,501	12,682,501
Financial assets with loss allowances measured at lifetime expected credit loss:						
Sale of goods and services ⁽ⁱ⁾	197,866	-	-	229,192	-	427,058
Total financial assets	197,866	26,001,687	10,195,083	1,306,272	12,682,501	50,383,409

Note:

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

Impairment of financial assets under AASB 9

The Trust records the allowance for expected credit loss for the relevant financial instruments, applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment includes the Trust's contractual receivables and statutory receivables.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents, term deposits and accrued interest income are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Although not a financial asset, contract assets recognised applying AASB15 (refer to Note 5.1) are also subject to impairment however it is immaterial.

Note 7 Risks, Contingencies and Valuation Judgements - continued

Contractual receivables at amortised cost

The Trust applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Trust has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the Trust's past history, existing market conditions including the current COVID-19 environment, as well as forward-looking estimates at the end of the financial year.

On this basis, the Trust determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at the end of the financial year as follows:

1-Jul-19	Current	Less than 1 month	1 – 3 months	3 months -1 year	1-5 years	Total
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	\$287,468	\$16,600	\$100,000	\$16,830	\$6,160	\$427,058
Loss allowance	\$-	\$-	\$-	\$-	\$-	\$-

30-Jun-20	Current	Less than 1 month	1 – 3 months	3 months -1 year	1-5 years	Total
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	\$203,105	\$42,101	\$-	\$4,127	\$-	\$249,333
Loss allowance	\$-	\$-	\$-	\$-	\$-	\$-

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

	2020	2019
	\$	\$
Balance at beginning of the year	-	-
Increase in provision recognised in the net result	-	-
Reversal of provision of receivables written off during the year as uncollectible	-	-
Reversal of unused provision recognised in the net result	-	-
Balance at end of the year	-	-

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

Statutory receivables at amortised cost

The Trust's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance has been recognised.

Note 7 Risks, Contingencies and Valuation Judgements - continued

Financial instruments: Liquidity risk

Liquidity risk arises when the Trust is unable to meet its financial obligations as they fall due. The Trust operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution. The obligations have not changed under the current COVID-19 environment.

The Trust manages its liquidity risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

The Trust's exposure to liquidity risk is deemed insignificant. Cash for unexpected events is generally sourced from funds held at call.

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the Balance Sheet.

The following tables disclose the contractual maturity analysis for the Trust's contractual financial liabilities.

Maturity analysis of contractual financial liabilities⁽ⁱⁱ⁾

	Carrying amount	Nominal amount	Maturity dates		
			Less than 1 month	1 month to 1 year	1 year or more
	\$	\$	\$	\$	\$
2020					
Payables⁽ⁱ⁾:					
Contractual payables at amortised cost	522,875	522,875	152,886	369,989	-
Other financial liabilities at amortised cost	43,499,651	43,499,651	614,298	26,168,335	16,717,018
Borrowings:					
Lease liabilities	398,580	410,987	22,955	252,510	135,522
Other borrowings	-	-	-	-	-
Total	44,421,106	44,433,513	790,139	26,790,834	16,852,540
2019					
Payables⁽ⁱ⁾:					
Contractual payables at amortised cost	701,161	701,161	622,456	78,705	-
Other financial liabilities at amortised cost	35,719,309	35,719,309	2,035,683	15,922,187	17,761,439
Borrowings:					
Lease liabilities	15,542	15,542	-	15,542	-
Other borrowings	2,860	2,860	2,860	-	-
Total	36,438,872	36,438,872	2,660,999	16,016,434	17,761,439

Notes:

(i) The carrying amount of financial liabilities disclosed here excludes statutory payables (e.g. taxes payable).

(ii) Maturity analysis is presented using the undiscounted cash flows.

Note 7 Risks, Contingencies and Valuation Judgements - continued

Financial instruments: Market risk

The Trust's exposures to market risk are primarily through interest rate risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Interest rate risk

The Trust manages interest rate risk by undertaking fixed rate financial instruments with maturity profiles mostly spread over 3 to 24 months. The Trust does not enter into interest rate swaps.

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust has minimal exposure to cash flow interest rate risks through cash and deposits that are at floating rate.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Trust's sensitivity to interest rate risk are set out in the table that follows.

Interest rate exposure of financial instruments

	Weighted average effective interest rate	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
	%	\$	\$	\$	\$
2020					
Financial assets					
Cash and deposits	0.50%	25,006,071	-	24,360,266	645,805
Receivables ⁽ⁱ⁾ :					
Sale of goods and services		249,333	-	-	249,333
Accrued investment income		172,494	-	-	172,494
Investments and other contractual financial assets:					
Term deposits	1.43%	21,433,806	21,368,124	65,682	-
Listed securities and managed investment schemes	0.33%	13,219,385	200,000	1,366,969	11,652,416
Total financial assets		60,081,089	21,568,124	25,792,917	12,720,048
Financial liabilities					
Payables⁽ⁱ⁾:					
Payables	1.22%	522,875	-	330,350	192,525
Lease liabilities	3.93%	398,580	398,580	-	-
Other financial liabilities ⁽ⁱⁱ⁾	0.88%	43,499,651	20,152,491	20,029,322	3,317,838
Total financial liabilities		44,421,106	20,551,071	20,359,672	3,510,363
2019					
Financial assets					
Cash and cash equivalents	1.67%	14,558,230	-	14,498,568	59,662
Receivables ⁽ⁱ⁾ :					
Sale of goods and services		427,058	-	-	427,058
Accrued investment income		407,946	-	-	407,946
Other receivables					-
Investments and other contractual financial assets:					
Term deposits	2.48%	22,307,674	22,307,674	-	-
Listed securities and managed investment schemes	1.52%	12,682,501	550,000	550,062	11,582,439
Total financial assets		50,383,409	22,857,674	15,048,630	12,477,105
Financial liabilities					
Payables⁽ⁱ⁾:					
Payables	2.38%	701,161	-	404,927	296,234
Lease liabilities	3.25%	15,542	15,542	-	-
Other borrowings		2,860	-	-	2,860
Other financial liabilities ⁽ⁱⁱ⁾	2.11%	35,719,309	30,636,541	-	5,082,768
Total financial liabilities		36,438,872	30,652,083	404,927	5,381,862

Notes:

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government, GST input tax credit recoverable, and GST payables).

(ii) Weighted average effective interest rate reflects the interest earned and allocated to trust funds held in accordance with the various agreements.

Note 7 Risks, Contingencies and Valuation Judgements - continued

Equity price risk

The Trust is exposed to equity price risk through its investments in managed investment schemes which are invested in domestically traded securities and managed funds. The value of dividend income and imputation credits will also vary. The managed investment schemes are administered by JB Were. The fund manager on behalf of the Trust closely monitors performance and manages the equity price risk through diversification of its investment portfolio. Direct equity investments are sometimes received from bequests and are liquidated once registered ownership is received.

The Trust's exposure to equity price risk is set out below.

Sensitivity disclosure analysis and assumptions

The Trust's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. The Trust's fund managers cannot be expected to predict movements in market rates and prices and sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 25 basis points up and down (2019: 50 basis points up and down) in market interest rates (AUD)
- a movement of 10 per cent up and down (2019: 10 per cent) for the top ASX 200 index.

The table below discloses the material impact on net result and equity for each category of financial instrument held by the Trust at year-end if the above movements were to occur.

Market risk exposure

	Carrying amount	Interest rate risk		Equity price risk	
		- 0.25 per cent	+0.25 per cent	- 10 per cent	+10 per cent
		Net result	Net result	Net result	Net result
2020	\$	\$	\$	\$	\$
Contractual financial assets					
Cash and cash equivalents	25,006,071	(60,901)	60,901	-	-
Receivables:					
Sale of goods and services	249,333	-	-	-	-
Accrued investment income	172,494	-	-	-	-
Investments and other contractual financial assets:					
Term deposits	21,433,806	(53,585)	53,585	-	-
Listed securities and managed investment schemes ⁽ⁱ⁾	13,219,385	(3,917)	3,917	(1,165,242)	1,165,242
Total impact	60,081,089	(118,403)	118,403	(1,165,242)	1,165,242

	Carrying amount	Interest rate risk		Equity price risk	
		- 0.5 per cent	+ 0.5 per cent	- 10 per cent	+10 per cent
		Net result	Net result	Net result	Net result
2019	\$	\$	\$	\$	\$
Contractual financial assets					
Cash and cash equivalents	14,558,230	(72,493)	72,493	-	-
Receivables:					
Sale of goods and services	427,058	-	-	-	-
Accrued investment income	407,946	-	-	-	-
Investments and other contractual financial assets:					
Term deposits	22,307,674	(111,538)	111,538	-	-
Listed securities and managed investment schemes ⁽ⁱ⁾	12,682,501	(5,500)	5,500	(1,158,244)	1,158,244
Total impact	50,383,409	(189,531)	189,531	(1,158,244)	1,158,244

Note:

(i) Non-interest bearing managed funds include \$3,600,832 of domestic equities and managed funds (2019: \$3,961,342), \$745,236 of fixed interest trusts (2019: \$700,631) and \$7,306,348 of fixed income securities (2019: \$6,920,466).

Note 7 Risks, Contingencies and Valuation Judgements - continued

Note 7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. They are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because: it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or, the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

There are no known contingent assets or contingent liabilities. (2019: nil).

Note 7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Trust.

This section sets out information on how the Trust determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measured date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through the net result; and
- land, buildings, plant and equipment.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

The Trust determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Trust determines whether transfers have occurred between levels in the hierarchy by reassessing categorisations (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Trust, in conjunction with the Valuer-General Victoria (VGV), monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

Note 7 Risks, Contingencies and Valuation Judgements - continued

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 7.3.1), non-financial physical assets (refer to Note 7.3.2) and non-financial physical assets classified as held for sale (refer to Note 7.3.3).

7.3.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 - the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Trust considers that the carrying amount of other financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full. These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables:
Receivables:	• For supplies and services
• Sale of goods and services	• Interest payable to landowners
• Accrued investment income	• Other payables
• Other receivables	Lease liabilities
Term deposits	Other borrowings
	Other financial liabilities

The following table shows that the fair values of all of the financial assets and liabilities are the same as the carrying amounts.

Fair value of financial instruments measured at amortised cost

	Carrying amount	Fair value	Carrying amount	Fair value
	2020	2020	2019	2019
	\$	\$	\$	\$
Contractual financial assets				
Cash and deposits	25,006,071	25,006,071	14,558,230	14,558,230
Receivables ⁽ⁱ⁾ :				
Sale of goods and services	249,333	249,333	427,058	427,058
Accrued investment income	172,494	172,494	407,946	407,946
Investments and other contractual financial assets:				
Term deposits	21,433,806	21,433,806	22,307,674	22,307,674
Listed securities and managed investment schemes	1,566,963	1,566,963	1,100,062	1,100,062
Total contractual financial assets	48,428,667	48,428,667	38,800,970	38,800,970
Contractual financial liabilities				
Payables⁽ⁱ⁾:				
Payables	522,875	522,875	701,161	701,161
Lease liabilities	398,580	398,580	15,542	15,542
Other borrowings	-	-	2,860	2,860
Other financial liabilities	43,499,651	43,499,651	35,719,309	35,719,309
Total contractual financial liabilities	44,421,106	44,421,106	36,438,872	36,438,872

Note:

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government, GST input tax credit recoverable, and GST payables).

Note 7 Risks, Contingencies and Valuation Judgements - continued

Financial assets measured at fair value

	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3
2020	\$	\$	\$	\$
Financial assets at fair value through net result:				
Listed securities and managed investment schemes	11,652,422	8,694,841	2,957,581	-
Total	11,652,422	8,694,841	2,957,581	-
2019				
Financial assets at fair value through net result:				
Listed securities and managed investment schemes	11,582,439	8,302,157	3,280,282	-
Total	11,582,439	8,302,157	3,280,282	-

Note:

(i) There is no significant transfer between level 1 and level 2

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value:

Listed securities and managed investment schemes

The listed securities and managed investment schemes are managed by JB Were and include direct investment in listed securities and managed funds. The Trust classifies these as level 1 (direct investment in listed securities and securities traded on the OTC corporate bond market) and level 2 (managed funds).

Note 7 Risks, Contingencies and Valuation Judgements - continued

7.3.2 Fair value determination: Non-financial physical assets

Fair value measurement hierarchy of property, plant and equipment

	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
2020	\$	\$	\$	\$
Land at fair value				
Specialised land	20,152,282	-	-	20,152,282
Total of land at fair value	20,152,282	-	-	20,152,282
Buildings at fair value				
Specialised buildings	3,145,197	-	-	3,145,197
Total of buildings at fair value	3,145,197	-	-	3,145,197
Leasehold improvements at fair value				
Leasehold improvements	9,386	-	-	9,386
Total of leasehold improvements at fair value	9,386	-	-	9,386
Plant and equipment at fair value				
Plant and equipment	196,782	-	-	196,782
Total of plant and equipment at fair value	196,782	-	-	196,782
Motor vehicles at fair value				
Motor vehicles	51,033	-	-	51,033
Total of motor vehicles at fair value	51,033	-	-	51,033
2019				
Land at fair value				
Specialised land	16,486,951	-	-	16,486,951
Total of land at fair value	16,486,951	-	-	16,486,951
Buildings at fair value				
Specialised buildings	2,875,664	-	-	2,875,664
Total of buildings at fair value	2,875,664	-	-	2,875,664
Leasehold improvements at fair value				
Leasehold improvements	16,407	-	-	16,407
Total of leasehold improvements at fair value	16,407	-	-	16,407
Plant and equipment at fair value				
Plant and equipment	130,952	-	-	130,952
Total of plant and equipment at fair value	130,952	-	-	130,952
Motor vehicles at fair value				
Motor vehicles	24,633	-	-	24,633
Total of motor vehicles at fair value	24,633	-	-	24,633

Note:

(i) Classified in accordance with the fair value hierarchy

The measurement and classification of each class of property, plant and equipment is outlined below. There have been no transfers between levels during the period.

Specialised land and buildings

Specialised land is valued using the market approach, although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the Trust's majority of specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the Trust's specialised land and buildings was last performed by G.M.Brien & Associates Pty Ltd under contract to the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2016.

Note 7 Risks, Contingencies and Valuation Judgements - continued

Leasehold improvements

Leasehold improvements are valued using the depreciated replacement cost method. The depreciation rates are set to reflect utilisation of the leasehold improvements over the minimum lease term.

Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

Motor vehicles

Motor vehicles are valued using the depreciated replacement cost method. The Trust acquires new vehicles and at times disposes of them before the end of their economic life. The depreciation rates are set to reflect the utilisation of the motor vehicles.

There were no changes in valuation techniques throughout the period to 30 June 2020.

For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of Level 3 fair value

	Specialised land	Specialised buildings	Leasehold improvements	Plant and equipment	Motor vehicles
	\$	\$	\$	\$	\$
2020					
Opening balance	16,486,951	2,875,664	16,407	130,952	24,633
Recognition of right-of-use assets on initial application of AASB16(a)	-	571,049	-	-	12,814
Fair value of assets received free of charge or for nominal considerations	620,000	-	-	-	-
Purchases (sales)	1,061,055	-	-	137,736	37,709
Restatement of present value right-of-use assets	-	33,412	-	-	65
Transfers in (out) of Level 3	-	-	-	-	-
Gains or losses recognised in net result	-	-	-	-	-
Depreciation	-	(334,928)	(7,021)	(71,906)	(24,188)
Subtotal	18,168,006	3,145,197	9,386	196,782	51,033
Gains or losses recognised in other comprehensive income					
Revaluation	1,984,276	-	-	-	-
Subtotal	1,984,276	-	-	-	-
Closing balance	20,152,282	3,145,197	9,386	196,782	51,033
2019					
Opening balance	16,486,951	2,962,776	23	127,822	48,060
Purchases (sales)	-	-	21,062	69,563	-
Transfers in (out) of Level 3	-	-	-	-	-
Gains or losses recognised in net result	-	-	-	-	-
Depreciations	-	(87,112)	(4,678)	(66,433)	(23,427)
Closing balance	16,486,951	2,875,664	16,407	130,952	24,633

Note 7 Risks, Contingencies and Valuation Judgements - continued

Description of significant unobservable inputs to Level 3 valuations

2020 and 2019	Valuation technique	Significant unobservable inputs ⁽ⁱ⁾	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised land ⁽ⁱ⁾	Market approach	Community Service Obligation (CSO) adjustment	0%-25% (3%) ⁽ⁱ⁾	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
Specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful life of specialised buildings	\$1,000 - \$1,142,000 per building (\$62,000) 20-40 years (23 years)	A significant increase or decrease in direct cost per unit would result in a significantly higher or lower fair value. A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Leasehold improvements	Depreciated replacement cost	Direct cost per square metre Useful life of leasehold improvements	\$840 per m ² (\$840) 3 years (3 years)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value. A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment	\$1,000 - \$69,000 per unit (\$5,200) 3-5 years (4 years)	A significant increase or decrease in direct cost per unit would result in a significantly higher or lower fair value. A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Motor vehicles	Depreciated replacement cost	Cost per unit Useful life of motor vehicles	\$1,000 - \$76,000 per unit (\$22,000) 7-10 years (10 years)	A significant increase or decrease in direct cost per unit would result in a significantly higher or lower fair value. A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Note:

(i) CSO adjustments of 25 per cent were applied to some specialised land to reduce the market approach value.

7.3.3 Fair value determination: Non-financial physical assets classified as held for sale

	Carrying amount as at 30 June	Fair value measurement at end of reporting period using ⁽ⁱⁱ⁾ :		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
2020				
Land at fair value				
Specialised land	1,757,879	-	1,757,879	-
Total of land at fair value	1,757,879	-	1,757,879	-
Buildings at fair value				
Specialised buildings	208,000	-	208,000	-
Total of buildings at fair value	208,000	-	208,000	-
2019				
Land at fair value				
Specialised land	2,017,476	-	2,017,476	-
Total of land at fair value	2,017,476	-	2,017,476	-

Notes:

(i) Classified in accordance with the fair value hierarchy.

(ii) Non-financial physical assets classified as held for sale have been classified as level 2 as the significant inputs to fair value measurement are indirectly observable, in this case the recent acquisition costs with reference to recent comparable sales in the area.

There have been no transfers between levels during the period.

Note 8 Other disclosures

Introduction

This section provides additional material disclosures required by accounting standards or otherwise, for the understanding of this report.

Structure

- 8.1 Ex gratia expenses
- 8.2 Other economic flows included in net result
- 8.3 Reserves
- 8.4 Change in accounting policies
- 8.5 Responsible persons
- 8.6 Remuneration of executives
- 8.7 Related parties
- 8.8 Remuneration of auditors
- 8.9 Subsequent events
- 8.10 Australian Accounting Standards issued that are not yet effective

Note 8.1 Ex-gratia expenses ^(a)

Ex-gratia expenses are the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

	2020	2019
	\$	\$
Ex-gratia expenses	-	-
Total ex-gratia expenses	-	-

Notes:

(a) Includes ex-gratia expenses greater than or equal to \$5,000 or those considered material in nature. There were no such ex-gratia expenses in 2019-20 (2018-19: nil).

Note 8.2 Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that does not result from transactions. These include:

- revaluation gains/(losses) on non financial assets and liabilities
- net gain/(loss) on the sale of non financial assets, recognised at the date of disposal and determined after deducting from the proceeds the carrying value of the asset at the time
- net gain/(loss) on financial instruments including realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held for trading, impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets
- revaluation gain/(loss) on financial instruments at fair value excluding dividends or interest earned on financial assets, which is reported as part of income from transactions.

	2020	2019
	\$	\$
Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of land	431,790	204,360
Net gain/(loss) on disposal of plant & equipment	7,106	-
Total net gain/(loss) on non-financial assets	438,896	204,360
Net gain/(loss) on financial instruments		
Net gain/(loss) on disposal of financial investments	40,144	(52,101)
Net gain/(loss) arising from revaluation of financial assets at fair value	(523,383)	76,273
Total net gain/(loss) on financial instruments	(483,239)	24,172

Note 8 Other disclosures - continued

Note 8.3 Reserves

	2020	2019
	\$	\$
Physical asset revaluation surplus ⁽ⁱ⁾		
Balance at the beginning of the financial year	14,802,806	14,802,806
Revaluation increments/(decrements)	1,984,276	-
Balance at the end of the financial year	16,787,082	14,802,806
Donations surplus ⁽ⁱⁱ⁾		
Balance at the beginning of the financial year	3,548,714	4,278,512
Transfers to/(from) accumulated surplus:		
Investment income earned on funds held less administration fee	(59,323)	112,803
Donations for reserve and proceeds from sale of properties	1,269,160	475,552
Funds appropriated and properties acquired	(343,351)	(1,318,153)
Transfers to/(from) other surpluses ^(vii)	(971,996)	-
Balance at the end of the financial year	3,443,204	3,548,714
Covenant stewardship surplus ⁽ⁱⁱⁱ⁾		
Balance at the beginning of the financial year	1,538,551	1,573,816
Transfers to/(from) accumulated surplus:		
Investment income earned on funds held	(13,383)	88,279
Surpluses transferred for future covenant monitoring	18,000	21,600
Funds appropriated on covenant monitoring program	(190,466)	(145,144)
Balance at the end of the financial year	1,352,702	1,538,551
Properties surplus ^(iv)		
Balance at the beginning of the financial year	406,248	406,248
Transfers to/(from) accumulated surplus:		
Surpluses transferred for future property stewardship	351,694	-
Transfers to/(from) other surpluses ^(vii)	(406,248)	-
Balance at the end of the financial year	351,694	406,248
Bequest surplus ^(v)		
Balance at the beginning of the financial year	1,245,441	1,217,692
Transfers to/(from) accumulated surplus:		
Investment income earned on funds held less administration fee	(28,504)	39,251
Funds appropriated	(21,592)	(11,502)
Transfers to/(from) other surpluses ^(vii)	(253,456)	-
Balance at the end of the financial year	941,889	1,245,441
Endowment surplus ^(vi)		
Balance at the beginning of the financial year	52,950	-
Transfers to/(from) accumulated surplus:		
Donations for endowment	495,492	50,000
Investment income earned on funds held	12,533	2,950
Funds appropriated	(5,483)	-
Transfers to/(from) other surpluses ^(vii)	1,631,700	-
Balance at the end of the financial year	2,187,192	52,950
Total reserves	25,063,763	21,594,710

Notes:

- (i) The physical asset revaluation surplus records increments and decrements on the revaluation of non-current assets.
- (ii) Donations surplus funds are derived from Government grants and donations from other organisations or individuals. These donations are directed towards property purchases or are held in trust for specified purposes.
- (iii) The covenant stewardship surplus is for monitoring of covenanted properties and approved management expenditure. The Trust has adopted the policy of transferring \$600 for each new covenant to the covenant stewardship reserve.
- (iv) The properties surplus is for property purchases and management, educational and legal costs for Trust properties.
- (v) Bequest surplus funds are held in trust for specified purposes.
- (vi) The Endowment surplus includes endowments funded from gifts to support long-term conservation work according to the spending conditions of each endowment. The Endowment surplus is made up of: the West Gippsland Endowment Fund \$1,010,066; the TFN Property Endowment Fund \$404,401; and, the TFN General Purpose Endowment Fund \$772,725.
- (vii) With the recent establishment of the Endowment surplus, the Board determined during 2019-20 to reclassify various funds held in other surpluses to the Endowment surplus where the original purpose of those gifts and bequests was consistent with the purpose and principles of investment and use of the Endowment surplus.

Note 8 Other disclosures - continued

Note 8.4 Change in accounting policies

8.4.1 Leases

This note explains the impact of the adoption of AASB 16 *Leases* on the Trust's financial statements.

The Trust has applied AASB 16 with a date of initial application of 1 July 2019.

The Trust has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in accumulated surplus as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, the Trust determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 *Determining whether an arrangement contains a Lease*. Under AASB 16, the Trust assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.4.

On transition to AASB 16, the Trust has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

Leases classified as operating leases under AASB 117

As a lessee, the Trust previously classified leases as operating or finance leases, based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Trust. Under AASB 16, the Trust recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low-value leases.

On adoption of AASB 16, the Trust recognises lease liabilities in relation to lease liabilities which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the Trust's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

The Trust has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to the portfolio of leases with similar characteristics;
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than twelve months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

Impacts on financial statements

On transition to AASB 16, the Trust recognised \$583,863 of right-of-use assets and \$583,863 of lease liabilities.

When measuring lease liabilities, the Trust discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 4 percent.

	1 July 2019
	\$
Total operating lease commitments disclosed at 30 June 2019	628,444
Discounted using the incremental borrowing rate as at 1 July 2019	613,176
Short-term leases	(29,313)
Lease liabilities recognised on implementation of AASB 16 at 1 July 2019	583,863
Finance lease liabilities as at 30 June 2019	15,542
Total lease liabilities at 1 July 2019	599,405

Note 8 Other disclosures - continued

8.4.2 Revenue from Contracts with Customers

In accordance with FRD 121 requirements, the Trust has applied the transitional provisions of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening accumulated surplus at 1 July 2019. Under this transition method, the Trust applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application.

Comparative information has not been restated.

Note 2.2 *Grant and consulting income* includes details about the transitional application of AASB 15 and how the standard has been applied to revenue transactions. The adoption of AASB 15 did not have an impact on Other Comprehensive Income and the Statement of Cashflows for the financial year.

8.4.3 Income of Not-for-Profit Entities

In accordance with FRD 122 requirements, the Trust has applied the transitional provision of AASB 1058, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, the Trust applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Comparative information has not been restated.

The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

8.4.4 Transition impact on financial statements

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

- AASB 15 *Revenue from Contracts with Customers*;
- AASB 1058 *Income of Not-for-Profit Entities*; and
- AASB 16 *Leases*.

Impact on balance sheet due to the adoption of AASB 15, AASB 1058 and AASB 16 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards at 1 July 2019:

	Before new accounting standards Opening 1 July 2019	Impact of new accounting standard - AASB 15	Impact of new accounting standard - AASB 1058	Impact of new accounting standard - AASB 16	After new accounting standards Opening 1 July 2019
					\$
Total financial assets	50,640,714	-	-	-	50,640,714
Total non-financial assets	21,704,803	-	-	583,863	22,288,666
Total assets	72,345,517	-	-	583,863	72,929,380
Payables and contract liabilities	917,136	-	-	-	917,136
Borrowings	18,402	-	-	583,863	602,265
Other liabilities	37,962,388	-	-	-	37,962,388
Total liabilities	38,897,926	-	-	583,863	39,481,789
Accumulated surplus	11,752,881	-	-	-	11,752,881
Reserves	21,594,710	-	-	-	21,594,710
Other items in equity	100,000	-	-	-	100,000
Total equity	33,447,591	-	-	-	33,447,591

Note 8 Other disclosures - continued

Note 8.5 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Ministers and Accountable Officers in the Trust are as follows:

Responsible Minister:

Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change, and Minister for Solar Homes 1 July 2019 to 30 June 2020

Governing Board of Trustees:

Gayle Austen (Chair from 10 March 2020)	1 July 2019 to 30 June 2020
Nina Braid	9 December 2019 to 30 June 2020
Dr Sandra Brizga	1 July 2019 to 30 June 2020
Binda Gokhale	1 July 2019 to 30 June 2020
Dr Dominique Hes	9 December 2019 to 30 June 2020
Matthew Kronborg	9 December 2019 to 30 June 2020
Charles Meredith	1 July 2019 to 30 June 2020
Nadine Ponomarenko	9 December 2019 to 30 June 2020
Jennifer Wolcott	9 December 2019 to 30 June 2020
Geoff Driver (Chair until 10 March 2020)	1 July 2019 to 10 March 2020
Carol Bennetto	1 July 2019 to 8 December 2019
James Bentley	1 July 2019 to 8 December 2019
Katherine Cary	1 July 2019 to 8 December 2019
Dr Georgia Garrard	1 July 2019 to 8 December 2019
Amanda Noble	1 July 2019 to 8 December 2019

The Trust for Nature (Victoria) Board is established under the *Victorian Conservation Trust Act 1972*.

Chief Executive Officer (Accountable Officer):

Victoria Marles 1 July 2019 to 30 June 2020

Amounts relating to Ministers are disclosed in the financial report of the Department of Parliamentary Services.

Remuneration

Remuneration received or receivable by the Trustees is in the range \$357 - \$432 per sitting (2018-19: \$357 - \$432). Trustees may elect not to receive sitting fees. Total sitting fees paid in 2019-20 were \$29,196 (2018-19: \$29,403). The remuneration of the Trustees fell within the band:

	2020	2019
Income band		
less than \$9,999	15	10

Remuneration received or receivable by the Accountable Officer during the reporting period was in the range:

	2020 No.	2019 No.
Income band		
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	1	-

Note 8 Other disclosures - continued

Note 8.6 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 Employee Benefits) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.7)	2020	2019
	\$	\$
Short-term employee benefits	290,679	145,531
Post-employment benefits	25,792	14,517
Other long-term benefits	8,154	4,330
Total remuneration^(a)	324,625	164,378
Total number of executives	2	1
Total annualised employee equivalents^(b)	1.8	1

Notes:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.7).

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

Note 8.7 Related parties

The Trust is a wholly owned and controlled entity of the State of Victoria.

Related parties of the Trust include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet members and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

The Trust received funding from government-related entities of \$6,671,516 (2019: \$4,285,444).

During the year, the Trust had the following government-related entity transactions:

- Department of Environment, Land, Water and Planning - Operating grant recurrent \$442,000 (2019: \$424,000);
- Department of Environment, Land, Water and Planning - Operating grant non-recurrent \$920,000 (2019: \$950,000);
- State Government grants \$4,248,461 (2019: \$2,911,444); and
- State Government grants used to acquire properties \$1,061,055 (2019: \$nil).

At 30 June 2020, the Trust is holding bonds in trust on behalf of State Government entities totalling \$16,029,798 (2019: \$10,338,312). Also refer to Note 6.3.

Note 8 Other disclosures - continued

Key management personnel of the Trust includes the Portfolio Minister, Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change and Minister for Solar Homes, the governing Board of Trustees, the Chief Executive Officer, Victoria Marles, the Chief Finance Officer, Greg Bowers, and the Chief Operating Officer, Stephen Thuan.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

Compensation of KMPs	2020	2019
	\$	\$
Short-term employee benefits	526,449	382,201
Post-employment benefits	44,843	32,728
Other long-term benefits	6,152	5,954
Total ^(a)	577,444	420,883

Notes:

(a) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.6).

Transactions and balances with key management personnel and other related parties

There were no related party transactions that involved key management personnel, their close family members and their personal business interests.

Note 8.8 Remuneration of auditors

	2020	2019
	\$	\$
Victorian Auditor-General's Office:		
Audit or review of the financial statements	18,500	18,000
Total amount	18,500	18,000

No other services were performed during the reporting period.

Note 8.9 Subsequent events

The State of Victoria has introduced more restrictions post balance date in response to the "second wave" of the Coronavirus pandemic. At times these restrictions have extended to regional Victoria affecting the capacity of staff to conduct field-based services, however staff have generally been able to perform office-based services during these times, so impact is not expected to be material.

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

Note 8 Other disclosures - continued

Note 8.10 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2019-20 reporting period. These accounting standards have not been applied to the Trust's Financial Statements. The Trust is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*

This Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. The Trust has not earlier adopted the Standard.

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

The Trust is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non Current*

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 *Classification of Liabilities as Current or Non-Current – Deferral of Effective Date* with the intention to defer the application by one year to periods beginning on or after 1 January 2023. The Trust will not early adopt the Standard.

The Trust is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Trust's reporting.

- *AASB 17 Insurance Contracts*.
- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*.
- *AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business*.
- *AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework*.
- *AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*.
- *AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*.
- *AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.
- *Conceptual Framework for Financial Reporting*.



Spotted-tail Quoll

Trust for Nature

5/379 Collins Street
Melbourne, Victoria 3000 Australia
Phone: +61 3 8631 5888
Fax: +61 3 9614 6999
Freecall: 1800 99 99 33 (Australia only)
Email: trustfornature@tfn.org.au
ABN 60 292 993 543

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