

Annual Report

2020-21



Front cover: Mulla Mulla shrub with Buloke in background

Chair and chief executive officer report	7
How we operate	11
Key services	12
Operational objectives and outcomes	17
Conservation achievements	21
Community engagement	26
Partners and volunteers	30
Thank you to our donors	32
Financial overview	35
Governance and Organisational structure	38
Organisational chart	42
Other disclosures	47
Disclosure index	51
Financial review	55

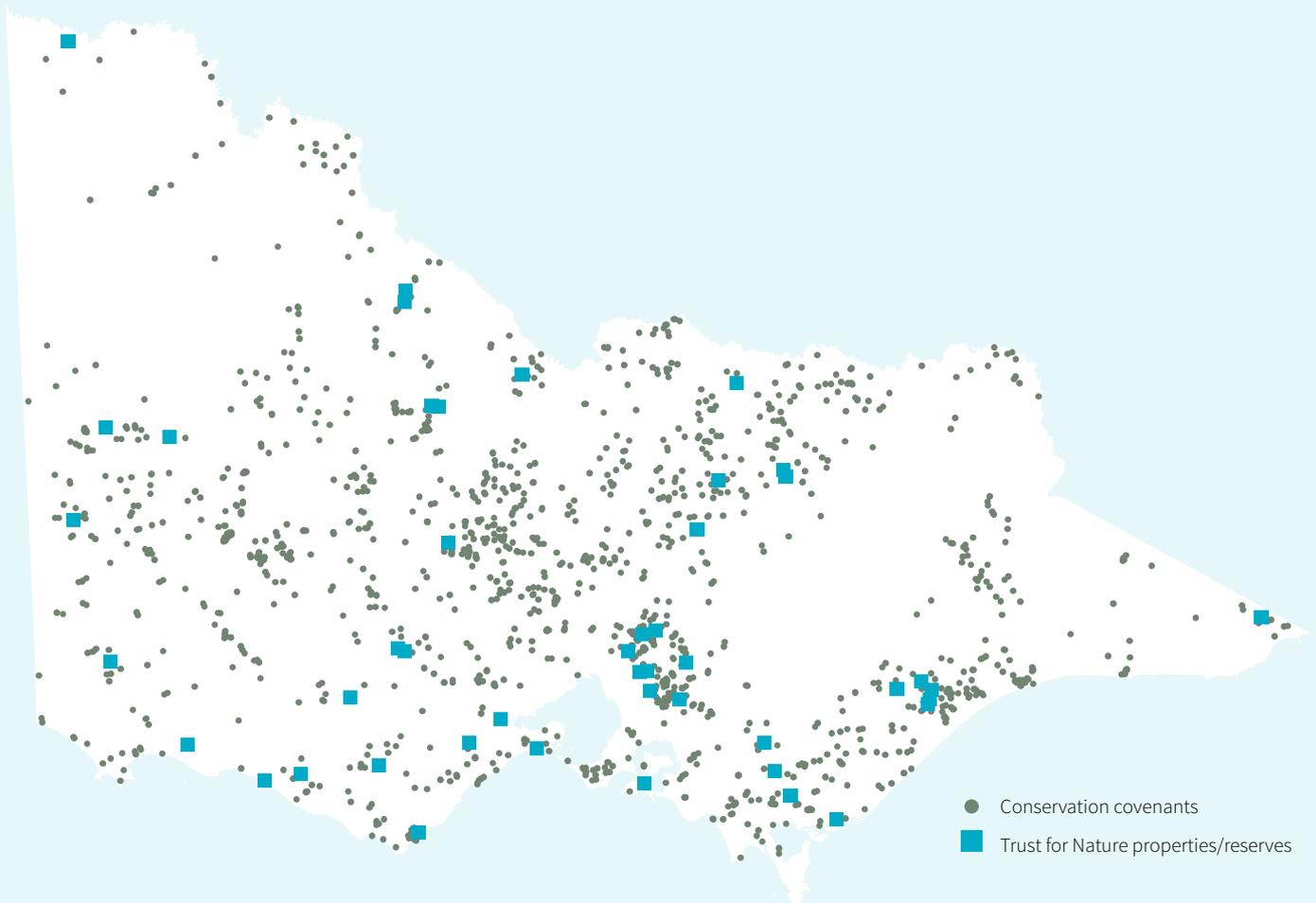
Published by Trust for Nature (Victoria), Melbourne, October 2021.

© State of Victoria, Trust for Nature 2021. This publication is copyright. No part may be reproduced by any process except in accordance with the provisions of the Copyright Act 1968. ISSN: 1838-9732. An electronic copy of this document is available online at trustfornature.org.au.



Spotted-tailed Quoll

Land protected in Victoria by conservation covenants and Trust for Nature reserves



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 2021.

Gayle Austen
Chair
Trust for Nature (Victoria)

Major achievements

Trust for Nature has been hard at work protecting Victoria's most vulnerable habitats and species.

Here's a snapshot of what we achieved in 2020–21...





41
new covenants –
more than **2,700 extra**
hectares **protected** forever

109,256 ha

of our state are **permanently protected**
under conservation covenants and
reserves owned by Trust for Nature.
1,567 covenants in total

139

management plans
prepared for covenanted properties
and **212** covenanted properties
visited by Trust for Nature



Iconic Estates, supported by the Victorian
Government's Biodiversity Response Planning,
protected some of Victoria's most
important landscapes in areas such
as Gariwerd/Grampians and the
East Gippsland rainforest

9,248+ ha

of weed management

37,338+ ha

of feral animal management

1,038+ ha

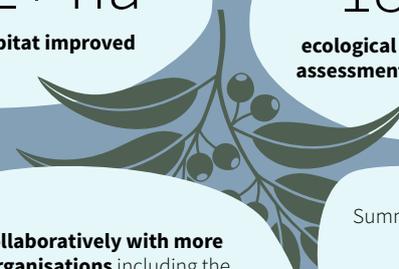
of grazing regime improved

2,962+ ha

of wildlife habitat improved

183+

ecological surveys and
assessments conducted



Collaborated with partners to help
secure and improve habitat for
threatened species

including Plains-wanderer, Leadbeater's
Possum, Helmeted Honeyeater,
Regent Honeyeater, Swift Parrot, Brolga,
Red-tailed Black-Cockatoo,
Squirrel Glider, Spiny Rice-flower,
Red Swainson-pea, and
Coloured Spider-orchid

Worked collaboratively with more
than 145 organisations including the

Victorian Government, the Australian
Government, local governments,
conservation organisations, Landcare
groups, community groups and
Trust volunteers to protect plants and
animals on Trust for Nature's conservation
reserves across the state

Summer holiday and tax appeals
raised more than

\$346,000





Chair and chief executive officer report

Private land conservation steps up for the climate change challenge.

In a year in which the global pandemic continued to dominate the lives of so many of us, Trust for Nature's ability to provide a pragmatic response to the challenges of climate change moved to centre-stage for many Victorians.

Despite the inevitable hurdles that lockdowns, health crises and the pandemic's financial impact presented for our staff, trustees, stakeholders, partners and funders, our continuing ability to deliver on our conservation goals was reassuring and inspiring. With recovery from the 2019-20 bushfires still very much a focus, and Australia and the world coming to terms with both the science and the reality of climate change impacts, Trust for Nature was able to role model one important pathway to addressing habitat and species loss here in Victoria.

As we move towards our 50th year, the unique conservation tool we have utilised since our foundation, the voluntary perpetual covenant, continues to deliver conservation wins for our state. Our focus on private land and where the majority of Victoria's threatened species and habitats exist saw us registering 41 new covenants for the year - adding more than 2,700 ha under protection, and initiating negotiations on a further 3,400 ha.

Combined with the 36,000 ha we protect and nurture in our 43 reserves, this brings the total private land permanently protected with a Trust for Nature covenant to 109,256 ha (1,567 covenants). So while climate change continued to signal its growing power over the future of our natural assets during the year, the team at Trust for Nature, supported by our covenantors, funders, donors and partners has successfully kept its focus on providing a better future for the native plants and wildlife which are most vulnerable.

In fact, our team managed to increase the level of on-ground support during this second pandemic-affected year. Working directly with landholders to provide support and advice, the number of stewardship visits rose to 212, with 139 management plans prepared. Trust for Nature improved habitat on nearly 3,000 ha, facilitated weed management for more than 9,000 ha, organised feral animal management for more than 37,000 ha and helped to install nearly 22 km of fencing.

These prosaic but vital activities are more evidence of how we can work to address the dramatic decline in Australian native vegetation and wildlife. We would like to thank our staff and our covenantors for their dedication to what is a massive task, completed in difficult times. We would also like

to offer our respect and appreciation to those landholders who faced the added burden of restoring precious habitats after the devastating bushfires of 2019-20. With the support of significant government funding, we were able to increase the support that these courageous and committed landholders deserved and received.

We are particularly grateful for the ongoing support of all of our funders, government and private, as well as the many donors who put aside difficult circumstances to show their support for our efforts. While the pandemic imposed its restrictions on our access to Nature, hundreds of donors and supporters continued to attend our webinars through the year, as well as enthusiastically embracing a virtual version of our Women in Conservation Breakfast, with more than 900 people attending the event in its 10th successful year.

Kids also got into the act, with the Kids for Nature webinar. Hosted by kids for kids, it provided a forum for our youngest nature lovers to hear from experts at Zoos Victoria and Melbourne Museum about saving species such as the threatened Growling Grass Frog and the Mountain Pygmy Possum.

Meanwhile, there was also great enthusiasm shown for Trust for Nature's Revolving Fund, with high demand for the opportunity to purchase a covenanted property and make a very tangible contribution to conservation on private land. Demand exceeded supply again this year, with properties quickly purchased after listing on Trust for Nature's website.

The Revolving Fund buys and sells private land with high conservation values that are located within an area identified by Trust for Nature as a priority for conservation and containing important habitat for threatened species. Sale proceeds are returned to the Revolving Fund to purchase more property, creating a continuous conservation investment cycle. To date, the Revolving Fund program has sold 77 properties, and has protected more than 6,900 ha.

We are always moved by the generosity and vision of those who choose to show their support and respect for our work by including Trust for Nature in their Will. This year we received a bequest from Laurie Macmillan and David Wakefield of their beloved and very special property in Strath Creek. David and Laurie spent their lives caring about and conserving the natural world and these two passionate conservationists will continue to make a difference through their legacy. Equally Bruce Miller was



extremely dedicated to conservation and worked tirelessly to create a haven for wildlife. He also protected his property in Dewhurst with a conservation covenant and bequeathed it to Trust for Nature. These personal commitments to conservation and a better future continues to inspire and motivate us at Trust for Nature.

As Victoria's dedicated private land conservation body, our key focus is on achieving strategic conservation with partners – this sits at the heart of what we do. And 2020-21 has been no exception. Our partners were as focused as we are on achieving our vision of protecting nature on private land forever, and aware of the benefits to be gained from working together, on a landscape scale, to powerfully address the impacts of climate change.

The ongoing Iconic Estates project, funded by Victorian Government as part of its Biodiversity Response Planning process, delivers on these goals. Focusing on those of Victoria's landscapes that are most important to preserving biodiversity, Trust for Nature worked with landholders to increase the area of habitat protected in areas such as Gariwerd/Grampians, along the Wimmera River and patches of East Gippsland rainforest.

The Victorian Government's Working for Victoria initiative, which connects jobseekers with employers and helps businesses and people who lost their jobs during the COVID-19 pandemic, was another practical response which helped Trust for Nature's covenants. Working for Victoria workers supported landholders to complete conservation works such as fencing, removing barbed wire and cutting out woody weeds on their covenanted land. These keen workers also contributed to similar work on Trust for Nature reserves and properties across the state.

During the year, Trust for Nature partnered with the Victorian Department of Environment Land Water and Planning (DELWP) to co-design the private land component of the Victorian Government's new Nature Restoration for Carbon Storage – the BushBank program. This innovative program will support private landholders and public land managers to reduce net emissions while increasing and improving habitat, healing Country and improving soil and water quality. It is a partnership which capitalises on Trust for Nature's track record in conservation, as well as our determination to deliver the greatest value we can for Victoria's efforts to address climate change.

Another fundamental relationship for Trust for Nature progressed further this year, as we continued to work productively with Aboriginal people and Traditional Owners across the state in new and ongoing partnerships. These partnerships are built on our recognition that all Victorians share in the benefits of Aboriginal people's custodianship and caring for Country for millennia.

This year we welcomed the third round of Indigenous students to the Certificate III in Conservation and Land Management, run by Trust for Nature with the Bunurong Land Council Aboriginal Corporation, the Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation and Holmesglen. Students participated in a cultural burn at Coranderrk Station led by Wurundjeri Elder Uncle Dave Wandin, a first in 160 years. We are honoured to be able to support the next generation of Victorian land managers through this program.

Across the year, thanks to generous supporters, works continued at Neds Corner Station, Victoria's largest private conservation reserve and our flagship Trust for Nature reserve. Neds Corner provides crucial habitat for native plants and wildlife not often seen in other parts of Victoria. Significant planting and conservation works across the year, coupled with favourable weather conditions, will help to ensure that this important habitat continues to thrive.



We are grateful for the ongoing support from the Paul Family Foundation, which enabled Trust for Nature to host the John Paul Memorial Lecture 'Innovation in land conservation' in September 2020. Speakers included Dr Katherine Moseby, Dr Debbie Saunders and Professor David Bowman. These leaders in their field presented virtually on a range of topics from threatened species conservation and novel ways to control feral animals through to using drones for radio tracking and fire in our human landscapes.

As always, we are indebted to the community groups who manage a number of Trust for Nature's reserves. The volunteer Committees of Management and Friends groups are a crucial part of keeping reserves healthy and their passion for the task is unwavering. Thank you to everyone who participates in these groups, for your dedication and your determination to make a difference for Victoria.

As we continue to work towards realising our vision and playing our role in mitigating the impacts of climate change, the many achievements in this report capture just some of the highlights of a year that began without much promise. In a time of difficulty and stress for so many Victorians, our role in uniting communities to work together and maintain hope for the future became increasingly obvious in 2020-21. Supporting the vital work of our dedicated landholders, donors, staff and partners, by helping them to make a real impact on conservation in Victoria, now and into the future, was a privilege.

We could not achieve conservation success and impact without the passion, vision and generosity of our covenantors, supporters, donors and funders, including the Victorian and Australian Governments. We thank all who support and invest in our work and enable the Trust to make a significant contribution to protecting and sustaining Victoria's biodiversity.

We would also like to thank the Board of Trustees for their counsel and guidance, as well as the time and passion they invest. During the year we said farewell to Dominique Hes as a trustee and we thank her for her contribution. We also welcome Jill Smith who joined the Board in October 2020.

We are proud to share this report of the Trust's achievements during an extraordinary year and look forward to delivering once more for the flora, fauna and people of Victoria in the year ahead.

Gayle Austen
Chair
1 October 2021

Victoria Marles
Chief Executive Officer
1 October 2021



Scar tree on a property protected with a conservation covenant

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 2020 to 30 June 2021 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 landholders. 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 12 to 29 of this report.

Table 1: Links between Trust for Nature's statutory objects and its activities and services Victorian Conservation Trust Act 1972 objects

The preservation of areas which are ecologically significant

Trust for Nature activities and services

- Land protection services: covenants and land management agreements
- Environmental markets services
 - Revolving Fund
- Protecting ecologically significant areas
- Working collaboratively

The conservation of wildlife and native plants

Trust for Nature activities and services

- Stewardship services
- Focal landscapes and connectivity
- Managing protected areas
- Improving threatened species conservation

The conservation and creation of areas for scientific study, public enjoyment, recreation and education

Trust for Nature activities and services

- 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

We work to rapidly expand Victoria's privately protected area estate to secure our most precious native plants, and wildlife.

Land management and covenanting

Trust for Nature registered 41 conservation covenants in 2020–21: These comprised:

- 18 covenants voluntarily placed on title without the landholder receiving an incentive to do so.
- 14 incentive covenants, where a covenant is agreed upon as a result of the landholder's participation in an incentive program.
- Six Revolving Fund covenants.
- Three covenants developed in a commercial context, where a covenant is agreed to due to a planning permit requirement, condition of sale or fee-for-service arrangements with the land manager.

Regional staff conducted 45 property and covenant assessment visits during the year, resulting in the preparation of draft covenant proposals for a further 3,502 ha of land.

Total hectares protected under covenants increasing each year

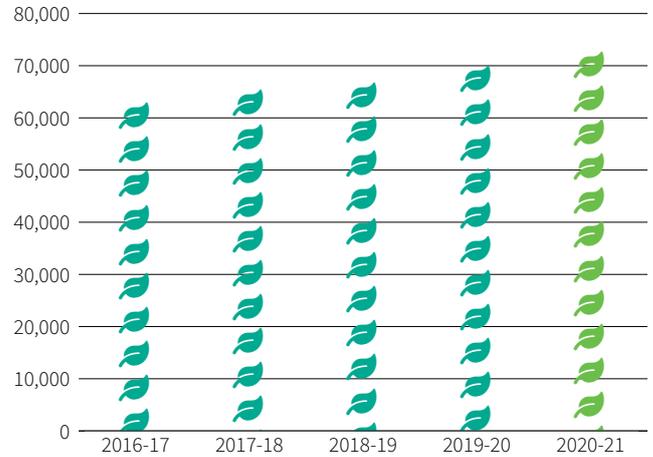


Table 2: Conservation covenants registered, area protected

	Registered covenants in 2020–21*	Registered covenants in 2019–20*	10-year average registered annual covenants (2011–2021)**	Registered covenant total (1986–2021)**
Total	41	30	48	1,567
	Area protected in 2020-21	Area protected in 2019-20*	10-year average total area protected 2011–21**	Total area protected 1986–2021**
Total	2,730 ha	1,772 ha	2,656ha	72,906 ha



Stewardship

Trust for Nature's stewardship program works cooperatively with landholders so that all areas of habitat covenanted by the Trust are managed to maintain and enhance their conservation value.

The Trust works directly with landholders 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 landholders 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 management plans and conducted stewardship visits covenanted properties throughout the year as shown in Table 3.

Table 3: Stewardship services

	2020-21	2019-20
Stewardship visits	212	168
Management plans prepared	139	130



Stewardship visits

212

2020-21



168

2019-20

Management plans prepared

139

2020-21



130

2019-20

Environmental markets services

The objective of Trust for Nature's engagement in environmental markets is to:

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

The Trust 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 offset agreements are separate and distinct from voluntary covenants or those facilitated through incentive programs.

Demand for new offset covenants decreased during this financial year, resulting in a lower number of covenants under negotiation. The number of covenants registered increased, which is reflective of a high number of covenants under negotiation in the prior year having been registered.

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 landholders in meeting their offset obligations and ensures compliance monitoring.

The Trust continues to assess its role in the carbon market and seeks to develop partnerships that will support conservation through this market. Trust for Nature 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

	2020-21	2019-20
Offset agreements under negotiation	15	32
Area of habitat (ha)	394.34	1,557.76

Table 5: Offset covenants registered on title

	2020-21	2019-20
Offset covenants registered	18	4
Area of habitat (ha)	1,106.70	129.17

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, there was increased interest in Revolving Fund properties.

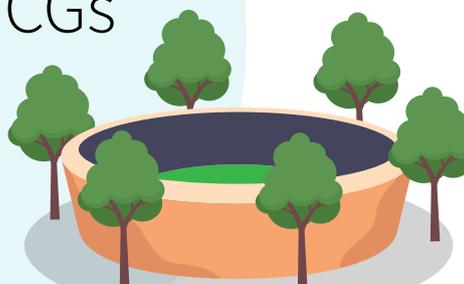
The Revolving Fund protects conservation values through an obligation for all purchasers to covenant the property. As the Revolving Fund operates in the property market, factors that affect the market will also have an impact on the fund. The Trust aims to maintain the value of the Revolving Fund over time.

Since its inception, the Revolving Fund has purchased 77 properties and sold 73, resulting in the protection of 6,923 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

	2020-21	2019-20	2018-19
Properties sold	Six properties, total 213.85 ha, value \$1,127,969	Four properties, total 341.31 ha, value \$1,138,386	Two properties, total 96.48 ha, value \$464,739
Properties bought	Two properties, total 226.65 ha, value \$568,774	0 properties	Five properties, total 301.11 ha, value \$1,052,248
Investment income	\$172,539	\$13,243	\$109,681
Donations/transfers in	\$369,132	\$1,000	\$100
Properties retained	Four properties, total 391.07 ha, value \$1,064,145	Eight properties, total 378.27 ha, value \$1,310,879	12 properties, total 719.58 ha, value \$2,017,477
Cash/amounts owing	\$3,369,147	\$2,648,183	\$1,828,737
Total value of Revolving Fund	\$4,433,292	\$3,959,061	\$3,846,214

Since it started the Revolving Fund has
protected 1,000 MCGs
worth of land
for native plants and animals





Amata sp. Moth

Operational objectives and outcomes

Operational and budgetary objectives for key services

The achievements of the Trust for Nature's activities and services against the objects of the *Victorian Conservation Trust Act 1972* can be found in summary throughout this report. The Trust also reports on the targets and outcomes of its operational objectives, in a manner consistent with DELWP guidance for public bodies.

Table 7: Operational objective and outcomes

Services	Target (qualitative & quantitative)	Outcomes 2020-21
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"> — 3,502 ha under negotiation for conservation covenant — 2,730 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"> — 139 management plans prepared for covenanted properties — 212 covenanted properties visited
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"> — 15 offset covenants under negotiation — 18 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 \$474,231 in 2020-21 — Investment income on funds held increased from \$13,243 in 2019-20 to \$172,539 — Six properties sold with a total land area of 213.85 ha for net proceeds of \$1,127,969 — Two properties purchased with a total land area of 226.65 ha for net cost of \$568,774 — Retained \$3,369,147 in cash for use by Revolving Fund Holding four properties comprising 391.07 ha with a value of \$1,064,145
	<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"> — \$369,132
Development	<ul style="list-style-type: none"> — To maintain 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 was \$1,051,096 — Grant income was \$299,747 in 2020-21 — Dividend income was \$285,650 in 2020-21 — Interest income was \$214,502 in 2020-21
	<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 2020 raised \$37,244 — End of financial year appeal in June 2021 raised \$310,692

→ A summary of donation income is included in the financial statements





Table 8: Conservation covenants registered

Catchment	Registered covenants in 2020-21*	Registered covenants in 2019-20*	Registered covenants total**
Corangamite	4	2	117
East Gippsland	4	1	158
Glenelg Hopkins	5	0	110
Goulburn Broken	9	4	207
Mallee	1	1	48
North Central	7	8	265
North East	0	2	85
Port Phillip and Westernport	2	6	268
West Gippsland	5	3	129
Wimmera	4	3	180
Total	41	30	1,567

* Registered covenants in 2020-21 and 2019-20 excludes offset covenants.

** Registered covenants total includes offset covenants.



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

Catchment	Area protected in 2020-21 (ha)*	Area protected in 2019-20 (ha)*	Total area protected (ha)**
Corangamite	431.2	10.2	3224.1
East Gippsland	200.5	146.8	8220.3
Glenelg Hopkins	165.2	65.5	4,494.1
Goulburn Broken	398.4	422.2	8,842.2
Mallee	17.1	92.2	4,333.2
North Central	370.1	580.8	13,146.8
North East	0.0	40.6	4,225.7
Port Phillip and Westernport	54.6	179.0	4,234.0
West Gippsland	255.2	78.7	4,983.9
Wimmera	837.3	156.3	17,201.3
Total	2729.5	1,772.2	72,905.8

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 2020-21 and 2019-20 excludes offset covenants. ** Total area protected (ha) includes offset covenants.



Conservation achievements

Protecting ecologically significant areas

The Trust increased the level of protection in nine of its 12 focal landscapes.

Covenants were registered in 15 of Victoria's 28 bioregions including 10 of the 14 bioregions that are underrepresented (based on a 17% land area protection target).

In total, 63% of all registered covenants in 2020–21 were located in the underrepresented bioregions, and these comprised 47% of the area protected.

Altogether, 80% of the registered covenants included native vegetation types assessed as being underrepresented in the National Reserve System. This collectively represented 40% of the extent protected through these new covenants. Out of the 76 different ecological vegetation classes (EVCs) protected under covenant, 72% were classified as rare or threatened in Victoria, of which 32% are classified as endangered.

Notable ecosystems protected by the Trust included examples of nine communities listed as nationally threatened under the Environment Protection and Biodiversity Conservation Act 1999, which were collectively represented on 40% of all covenants registered this year.

The Trust increased the level of protection in nine of its 12 focal landscapes. This comprised 55% of the total land area protected under covenant. Collectively, 71% of the habitat area protected under covenant this year helped improve representation within the National Reserve System (located in underrepresented bioregions) and/or increase its adequacy (located in focal landscapes).

Many of the new protected areas have been created through the ongoing Iconic Estates project with funding from the Victorian Government's Biodiversity Response Planning process. Focusing on Victoria's landscapes that are most important to preserving biodiversity, Trust for Nature has worked with landholders to increase the area of habitat protected in areas such as Gariwerd/Grampians, along the Wimmera River and patches of East Gippsland rainforest.

The Trust completed a review of its Statewide Conservation Plan 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 10 years.

The Trust also contributed 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 on the Commissioner for Environmental Sustainability Victoria Technical Advisory Group.
- Membership on 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, Catchment Management Authorities (CMA) 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 Vic Environments Forum (VEF), and VEF's science and communications subcommittees and the VEF Working Group.
- Representation on the inaugural online Victorian Nature Festival working group led by DELWP.
- Representation on the Australian Business and Biodiversity Initiative.
- Attendance by the CEO at the Victorian Environment Ministers' bushfire recovery roundtables.
- Membership of the Australian Land Conservation Alliance.
- Representation on the steering committee of the International Land Conservation Network.
- Membership on the Victorian Deer Control Community Network.

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

CMA region	Victorian bioregion	Number of covenants	Area (ha)	Number of EVCs
Corangamite	Central Victorian Uplands	2	10.70	3
	Otway Plain	1	8.16	1
	Warrnambool Plain	1	412.36	9
East Gippsland	East Gippsland Lowlands	2	114.93	4
East Gippsland	Gippsland Plain	2	85.58	6
Glenelg Hopkins	Dundas Tablelands	1	54.92	2
	Goldfields	1	53.78	2
	Victorian Volcanic Plain	2	24.07	1
Goulburn Broken	Central Victorian Uplands	1	83.91	2
	Goldfields	2	44.44	2
	Highlands - Northern Fall	4	262.21	6
	Murray Fans	1	10.56	2
Mallee	Murray Fans	1	17.09	1
North Central	Central Victorian Uplands	1	32.37	2
	Goldfields	5	195.86	5
	Victorian Riverina	1	141.89	2
Port Phillip and Westernport	Gippsland Plain	1	9.74	2
	Highlands–Southern Fall	1	44.85	2
West Gippsland	East Gippsland Lowlands	2	38.75	5
	Highlands - Southern Fall	2	157.19	5
	Strzelecki Ranges	1	59.25	1
Wimmera	Central Victorian Uplands	1	32.38	1
	Greater Grampians	2	48.30	5
	Lowan Mallee	2	788.95	5
Total		40*	2,732.23	76

* Note: One registered covenant amendment in 2020-21 was a reduction of approximately two ha and has not been included in the table above.

We work with new and existing partners to increase our restoration efforts, which is key both to supporting existing remnant vegetation and to increasing the connectivity and resilience of ecosystems and species.

Collaborating to enhance permanent protection at a landscape scale

In 2020-21, Trust for Nature worked collaboratively with more than 145 organisations including the Victorian Government, the Australian Government, local governments, conservation organisations, Landcare groups and other community groups and businesses. Through these projects, the Trust delivered the permanent protection and stewardship outcomes outlined on page 11.

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 21.

The Trust continued to work with key Victorian Government environmental agencies including DELWP's VicEnvironments Forum (VEF), the VEF's science and communications subcommittees, 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 2020-21, 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.

The Trust also helped enable environmental watering at Neds Corner Station and covenanted wetlands in North Central region, in partnership with those CMAs and the Victorian Government¹. Across the year, the Trust continued its collaboration 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 2020-21 Trust for Nature continued to own and manage 43 reserves totaling over 36,000 ha. A further 300 ha of grassland was added to the Trust's Wanderers Plain Reserve with funding support from DELWP and a philanthropic foundation.

The Trust's management activities on covenanted properties and its reserves, as part of funded projects, included:

- Weed management on more than 9,248 ha.
- Feral animal management on more than 37,338 ha.
- Installation of 21.6 km of fencing.
- Improving the grazing regime on more than 1,038 ha.
- Habitat improvements on more than 2,962 ha.
- Conducting more than 183 ecological surveys and assessments, mostly with threatened species projects.
- Addition of 300 ha grassland at Wanderers Plain reserve with funding support from DELWP, Zoos Victoria and a philanthropic foundation.

The **National Reserve System** is Australia's network of protected areas of parks and reserves, conserving unique landscapes, plants and animals for future generations.



80%

of **covenants registered in 2020-21** include vegetation types that are underrepresented in the National Reserve System

Improving threatened species conservation

The Trust collaborated with conservation and land management agencies and organisations to help secure, maintain or improve habitat for a range of threatened species including Plains-wanderer, Leadbeater's Possum, Helmeted Honeyeater, Regent Honeyeater, Swift Parrot, Brolga, Red-tailed Black-Cockatoo, Squirrel Glider, Spiny Rice-flower, Red Swainson-pea and Coloured Spider-orchid.

The year saw an ongoing focus on Plains-wanderer conservation in partnership with the Australian Government, Victorian Government, North Central CMA, Zoos Victoria, Parks Victoria, universities, community groups, farmers and landholders. An additional 137 ha of critical habitat for this species was protected under conservation covenant on the Northern Plains.

The Trust played a pivotal role in the first trial release of captive bred Plains-wanderers onto the Patho Plains. A pair of birds was released onto a Trust-owned Grassland Reserve and another pair was released onto a conservation covenant. Trust for Nature remains keenly involved in the Plains-wanderer National Recovery Team and the Victorian Operations sub-group. The work was highlighted in the *Australian Geographic Magazine* (Sept 2020), *Outback Australia Magazine* (Jan 2021), *Weekly Times* and numerous local newspapers. The birds also featured on segments on Channel 31 (Nov 2020) and a documentary by Remember the Wild.

The Trust continued to support two postgraduate research projects investigating different aspects of Plains-wanderer species' ecology and conservation needs and assisted with the installation and analysis of song meters to further help understand the species' biology and habitat needs.

Support for conservation activities for the nationally endangered Spiny Rice-flower continued. This was done in the Trust's role as trustee for the Pimelea Conservation Trust Fund. Staff coordinated recovery team meetings, the preparation of a national recovery plan, on-ground works and a statewide assessment of population status to help inform future management. Staff were also supported by DELWP to undertake a Specific Needs Assessment for the species to assist with prioritization of conservation actions. This work will be completed in 2021-22.

The Protecting our Faunal Emblems Program, funded by the Victorian Government, continued to support landholders in the Yarra Ranges to protect habitat for the endangered Leadbeater's Possum and critically endangered Helmeted Honeyeater - Victoria's two faunal emblems. In 2020-21 we protected 279.9 ha of habitat for our faunal emblems across five covenants and negotiated with a further five landholders who are progressing 82.4 ha. In addition, we ran public events including a webinar with over 1,000 attendees. We also hosted a Wurundjeri Narrap Team member through an Internship and completed a camera monitoring project across six covenants.

Education

Trust for Nature actively engaged with tertiary students through its Scholes Student Scholarship program which supported six postgraduate research projects for students based at University of Melbourne and Deakin, RMIT, La Trobe and Monash Universities

The Trust continued an industry partnership with The University of Melbourne's Environmental Science Masters program supporting three industry projects which involved 10 students. Staff also gave lectures to students and staff at La Trobe University and to teachers at the statewide Outdoor Education and Environmental Studies conference.

The Trust also continued to work with partners to increase opportunities for Indigenous people in Victoria to achieve tertiary qualifications in conservation and land management. This is further explained on pages 27 and 28.

Supporting scientific study

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. These support scientific study by providing access to covenants and reserves, providing relevant datasets, contributing to science workshops and offering industry work placements and mentoring for students.

During the year, Trust staff contributed to external scientific research by providing expert input to various research forums including:

- DELWP's expert elicitation process as part of the Strategic Management Prospects process for reviewing species' distribution models and revegetation benefit models for fauna.
- DELWP's Bushfire Biodiversity Response and Recovery program.
- Australian Government's Threatened Species Strategy review.
- Threatened Species Recovery Hub's Buloke Woodlands adaptive management project.
- Birdlife Australia's Woodland Birds Conservation Action Planning program.

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.
- Golden Sun Moth Conservation Fund established for the protection and benefit of the Golden Sun Moth.

We work to maintain
and improve habitat quality.



Fat-tailed Dunnart

Community engagement

We work to strengthen our relationships with existing key conservation partners and expand and deepen our networks with Traditional Owners, the agricultural sector and other organisations to increase conservation awareness and outcomes on private land.

Enjoying a break while planting trees on a very steep covenanted property. Photo by Hugh Horsfall



Chelsea Cooke and Renee Sweetman graduated from the Certificate III in Conservation and Land Management course

Aboriginal 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:

1. Recognition and respect.
2. Cultural learning and development.
3. Healthy natural environments and ecosystems.
4. Capacity building and economic development.

Over the past year, Trust for Nature has been working with Reconciliation Australia to develop our Reflect Reconciliation Action Plan. Our journey to develop a Reflect Reconciliation Action Plan builds on the work which has occurred under Trust for Nature's existing Statement of Intent and Commitment to Victorian Traditional Owner Groups. In June 2021, our Reconciliation Action Plan was conditionally endorsed by Reconciliation Australia. Over the next 18 months, Trust for Nature will prioritise implementing our Reflect Reconciliation Action Plan. Trust for Nature is passionate about supporting reconciliation across Victoria and implementing our Reflect Reconciliation Action Plan to support reconciliation, is paramount.

In 2020-21, the Trust engaged with Australia's First Peoples by spending time together on Country, and developing and delivering new partnership projects, joint land management, joint funding applications and sharing knowledge at meetings, community events, workshops and presentations.

This year, the Trust again partnered with 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 from this year's course have included descendants of Bunurong/Boon Wurrung, Wurundjeri, Tati Tati Mutti Mutti, Ngarrindjeri, Wadawurrung, Arrernte, Gunaikurnai, Dja Dja Wurrung, Ngurai illam wurrung and Yorta Yorta Peoples.

Students gained experience undertaking conservation projects on land protected by Trust for Nature covenants and in close collaboration with Mornington Peninsula Shire Council. In 2020-21 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 Project, the Victorian Government's Biodiversity On-ground Action community grants, and support by the Port Phillip and Westernport CMA.

Students enjoyed a range of activities during this year's course, including:

- Protection of midden sites on the Mornington Peninsula.
- Filming a story with Gardening Australia.
- Fauna survey workshop with local expert Ed McNabb.
- Participating in a cultural burn at Coranderk Station with Uncle Dave Wandin – the first cultural burn on the property in over 160 years.
- Planting mangroves in Western Port.
- Visiting the Helmeted Honeyeater breeding enclosure at Healesville Sanctuary.
- Propagating 250 Grass Tree and Yam Daisy seedlings.
- Building a bush food planter box, now installed on the John and Helen Clarke property on Phillip Island.
- Cultural presentations including one student completing their first Welcome to Country.

Funding for the course to run for a fourth consecutive year in 2021-22 has been secured to ensure we can meet ongoing demand for this popular program.

Across the state

- Trust for Nature partnered with the Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation and their Naarap team to complete works on Trust for Nature reserves. This included land management, fire assessments, cultural actions and habitat improvements on 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 on Trust for Nature's Wanderers Plain and Glassons Grassland Reserves, as well as many privately owned Conservation Covenants.

- In Gippsland the Trust continued to work with the Gunaikurnai Land and Waters Aboriginal Corporation's (GLaWAC) On Country works crew to assist with on-ground delivery of projects across Gippsland, including weed control on the Trust's Revolving Fund property at Stockdale. The Trust also has a Works Program Agreement with GLaWAC for joint managers and Aboriginal rangers to undertake weed control in Lake Tyers Coastal Park. Trust for Nature continued to meet quarterly with the Gippsland Environment Agencies (GEA) GLaWAC working group and contributed to the Whole of Country Plan review in a face-to-face workshop at GLaWAC's headquarters at Forestec and also follow-up discussions in working group meetings.
- In North East Victoria, the Trust was able to support a cool season burn with Bangerang People on a covenanted property near Wangaratta through a philanthropic-funded project. The event was well attended and has strengthened our relationships with Bangerang. The Trust facilitated two tours of the Bangerang Cultural Centre in Shepparton which were attended by interested covenantors. The Trust also attended a meet and greet organised by covenantors at High Camp with the Taungurung Aboriginal Land and Waters Council and it is hoped that this will lead to opportunities to work collaboratively at High Camp, and in the Goulburn Broken catchment.
- Within the Corangamite region, the Trust continues to partner with the Wathaurong Aboriginal Co-operative in delivering on-ground biodiversity outcomes. At Trust for Nature's Henriksen Sanctuary at Apollo Bay, Wathaurong Land Management Rangers assisted Trust staff in the construction of a nature trail through the reserve's wet forest, including building steps, a bridge, and spreading gravel. At Little River, Trust for Nature has partnered with the co-operative to plant 3,000 grassland and grassy woodland plants across their grassland reserve, known as Wurdi Youang. This has significantly complemented the threatened grassland revegetation undertaken in previous years on the property.
- A Memorandum of Understanding (MOU) was entered into in July 2020 between Trust for Nature and the First People of the Millewa Mallee Aboriginal Corporation (FPMMAC) at Neds Corner Station. The joint Working Group comprising the Trust and FPMMAC met online and in person to progress the objectives of the MOU. A key focus has been developing a joint project proposal to construct a 14,000 ha predator-proof enclosure at Neds Corner. This project will address several of the objectives within our 2020 MOU and an application was made to DELWP to support the planning phase of this new 'Safe Haven' initiative.
- In south-west Victoria, the Barengi Gadjin Land Council are working closely with Trust for Nature at Snape Reserve, advising Trust for Nature and Snape Reserve Committee of Management alongside other key stakeholders with a working group established. Funding is being sought for cultural heritage surveys at the Reserve in the coming year, and exploring the use of cultural cool burning as part of ongoing management with other fire agencies and partners including Forest Fire Management Victoria, Parks Victoria and CFA. The working group aims to increase the involvement of Traditional Owners in caring for Country at Snape Reserve, which adjoins the cultural landscape of Little Desert National Park.

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 2020-21, Trust staff hosted or co-hosted over 13 engagement events across the state.

The 10th annual Celebrating Women in Conservation Breakfast was held online this year. Jointly hosted with Bush Heritage Australia and supported by the National Australia Bank, the event attracted more than 900 registrations from across the country. Guest speakers included Bidjara woman and grazier Keelan Mailman OAM and descendant of the Mamu and Gunggandii peoples and lawyer, Melia Benn. Guests were also treated to a cooking session from celebrated chef Elizabeth Chong AM.

Despite the challenges of gathering in person this year, we were able to hold some successful COVIDSafe community events including:

- An information session for landholders interested in covenanting at Mount Elephant at Derrinallum, held in partnership with Mt Elephant Community Management Inc and the Lismore Land Protection Group, and supported through funding from the Victorian Government.
- A field day in Birchip that focused on grassland and Plains-wanderer conservation, held in partnership with the Birchip Landcare Group and supported by Mallee Catchment Management Authority, through funding from the Australian Government's National Landcare Program.
- A Cultural Field Day with Barapa Barapa and Wemba Wemba Traditional Owners at Wanderers Plain, near Kerang, which was jointly hosted and supported by North Central Catchment Management Authority, through funding from the Australian Government's National Landcare Program.

Other events to celebrate and acknowledge supporters and covenantors included:

- Five webinars to enable supporters to meet regional staff and understand the work they are doing to protect threatened species and ecosystems. This series also included a meet and greet with Neds Corner Station managers.
- A presentation for major donors about the Trust's work with partners to save the critically endangered Plains-wanderer and the grasslands of the Northern Plains, held at Melbourne Zoo.
- Three webinars, held as part of the statewide inaugural 2020 Victoria Nature Festival in September and October, attracting a total of 1,800 online participants.



Public policy

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

- Independent review of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth).
- Parliamentary Inquiry on the decline of Victorian ecosystems.
- Land Act Regulations regarding Crown Land River Frontages.
- Review of the *Wildlife Act 1975* (Vic).
- Design of the Convention on Biological Diversity's post-2020 targets.

Support and development

Successfully navigating changes and introducing different approaches to some activities, such as moving meetings online, resulted in strong engagement with the general public and with supporters in 2020-21.

The annual tax appeal focused on covenanters and their integral role in private land conservation. The appeal raised \$310,692 to support general operations at the Trust.

The West Gippsland Conservation Fund continued to receive public donations, now exceeding \$1 million in total. The Fund made its first distribution to support conservation projects in the region in 2021 with a focus on high priority species and areas in the region.

The Nature's Custodians (gifts through bequests) and Bush Protection (monthly giving) programs continue to acquire new supporters and have benefited from works to enhance our digital database and record keeping.

The Trust moved its supporter engagement activities to online in 2020-21, running a range of webinars for supporters. A mixture of virtual and face-to-face events has benefited in reaching more supporters despite a frequently changing environment.

Digital communications and media were a particular focus with more paid social media advertising, utilisation of Google AdWords Grant funding and increased attention on digital journeys.

The Trust's social media following across four platforms grew bringing the total number of followers to more than 18,500. In addition to regular regional media coverage, The Trust received coverage in state and national media outlets such as SBS's NITV, The Age, RM Williams' Outback Magazine, and ABC TV's Weekend Breakfast.

The Trust updated its website content management system in 2020 to WordPress. This has resulted in a website that provides the organisation with improved marketability, user experience and functionality.

Marketing consultants Ellis Jones were engaged in 2020 in a pro bono capacity to undertake a branding strategy. Results are expected in late 2021.

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 in 2020–21.

Government departments and statutory entities

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



Chestnut Teal chicks. Photo by Peter Murrell

NGO and not-for-profit partners

Australian Association of Bush Regenerators (AABR)
 Bangerang
 Bangerang Aboriginal Corporation
 Barapa Barapa Traditional Owners
 Barengi Gadjin Land Council Aboriginal Corporation
 Basalt to Bay Landcare Network
 Bellarine Catchment Network
 Biodiversity Conservation Trust (NSW)
 Birchip Landcare Group
 Birdlife Australia and its regional branches
 Broken Boosey Conservation Management Network
 Budj Bim Cultural Rangers
 Bunurong Land Council Aboriginal Corporation
 Bush Heritage Australia
 Cardinia Environment Coalition
 Central Victorian Biolinks Alliance
 Connecting Country
 Dandenong & District Aborigines Co-Operative Limited
 Dja Dja Wurrung Clans Aboriginal Corporation
 East Gippsland Conservation Management Network
 East Gippsland Landcare Network
 Eastern Maar Aboriginal Corporation
 Eco Gipps Pty Ltd
 Fairley, Bael Bael and Sandhill Lake Landcare
 Federation of Victorian Traditional Owners Corporation
 Field Naturalists Club of Geelong
 Field Naturalists Club of Victoria
 First People of the Millewa Mallee Aboriginal Corporation

Friends of the Helmeted Honeyeater
 Gardens for Wildlife
 Gecko CLaN Landcare Network
 Greening Australia (Victoria)
 Greta Valley Landcare Group
 Gurnaikurnai Land and Waters Aboriginal Corporation
 Hindmarsh Landcare Network
 Jim and Heather Phillipson (Rendere Trust)
 Kara Kara Conservation Management Network
 Lake Tyers Aboriginal Trust
 Landcare Australia Ltd
 Lismore Land Protection Group
 Loddon Plains Landcare Network
 Longwood Plains Conservation Management Network
 Molyullah Tatong Landcare Group
 Moorabool Landcare Network
 Nature Foundation SA
 Nature Glenelg Trust
 Northern Plains Conservation Management Network
 Odonata
 Plains-wanderer National Recovery Team
 Project Platypus Association Inc (Upper Wimmera Landcare)
 Queensland Trust for Nature
 Rendere Trust
 Regent Honeyeater Project Group
 Surf Coast & Inland Plains Network
 Sustain
 Swamps Rivers and Ranges
 Tasmanian Land Conservancy
 Taungurung Land and Waters Council
 The Nature Conservancy
 Threatened Species Recovery Hub
 Victorian Marine & Coastal Council

Victorian Volcanic Plains Conservation Management Network
 Wadawurrung Traditional Owners Aboriginal Corporation
 Wathaurong Aboriginal Co-operative Ltd
 Whroo Goldfields Conservation Management Network
 Wurundjeri Tribe Land and Compensation and Cultural Heritage Council Incorporated
 Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation
 Yorta Yorta Nation Aboriginal Corporation
 Young Farmers Connect

Educational institutions

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

Corporate partners

Bank Australia
 Cassinia Environmental
 Dalton and Associates
 Ellis Jones
 Herbert Smith Freehills
 HVP Plantations
 Mills Oakley
 National Australia Bank
 Property Valuers Australia

Sustainable Farms
 Tiverton Agricultural Investment Fund
 Treed Environs

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

Friends of Bungalook
 Conservation Reserve
 Friends of Burge Reserve
 Friends of Clarksdale Bird Sanctuary
 Dog Rocks Flora and Fauna 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 2020–21. We also thank those who wished to remain anonymous.

Together, we are making a difference.

Donors

Lesley Adeney
Kingsley Allen
Barbara Baird
Liz Balogh
Andrew Barrett
Deborah Bartlett Pitt
Ellie Bastow
Kirsty Bennett
Janet Berwick
Nicole Beyer
Jennifer Bourke
Andrew & Rosalind Bradey
Julia Bruce
John Brugman
Rosemary Bull
Guy Campbell
Alan Colman
Leon Costermans
Brian Coulson
Andrew Cox
Vanessa Craigie
Jennifer Davidson

George Durbridge
Geoff Durham
Jane Edmanson
Tobi Edmonds
Heather Fawcett
Ian & Elizabeth Fraser
Peter Furneaux
Carrillo Gantner
Sylvia Geddes
Franz Geisser
Bonnie Gelman
Dorota Gertig
Geoffrey Giles
Don Glasson
Peter Goy
Camilla Graves
Lesley Griffin
David Harper
Margaret Henderson
Estelle Hewston
William Holsworth
Ian Hopkins
Alistair Inglis

Pamela Knight
John Landy
Mark Learmonth
Peter Lemon
Iris ALeslie
Nick Lilley
Janet Limb
Judy & Mick Lumb
Margaret Lush
Vic Marles
Ruth Marriott
Zdenek Masina
Margaret McDonald
David McLatchie
Ann Miller
David Minifie
Sarah Minifie
Morgan Susan Morgan
Robert Niall
Christina Parslow
Lesley Perkins
Pam Petschack
Douglas Pocock

Keith Richards
Jennifer Rolland
Sally Romanes
Margaret & Ian Ross
Frank Schooneveldt
Brian Snape
Milan Stupar
Helen Symon
Leslie Tate
Ian Tremellen
Elizabeth Tudor
James Vaux
Caroline Welsh
Geoff Wescott
Elizabeth Xipell

Land gifts

Shirley Anders
Eleanor Dilley

Trust for Nature became aware that it was a beneficiary of a bequest by Laurie Macmillan and David Wakefield of their beloved property in Strath Creek. Laurie and David spent their lives caring about and conserving the natural world and the passionate conservationists will continue to make a difference through this legacy.



Trusts and foundations and corporate donors, that supported specific projects

Ballandry (Peter Griffin Family) Fund at Australian Communities Foundation
Biophilia Foundation
Blue Environment Pty Ltd
Cybec Foundation
Hamer Family Fund at Australian Communities Foundation
Harper Family Endowment at JBWere Charitable Endowment Fund
Helen McPherson Smith Trust
Ian Potter Foundation
Jesse Chaplin-Burch Trust
Limb Family Foundation
Lord Mayor's Charitable Foundation
M Dingle Family Trust Donation
McBeal Endowment at Australian Philanthropic Services Foundation
Paul Family Foundation
Perpetual Trustees
RE Ross Trust
Rob + Hope Stewart Gift at Australian Philanthropic Services Foundation
Russell & Womersley Foundation
Souter-Foale Family Trust
Urquhart Foundation

Bequests

Estate of Laurie Macmillan and David Wakefield
Estate of Bruce Miller
Estate of Maryanne Sweeney





Financial overview

Current year financial review

For 2020-21 the Trust had a net comprehensive result surplus of \$3,974,460 compared to a surplus of \$3,963,085 in 2019-20.

Overall revenue levels were strong although lower than 2019-20 which included a number of large items including three property gifts and a large grant for a property acquisition. This year's result includes another generous gift of a covenanted property and two significant donations into our Revolving Fund which will help the Fund operate at greater scale. The Trust is grateful for the continuing strong support of its two major philanthropic appeals held around Christmas and the end of financial year.

Expenditure was lower than the prior year which included \$1 million for the value of land surrendered for nil consideration. Aside from that single item, employment expenses were unchanged and regional on-ground conservation program expenditures were higher. These are delivered using government and philanthropic grants and donations. Other expenses include IT and communications, legal and governance, fundraising and marketing.

Other economic flows includes profits on the sale of six Revolving Fund properties which 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 is pleased to have completed upgrades of its IT&C systems over the last six years or so which assisted staff to operate remotely over the last 18 months. The Trust has also rotated its internal auditor with the appointment of HLB in 2021. HLB has developed a new 3-year internal audit program and commenced their work and we look forward to their constructive contribution towards strengthening our control environment. 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 \$244,000 was appropriated in 2020-21.

Total assets were \$89 million at year end. Of the total assets, \$28 million is represented by Trust owned properties which do not generate income. The remaining \$61 million is held in financial assets, primarily against third party liabilities (\$48 million), which includes the funds held in relation to the Trust's offset program, and reserves with specified purposes (\$9 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 \$41 million. This is an increase of \$4 million and is due to a \$3 million upward revaluation of the Trust's conservation land holdings reflecting the strong increases in regional land prices, as well as strong investment returns and the value of gifts of land and contributions to the Trust's Revolving Fund.

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

	2021	2020	2019	2018	2017
Operating grant	1,385,000	1,362,000	1,374,000	1,467,000	1,485,000
Government grants	3,562,384	4,248,461	2,911,444	2,309,691	1,909,451
Government & philanthropic grants used to acquire properties	232,050	1,061,055	0	500,000	219,213
Donations & appeals	1,216,097	2,588,996	585,762	1,308,950	635,836
Bequests	27,000	5,000	898	4,000	212,634
Interest and dividends, net of interest paid to third parties	500,152	588,829	929,618	587,758	492,351
Philanthropic grants, consulting and other income	828,760	1,119,207	1,320,582	876,113	1,302,045
Total income	7,751,443	10,973,548	7,122,304	7,053,512	6,256,530
Salary and associated expenses	4,702,988	4,682,455	4,259,277	3,918,291	3,502,692
Conservation program expenditure	1,702,383	1,122,696	1,350,098	1,489,645	1,058,487
Cost of land (to be) surrendered to government for nil consideration	0	1,061,055	0	0	0
Payments from appeals and other reserves with specified purposes	195,041	236,651	258,988	274,689	433,348
Other expenses	1,633,836	1,847,539	1,755,554	1,740,234	2,006,620
Total expenditure	8,234,248	8,950,396	7,623,917	7,422,859	7,001,147
Net result from transactions	(482,805)	2,023,152	(501,613)	(369,347)	(744,617)
Gain/(loss) on non-financial assets	312,584	438,896	204,360	554,093	9,608
Gain/(loss) on financial instruments	1,110,766	(483,239)	24,172	191,937	264,826
Changes in revaluation surpluses	3,033,915	1,984,276	0	0	(766,900)
Total other economic flows	4,457,265	1,939,933	228,532	746,030	(492,466)
Comprehensive result	3,974,460	3,963,085	(273,081)	376,683	(1,237,083)
Total assets	89,106,841	86,007,501	72,345,517	68,807,751	60,134,984
Net assets	41,385,136	37,410,676	33,447,591	33,720,672	33,343,989

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.

Board

Trust for Nature's Board comprised the following independent members as at 30 June 2021:

Gayle Austen, Chair

BA (Media & Communications), Adv Cert App Language (Mandarin), GAICD

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.

Gayle is serving two terms from 8/12/2015 - 8/12/2023

Dr Charles Meredith, Deputy Chair

BSc (Botany, Genetics), PhD (Zoology/Earth Sciences)

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 was a member of the Victorian Environmental Assessment Council from 2015-2021. 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 and the Executive Remuneration Committee and is a member of the Fundraising and Marketing Committee.

Charles is serving two terms from 8/12/2015 - 8/12/2023.

Nina Braid

BA (AblPolMgmt), MMgmt, Dip Gov

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.

Nina is serving one term from 9/12/2019 - 8/12/2021.

Dr Sandra Brizga

BA(Hons), MEnvLaw, MAppFin, PhD, GCertGarDes, AFin, GAICD

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 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.

Sandra is serving two terms from 23/08/2017 - 8/12/2023.

Binda Gokhale

MBA, GAICD, FCPA, BEconomics

Binda is an experienced senior executive and non-executive director with significant exposure within the Corporate, Public and Not for Profit sector. She is currently the 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. With a strong passion for community, Binda also participates across several other organisations in a board and governance capacity. This includes appointment as Chair of Joint Audit and Risk Committee for the Victorian Disability Worker Commission and Disability Worker Registration Board, Board member for Benalla Health and Satellite Foundation. Binda also participates 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).

Binda is serving two terms from 23/08/2017 - 8/12/2023.

We strive to be an employer of choice offering an engaging, healthy and productive workplace.



Rob and Virginia Fitzclarenc, covenantors in East Gippsland.

Matthew Kronborg

Master of Law (Natural Resources and Energy), BBus, BTech (Aviation), DipSustainability, Cert (CarbonManagement), Cert(EnergyTech), ATPL and GAICD

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.

Matthew is serving one term from 9/12/2019 – 8/12/2021.

Nadine Ponomarenko

Master of Environment, MBA, BBus (Acc), CA, GAICD

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.

Nadine is serving one term from 9/12/2019 – 8/12/2021.

Jill Smith AM

BEC, MBA, Hon Doc (Deakin)

Jill has been a leading arts strategist and advocate over many years as CEO at Playbox Theatre (now Malthouse Theatre) and the Geelong Performing Arts Centre, a State Government Agency. In these roles her focus has been on the development of new work by First Nations artists, women, people with diverse abilities, and those of different cultural backgrounds. She has also been involved in the planning and delivery of major cultural infrastructure including The Malthouse, ACCA, the Geelong Cultural Precinct Masterplan and Geelong Arts Centre redevelopment. Jill is currently Chair of Theatre Network Australia and Deakin University's Arts and Cultural Management Advisory Board and, a member of the Geelong Authority, an advisory board to the Minister for Planning in relation to the revitalisation of Central Geelong and Moolap. Jill is a covenantor of a property adjacent to the Great Otway National Park and a volunteer with Birdlife Australia protecting the endangered hooded plovers. Jill is a member of Trust for Nature's Finance and Investment and, Marketing and Fundraising Committees.

Jill is serving one term from 13/10/2020 – 8/12/2021.

Jennifer Wolcott

B. Forest Science (Honours), GAICD

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.

Jennifer is serving one term from 9/12/2019 - 8/12/2023.

Trustees who retired from the board during the reporting period

There was one trustee retirement from Trust for Nature's board during 2020-21:

Dominique Hes was serving one term from 9/12/2019 – 23/4/2021. Her original term was due to expire 8/12/2021.

Board and committee meetings and attendance

Trust for Nature's Board of Trustees met four times in the 2020-21 reporting period, as did its four main committees. See attendance details opposite.

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
Gayle Austen	4/4	3/4	3/4	3/4	4/4
Dr Charles Meredith	4/4	-	4/4	4/4	3/4
Nina Braid	4/4	-	4/4	4/4	-
Dr Sandra Brizga	4/4	4/4	-	4/4	4/4
Binda Gokhale	4/4	4/4	-	3/4	-
Dominique Hes	3/3	-	3/3	2/3	-
Matthew Kronborg	4/4	4/4	-	-	4/4
Nadine Ponomarenko	3/4	4/4	-	-	4/4
Jill Smith	3/3	-	2/2	-	2/2
Jennifer Wolcott	4/4	-	3/4	3/4	-

There were no special meetings of the board held in 2020-21.

The Executive Remuneration Committee met on 1 July 2020, 5 October 2020, 23 November 2020, 13 May 2021

Audit and Risk Committee

Trust for Nature's Audit and Risk Committee comprised the following independent members as at 30 June 2021:

- **Binda Gokhale (Chair from December 2017)**
- **Gayle Austen**
- **Dr Sandra Brizga**
- **Matthew Kronborg**
- **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 2020–21, the committee met four times.

Our team

Senior leadership team

Trust for Nature's senior leadership team consisted of the following as at 30 June 2021.

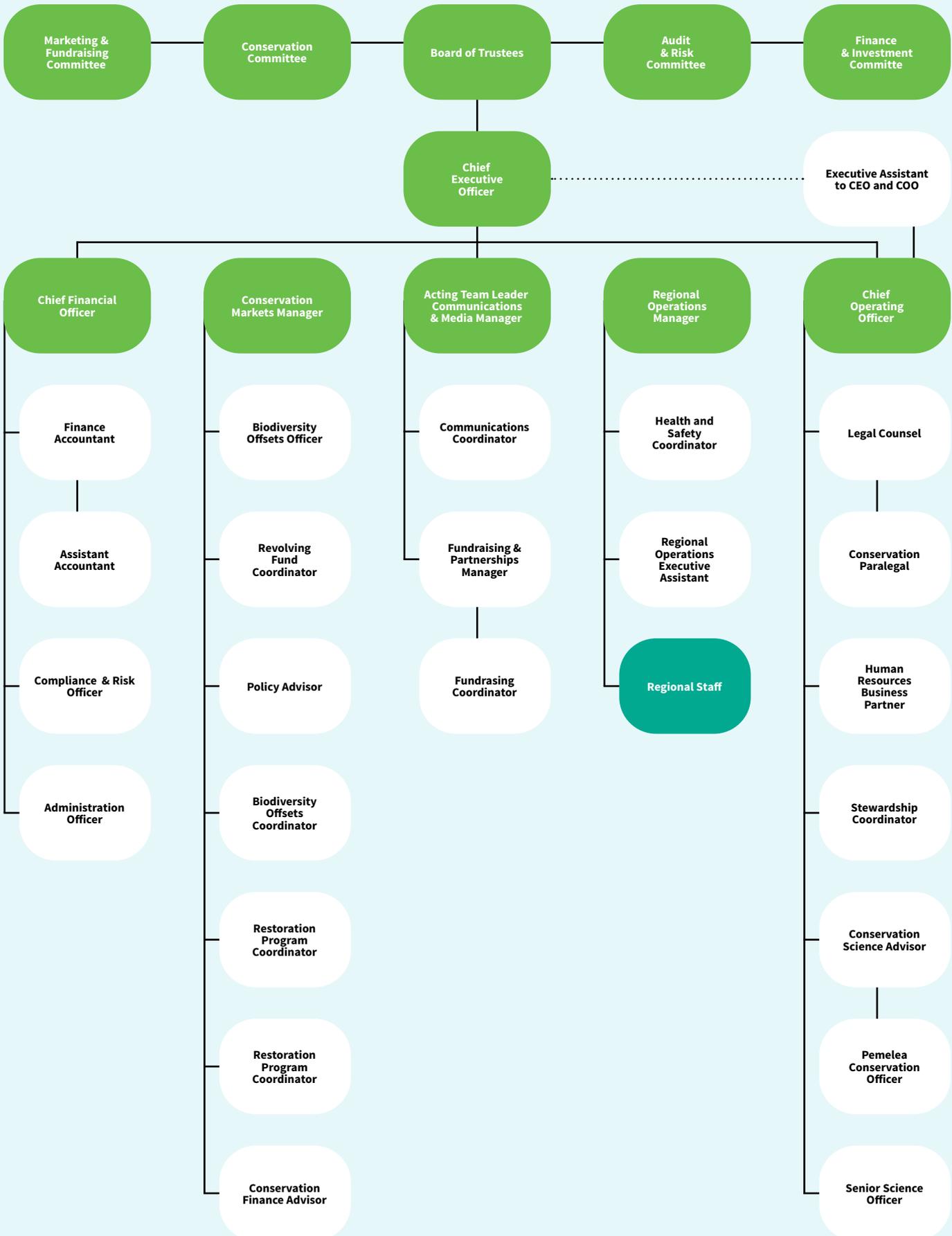
Chief Executive Officer

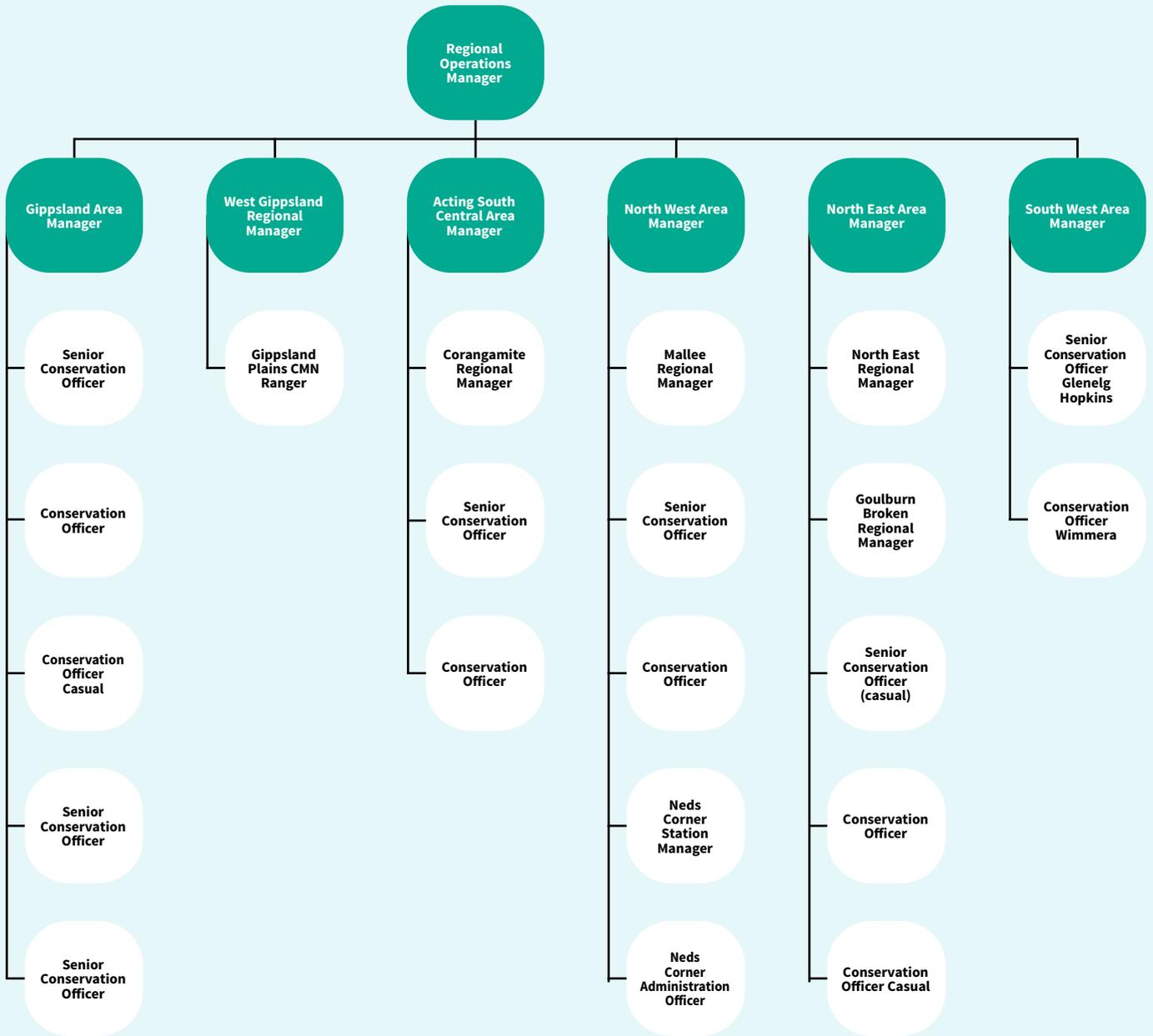
- Victoria Marles, BA, Dip Ed, Dip Arts, LLB (Hons), LLM, FAICD

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
- Team Leader (Acting), Fundraising and Marketing, Kathy Cogo, BA, Grad Dip Sust. Ag.

Organisational chart





Occupational Health and Safety (OH&S)

Trust for Nature continued 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 helps the Trust to monitor its compliance with OH&S legal and other regulatory requirements.

The Trust for Nature's targeted OH&S approach led to a review of its risk register to mitigate emerging and existent risks around COVID-19 (physical and mental health), significant weather events, bullying and sexual harassment and working from home (physical and mental health).

OH&S continued to be integrated into the Trust's organisational culture and is a core component of general operations. Regular reporting to the Audit and Risk Committee and the board enabled OH&S risks to be identified and to implement and oversee risk mitigation activities.

Major OH&S achievements during the year included:

- COVID-19 response
- Revision of OH&S Policy
- Designating and training an Injury Management Coordinator
- Commencement of fleet vehicle replacement and upgrade
- Remote welfare device upgrade
- Senior leadership engagement and formal OH&S consultation and communication.

Table 13: Occupational health and safety statistics

	2020-21	2019-20	2018-19
OH&S committee meetings	10	9	10
Number of reported accidents and near misses received	5	9	7
Number of reported injuries received	2	1	6
Reports proceeding to Worksafe claims	0	0	0
Average cost per claim	0	0	0
Lost time standard claims	0	0	5

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.

Comparative workforce data

Table 14: Trust for Nature staffing statistics by fulltime equivalent

	30 June 2021	30 June 2020
Regional program staff	34.0	31.0
Commercial services	1.4	1.4
Fundraising	3.6	3.0
Executive and support, policy, strategy	7.5	7.3
Other – reserve projects	3.5	2.6
Total	50	45.3

Table 15: Trust for Nature staffing statistics by gender (headcount)

	30 June 2021	30 June 2020
Women	39	38
Men	24	23
Self-described	0	0
Total	63	61





Helmeted Honeyeater

Other disclosures

Details of consultancies over \$10,000

In 2020-21, there was one consultancy engaged where the total fees payable to the consultant was \$10,000 or greater. The total expenditure incurred during 2020-21 in relation to this consultancy is \$23,000 (excluding GST). Details of the consultancy are outlined below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl GST)	Expenditure 2020-21 (excl GST)	Future expenditure (excl GST)
Ernst & Young	Advice on investment framework and strategy to expand the Revolving Fund	12 Feb 2020	22 Mar 2021	\$45,000	\$23,000	Nil

Details of consultancies under \$10,000

In 2020-21, there was one consultancy engaged where the total fee payable to the consultants was less than \$10,000. The total expenditure incurred during 2020-21 in relation to this consultancy was \$3,355 (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 2020-21.

Government advertising

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

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 2021, 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 \$30.10: 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* (PID Act) enables people to make disclosures about improper conduct by public officers and public bodies.

Trust for Nature is a public body for the purposes of the PID Act.

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 complaint of corrupt or improper conduct or detrimental action by a public officer or a public body.

'Improper or corrupt conduct' involves substantial mismanagement of public resources, risk to public health or safety or the environment, or corruption.

'Detrimental action' is action taken against a person in reprisal for making a public interest disclosure.

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.

Trust for Nature is not authorised to receive public interest disclosures.

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.

Competitive Neutrality 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 complies with the Victorian Government's Competitive Neutrality Policy.

Local Jobs First

Trust for Nature has not commenced or completed any contracts during 2020–21 to which the Local Jobs First Act 2003 applies.

Social procurement framework

Trust for Nature is fully committed to supporting the Government's directions under the Social Procurement Framework (SPF). In 2020, Trust for Nature developed a Social Procurement Strategy which encourages staff to seek opportunities where available to procure from organisations which prioritise the four SPF objectives detailed in the table below. These SPF objectives were chosen based on their high degree of alignment with the Trust's strategic direction and values and because we are well positioned to advance our identified social procurement opportunities as our operations stretch across the breadth of regional Victoria and focus on conservation on land.

Table 16: Social procurement metrics

Objective prioritised	Outcome sought	SPF reporting metric
Opportunities for Victorian Aboriginal people	Purchasing from Victorian Aboriginal businesses	Number of Victorian Aboriginal businesses engaged and other opportunities created
Sustainable Victorian social enterprises and Aboriginal business sectors	Purchasing from Victorian social enterprises and Aboriginal businesses	Number of Victorian Aboriginal businesses engaged
Sustainable Victorian regions	Job readiness and employment for people in regions with entrenched disadvantage	Proportion of staff and spending regionally based
Environmentally sustainable outputs	Project specific requirements to use sustainable resources and to manage waste and pollution	Number of onsite environmental inductions conducted with contractors

Achievements

- Updated our procurement policy
- Commenced tracking expenditure with Victorian social enterprises and Aboriginal business sectors
- Commenced tracking expenditure by regional location
- To raise awareness, we developed and held training on procurement policy including SPF objectives

While the four prioritised SPF objectives guide our procurement delivery, the Trust is committed to pursuing any opportunities to advance social and sustainable outcomes for Victorians.

All individual procurement activities undertaken in 2020-21 fell within the 'below threshold' band of Victoria's Social Procurement Framework where social procurement approaches are encouraged but not mandatory.

The Trust will commence reporting on its progress against SPF Objectives using the reporting metrics detailed in the table above in subsequent annual reports.



Information and communication technology expenditure

NOTE: In 2020–21, the Trust had a total information and communication technology (ICT) expenditure of \$501,021, as detailed below.

Table 17: 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		
350	151	110	41

Disclosure of grants and transfer payments

Trust for Nature made the following payments in 2020-21.

Table 18: Incentive programs

Total amount	Recipients
\$201,768	Eight private landholders

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

Trust for Nature Financial Management Compliance Attestation Statement

I, Gayle Austen, on behalf of the Responsible Body, certify that Trust for Nature has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.

Gayle Austen, Chair
1 October 2021



Swamp Rat. Photo by Peter Murrell

Disclosure index

The Trust for Nature Annual Report 2020–21 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		
Year in review		
FRD 22I	Manner of establishment and relevant Minister	Page 11
FRD 22I	Purpose, functions, powers and duties	Page 11
FRD 22I	Nature and range of services provided	Page 12
FRD 22I	Operational objectives and outcomes	Page 17
FRD 22I	Key initiatives and projects	Page 21
Governance and organisational structure		
FRD 22I	Governing board	Page 38
FRD 22I	Board committee structure	Page 41
SD 3.2.1/FRD 22I	Audit committee membership and role	Page 41
FRD 22I	Organisational structure	Page 42
FRD 22I	Occupational health and safety	Page 44
FRD 22I	Employment and conduct principles	Page 44
FRD 29C	Workforce data	Page 44
FRD 15E	Executive Officer data and disclosure	Page 56
Other information		
FRD 10A	Disclosure index	Page 51
FRD 25D	Local Jobs First Act 2003	Page 48
FRD 22I	Statement on Competitive Neutrality Policy	Page 48
FRD 22I	Application and operation of Freedom of Information Act 1982	Page 47
FRD 22I	Application and operation of the Public Interest Disclosures Act 2012	Page 47
FRD 22I	Compliance with Building Act 1993	Page 47
SPF	Social procurement framework	Page 48
FRD 22I	Statement of availability of other information	Page 48
FRD 30D	Standard requirements for publication of annual reports	Entire document

Financial information		
FRD 22I	Summary of the financial results for the year	Page 35
FRD 22I	Consultancies over \$10,000	Page 47
FRD 22I	Consultancies under \$10,000	Page 47
FRD 12B	Disclosure of major contracts	Page 47
FRD 22I	Disclosure of government advertising expenditure	Page 47
FRD 22I	Disclosure of grants and transfer payments	Page 49
FRD 22I	Disclosure of ICT expenditure	Page 49
FRD 22I	Significant changes in financial position during the year	Page 35
FRD 22I	Major changes or factors affecting performance	Page 35
FRD 22I	Subsequent events	Page 35
Compliance attestation and declaration		
SD 5.2.3	Declaration in report of operations	Page 49
SD 5.2.2	Declaration in financial statements	Page 56
SD 5.1.4	Financial management compliance attestation statement	Page 49
Other requirements under Standing Directions 5.2		
SD 5.2.1 (a)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 56
SD 5.2.1 (a)	Compliance with Standing Directions	Page 56
SD 5.2.1 (b)	Compliance with Model Financial Report	Page 55
Legislation		
	<i>Victorian Conservation Trust Act 1972</i>	Page 11
	<i>Freedom of Information Act 1982</i>	Page 47
	<i>Building Act 1993</i>	Page 47
	<i>Public Interest Disclosures Act 2012</i>	Page 47
	<i>Local Jobs First Act 2003</i>	Page 48
	<i>Financial Management Act 1994</i>	Page 56





Financial review

Financial Statements as at 30 June 2021

How this report is structured

Trust for Nature (Victoria) has presented its audited general purpose financial statements for the financial year ended 30 June 2021 in the following structure to provide users with information about the authority's stewardship of resources entrusted to it.

Contents

	Page
Declaration in the financial statements	2
Independent auditor's report	3
Auditor-General's independence declaration	5
Comprehensive operating statement	6
Balance sheet	7
Cash flow statement	8
Statement of changes in equity	9

Notes to the Financial Statements

1. About this report	10
The basis on which the financial statements have been prepared and compliance with reporting regulations.	
2. Funding delivery of our services	11
Revenue recognised from grants, donations and other income sources.	
3. The cost of delivering services	14
Operating expenses of the Authority.	
4. Key assets available to support output delivery	18
Land, buildings, plant and equipment, and intangible assets.	
5. Other assets and liabilities	23
Working capital balances, and other key assets and liabilities.	
6. How we financed our operations	26
Cash flow information, interest bearing liabilities, leases, funds held awaiting remittance, and commitments for expenditure.	
7. Risks, contingencies and valuation judgements	32
Financial risk management, contingent assets and liabilities as well as fair value determination.	
8. Other disclosures	47

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.

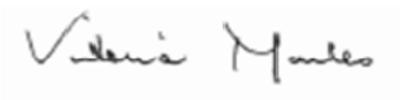
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and financial position of Trust for Nature (Victoria) at 30 June 2021.

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 21 October 2021.



Gayle Austen
Chair
Trust for Nature (Victoria)
Melbourne
21 October 2021



Victoria Marles
Chief Executive Officer
Trust for Nature (Victoria)
Melbourne
21 October 2021



Greg Bowers
Chief Finance Officer
Trust for Nature (Victoria)
Melbourne
21 October 2021

Independent Auditor's Report

To the Board of Trustees of the Trust for Nature (Victoria)

Opinion	<p>I have audited the financial report of the Trust for Nature (Victoria) (the trust) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • 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 2021 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 APES 110 <i>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
26 October 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 (Victoria)

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 (Victoria) for the year ended 30 June 2021, 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
26 October 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 2021

	Notes	2021	2020
		\$	\$
Continuing operations			
Revenue and income from transactions			
Grant and consulting income	2.2	5,556,357	7,241,211
Interest on investments	2.3	463,874	814,379
Dividends	2.4	285,650	321,718
Donations and bequests	2.5	1,265,990	2,641,061
Other income	2.6	428,944	502,447
Total revenue and income from transactions		8,000,815	11,520,816
Expenses from transactions			
Employee benefits	3.2	(4,702,988)	(4,682,455)
Depreciation & amortisation	3.3	(535,537)	(506,721)
Conservation, covenant and stewardship programs	3.4	(1,702,383)	(2,183,751)
Payments from appeals and other reserves with specified purposes	3.5	(195,041)	(236,651)
Other operating expenses	3.6	(1,347,671)	(1,888,086)
Total expenses from transactions		(8,483,620)	(9,497,664)
Net result from transactions (net operating balance)		(482,805)	2,023,152
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁽ⁱ⁾	8.2	312,584	438,896
Net gain/(loss) on financial instruments ⁽ⁱⁱ⁾	8.2	1,110,766	(483,239)
Total other economic flows included in net result		1,423,350	(44,343)
Net result		940,545	1,978,809
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.3	3,033,915	1,984,276
Total other economic flows - other comprehensive income		3,033,915	1,984,276
Comprehensive result		3,974,460	3,963,085

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 2021

	<i>Notes</i>	2021	2020
		\$	\$
Assets			
Financial assets			
Cash and deposits	6.1	11,685,370	25,006,071
Receivables	5.1	283,550	421,827
Investments and other financial assets	5.2	47,785,600	34,653,191
Other assets	5.3	543,935	219,113
Total financial assets		60,298,455	60,300,202
Non-financial assets			
Non-financial physical assets classified as held for sale	4.2	1,884,145	1,965,879
Property, plant and equipment	4.1	26,767,469	23,554,680
Intangible assets	4.3	156,772	186,740
Total non-financial assets		28,808,386	25,707,299
Total assets		89,106,841	86,007,501
Liabilities			
Payables	5.4	1,251,047	746,942
Borrowings	6.2	286,177	398,580
Employee related provisions	3.2.1	1,203,492	1,168,625
Other provisions	5.5	3,340,026	2,783,027
Other liabilities	6.3	41,640,963	43,499,651
Total liabilities		47,721,705	48,596,825
Net assets		41,385,136	37,410,676
Equity			
Accumulated surplus		12,105,679	12,246,913
Reserves	8.3	29,179,457	25,063,763
Contributed capital		100,000	100,000
Net Worth		41,385,136	37,410,676
Commitments for expenditure	6.5	348,686	94,339
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 2021

	<i>Notes</i>	2021	2020
		\$	\$
Cash flows from operating activities			
Receipts			
State Government - Operating grant		1,385,000	1,362,000
GST recovered from the ATO		292,265	290,447
Interest received		364,342	882,849
Donations, grants and other receipts		8,650,361	7,426,619
Total receipts		10,691,968	9,961,915
Payments			
Payments to employees		(4,665,853)	(4,527,740)
Payments to suppliers		(3,214,917)	(3,194,919)
Interest paid to landowners		(127,312)	(408,643)
GST paid to the ATO		(272,953)	(570,122)
Total payments		(8,281,035)	(8,701,424)
Net cash flows from/(used in) operating activities	<i>6.1</i>	2,410,933	1,260,491
Cash flows from investing activities			
Proceeds from sale of freehold land held for sale		1,178,864	1,181,566
Proceeds from bonds held in trust		-	9,916,520
Proceeds from offset landowners and other funds held for third parties		29,707,995	6,419,327
Proceeds from redemption of term deposits		(10,271,843)	873,868
Payments for freehold land held for sale		(908,135)	(1,061,055)
Payment from bonds held in trust		(19,018,626)	(1,276,676)
Payments to offset landowners and from other third party funds held		(14,562,405)	(5,708,002)
Payments for property, plant and equipment		(161,446)	(168,424)
Payments for intangible assets		(40,400)	(102,698)
Payments for investments in term deposits		-	-
Payments for investments in managed investment schemes		(1,400,000)	(650,000)
Net cash flows from/(used in) investing activities		(15,475,996)	9,424,426
Cash flows from financing activities			
Repayment of lease liabilities		(255,638)	(237,076)
Net cash flows from/(used in) financing activities		(255,638)	(237,076)
Net increase/(decrease) in cash and cash equivalents		(13,320,701)	10,447,841
Cash and cash equivalents at the beginning of the financial year		25,006,071	14,558,230
Cash and cash equivalents at the end of the financial year	<i>6.1</i>	11,685,370	25,006,071

The accompanying notes form part of these financial statements.

Statement of changes in equity
For the financial year ended 30 June 2021

	Notes	Physical asset revaluation surplus \$	Donations surplus \$	Governant stewardship surplus \$	Properties surplus \$	Bequest surplus \$	Endowment surplus \$	Accumulated surplus \$	Contributed capital \$	Total \$
Balance at 1 July 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
Net result for the year		-	-	-	-	-	-	940,545	-	940,545
Other comprehensive income for the year	8.3	3,033,915	-	-	-	-	-	-	-	3,033,915
Net transfer to / (from) reserves	8.3	-	896,726	22,048	(231,134)	91,563	302,576	(1,081,779)	-	-
Balance at 30 June 2021		19,820,997	4,339,930	1,374,750	120,560	1,033,452	2,489,768	12,105,679	100,000	41,385,136

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'.

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

	2021	2020
	\$	\$
Grant and consulting income	5,556,357	7,241,211
Interest on investments	463,874	814,379
Dividends	285,650	321,718
Donations and bequests	1,265,990	2,641,061
Other income	428,944	502,447
Total income from transactions	8,000,815	11,520,816

Note 2 Funding delivery of our services - continued

2.2 Grants and consulting income

	2021	2020
	\$	\$
State Government – Operating grant recurrent	442,000	442,000
State Government - Operating grant non-recurrent	943,000	920,000
Government grants	3,562,384	4,248,461
Government & philanthropic grants used to acquire properties ⁽ⁱ⁾	232,050	1,061,055
Project grants and consulting – philanthropic and other parties	376,923	569,695
Total grant and consulting income	5,556,357	7,241,211

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 2020-21, one property was purchased with government grant revenue (2019-20: one). 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.

2.3 Interest on investments

	2021	2020
	\$	\$
Interest on investments	214,502	267,111
Interest on investments attributable to funds held awaiting remittance and landowner payments held in trust	249,372	547,268
Total interest on investments	463,874	814,379

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

	2021	2020
	\$	\$
Dividends from managed funds and equities	285,650	321,718
Total dividends	285,650	321,718

Dividend income is recognised when the right to receive payment is established. Dividends represent the income arising from the Trust's investments in financial assets.

2.5 Donations and bequests

	2021	2020
	\$	\$
General donations	703,161	856,454
Donations for appeals and properties	347,936	457,542
General bequests	27,000	5,000
Donations of land & buildings	165,000	1,275,000
Other fundraising income	22,893	47,065
Total donations	1,265,990	2,641,061

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

	2021	2020
	\$	\$
Rental and accommodation income	7,775	48,577
Offset program income	223,014	239,127
Other	198,155	214,743
Total other income	428,944	502,447

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).

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

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

	2021	2020
	\$	\$
Employee benefits	(4,702,988)	(4,682,455)
Depreciation & amortisation	(535,537)	(506,721)
Conservation, covenant and stewardship programs	(1,702,383)	(2,183,751)
Payments from appeals and other reserves with specified purpose	(195,041)	(236,651)
Other operating expenses	(1,347,671)	(1,888,086)
Total expenses incurred in delivery of services	(8,483,620)	(9,497,664)

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

	2021	2020
	\$	\$
Salaries and wages, annual leave and long service leave	(4,180,232)	(4,161,682)
Fringe benefits tax	(7,684)	(8,160)
Defined contribution superannuation expense	(407,958)	(387,251)
Workers Compensation	(72,563)	(84,485)
Other employee expenses	(34,551)	(40,877)
Total employee benefits	(4,702,988)	(4,682,455)

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 2021 (2020: 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.

	2021	2020
	\$	\$
Current provisions		
Employee benefits		
Annual leave:		
Unconditional and expected to settle within 12 months ⁽ⁱ⁾	261,456	267,149
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	109,775	117,801
Long service leave:		
Unconditional and expected to settle within 12 months ⁽ⁱ⁾	32,508	35,409
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	561,718	536,164
	965,457	956,523
<i>Provisions for on-costs</i>		
Unconditional and expected to be settled within 12 months ⁽ⁱ⁾	41,633	38,253
Unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾	78,866	72,735
	120,499	110,988
Total current provisions	1,085,956	1,067,511
Non-current provisions		
Long service leave ⁽ⁱⁱ⁾	105,209	90,916
Provisions for on-costs ⁽ⁱⁱ⁾	12,327	10,198
Total non-current provisions	117,536	101,114
Total provisions	1,203,492	1,168,625

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

	2021	2020
	\$	\$
Opening balance	121,186	109,155
Additional provisions recognised	52,663	53,065
Reductions arising from payments/other sacrifices of future economic benefits	(41,023)	(41,034)
Closing balance	132,826	121,186
Current	120,499	110,988
Non-current	12,327	10,198
Closing balance	132,826	121,186

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

	2021	2020
	\$	\$
Buildings	(351,957)	(334,928)
Plant & equipment	(93,608)	(71,906)
Motor vehicles	(12,584)	(24,188)
Leasehold improvements	(7,020)	(7,021)
Amortisation of software	(70,368)	(68,678)
Total depreciation and amortisation	(535,537)	(506,721)

Buildings, plant and equipment and other non-current physical assets 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

	2021	2020
	\$	\$
Landowner incentives and on-ground works	(817,845)	(461,573)
Services provided by project partners	(232,396)	(123,652)
Provision for future year stewardship	(419,182)	(296,150)
Other covenant and stewardship program expenditure	(232,960)	(241,321)
Provision for transfer of land to crown for nil consideration ⁽ⁱ⁾	-	(1,061,055)
Total conservation, covenant and stewardship programs	(1,702,383)	(2,183,751)

Notes:

(i) Under the terms of a Service Level Agreement, the Trust acquired a property during 2019-20 for \$1,061,055 (2021: 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 program expenses 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

	2021	2020
	\$	\$
Payments from appeals and other reserves with specified purposes	(195,041)	(236,651)
Total Payments from appeals and other reserves with specified purposes	(195,041)	(236,651)

3.6 Other operating expenses

	2021	2020
	\$	\$
Occupancy	(45,881)	(36,221)
Software licences and maintenance	(101,888)	(117,617)
Interest attributed to funds held awaiting remittance and landowner payments held in trust	(249,372)	(547,268)
Supplies and services	(950,530)	(1,186,980)
Total other operating expenses	(1,347,671)	(1,888,086)

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.

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	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Land at fair value	22,954,001	20,152,282	-	-	22,954,001	20,152,282
Buildings at fair value	3,877,460	3,741,460	(512,661)	(596,263)	3,364,799	3,145,197
Leasehold improvements at fair value	327,074	327,074	(324,708)	(317,688)	2,366	9,386
Plant and equipment at fair value	717,008	695,696	(452,388)	(498,914)	264,620	196,782
Motor vehicles at fair value	389,013	255,390	(207,330)	(204,357)	181,683	51,033
Net carrying amount	28,264,556	25,171,902	(1,497,087)	(1,617,222)	26,767,469	23,554,680

(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	Gross carrying amount	Accumulated depreciation	Net carrying amount
	2021	2021	2021	2020	2020	2020
	\$	\$	\$	\$	\$	\$
Buildings at fair value	604,460	(512,661)	91,799	604,460	(247,816)	356,644
Motor vehicles at fair value	187,193	(13,574)	173,619	53,498	(11,723)	41,775
Net carrying amount	791,653	(526,235)	265,418	657,958	(259,539)	398,419

	Vehicles at fair value	
	Buildings	Vehicles at fair value
	\$	\$
Opening balance - 1 July 2020	356,644	41,775
Restatement of present value right-of-use assets	-	(3,197)
Additions	-	146,503
Depreciation	(264,845)	(11,462)
Closing balance - 30 June 2021	91,799	173,619
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)
Closing balance - 30 June 2020	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 the minimum lease payments, each determined at the inception of the lease.

Right-of-use asset acquired by lessees - 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.

Specialised land and specialised buildings: The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that the CSO adjustment is also equally applicable to market participants.

For the majority of the Trust's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation.

Vehicles are valued using the current replacement cost method. The Trust acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers at Vicfleet at the Department of Treasury & Finance who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method.

Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

4.1.1 Depreciation and amortisation

Charge for the period ^(a)

	2021	2020
	\$	\$
Buildings	351,957	334,928
Plant & equipment	93,608	71,906
Motor vehicles	12,584	24,188
Leasehold improvements	7,020	7,021
Total property, plant and equipment	465,169	438,043

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

Note 4 Key assets available to support output delivery - continued

4.1.2 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.

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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Opening 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
Recognition of right-of-use assets on initial application of AASB16 ^(a)	-	-	-	571,049	-	-	-	-	-	12,814	-	583,863
Adjusted balance at 1 July 2019	20,152,282	16,486,951	3,145,197	3,446,713	9,386	16,407	196,782	130,952	51,033	37,447	23,554,680	20,118,470
Fair value of assets received free of charge or for nominal considerations	-	620,000	-	-	-	-	-	-	-	-	-	620,000
Additions	339,363	1,061,055	-	-	-	-	161,446	137,736	146,502	49,110	647,311	1,247,901
Disposals	-	-	-	-	-	-	-	-	-	(11,401)	-	(11,401)
Restatement of present value right-of-use assets	-	-	-	33,412	-	-	-	-	(3,268)	65	(3,268)	33,477
Revaluation of PPE	2,462,356	1,984,276	571,559	-	-	-	-	-	-	-	3,033,915	1,984,276
Depreciation expense	-	-	(351,957)	(334,928)	(7,020)	(7,021)	(93,608)	(71,906)	(12,584)	(24,188)	(465,169)	(438,043)
Closing balance	22,954,001	20,152,282	3,364,799	3,145,197	2,366	9,386	264,620	196,782	181,683	51,033	26,767,469	23,554,680

Land and buildings carried at fair value

An independent valuation of the Trusts land and buildings was performed effective at 30 June 2021 by Opteon Property Group Pty Ltd under contract to the Valuer-General Victoria. The valuation, which conforms to the requirements of AASB13 and FRD 1031, adopted the Market Based Direct Comparison method adjusted for the Community Service Obligations.

Due to Covid-19 lockdown restrictions the valuer physically inspected a sample of sites (26 sites) with the remainder (24 sites) valued via desktop method. The market is being impacted by the uncertainty caused by the Covid-19 pandemic. As at the date of valuation, we consider that there is market uncertainty resulting in significant valuation uncertainty. This valuation is therefore reported on the basis of significant valuation uncertainty. As a result, less certainty exists than normal and a higher degree of caution should be attached to the valuation than normally would be the case.

Fair value assessments have been performed for all classes of assets at 30 June 2021.

(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.

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.

	2021	2020
	\$	\$
Current		
Freehold land held for sale	1,676,145	1,757,879
Buildings held for sale	208,000	208,000
Total non-financial physical assets classified as held for sale	1,884,145	1,965,879

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	
	2021	2020
	\$	\$
Gross carrying amount		
Opening balance	567,031	547,142
Additions	40,400	102,698
Disposals	-	(82,809)
Closing balance	607,431	567,031
Accumulated amortisation and impairment		
Opening balance	(380,291)	(394,422)
Amortisation of intangible non-produced assets	(70,368)	(68,678)
Disposals	-	82,809
Closing balance	(450,659)	(380,291)
Net book value at end of financial year	156,772	186,740

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

	2021	2020
	\$	\$
Current receivables		
<i>Contractual</i>		
Sale of goods and services ⁽ⁱ⁾	184,362	249,333
Interest receivable	76,891	154,577
Total current receivables	261,253	403,910
Non-current receivables		
<i>Contractual</i>		
Interest receivable	22,297	17,917
Total non-current receivables	22,297	17,917
Total receivables	283,550	421,827

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

	2021	2020
	\$	\$
Current investments and other financial assets		
Australian dollar term deposits > 3 months ^{(i)(iv)}	29,005,649	16,483,806
Total current investments and other financial assets	29,005,649	16,483,806
Non-current investments and other financial assets		
Australian dollar term deposits > 12 months ⁽ⁱ⁾	2,700,000	4,950,000
Managed investment schemes ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	16,079,951	13,219,385
Total non-current investments and other financial assets	18,779,951	18,169,385
Total investments and other financial assets	47,785,600	34,653,191

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 (2020: \$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

	2021	2020
	\$	\$
Current other assets		
Prepayments	70,254	62,868
Contract assets ⁽ⁱ⁾	436,746	112,106
Deposits	25,000	26,854
Other current assets	11,935	17,285
Total current other assets	543,935	219,113
Total other assets	543,935	219,113

Note:

(i) Contract assets include offset program and state government operating grant services provided but not yet invoiced.

Note 5 Other assets and liabilities - continued

Note 5.4 Payables

	2021	2020
	\$	\$
Current payables		
<i>Contractual</i>		
Supplies and services ⁽ⁱ⁾	350,930	181,435
Interest payable to landowners	205,604	330,350
Other payables	13,947	11,090
	570,481	522,875
<i>Statutory</i>		
Net GST payable	600,599	146,368
Group taxes payables	79,967	77,699
	680,566	224,067
Total current payables	1,251,047	746,942
Total payables	1,251,047	746,942

Note:

(i) The average credit period is 10 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

	2021	2020
	\$	\$
Current provisions		
Future stewardship services provision ⁽ⁱⁱ⁾	22,470	4,168
Other provisions	31,300	56,300
Total current provisions	53,770	60,468
Non-current provisions		
Make-good provision ⁽ⁱ⁾	70,000	70,000
Future stewardship services provision ⁽ⁱⁱ⁾	2,155,201	1,591,504
Provision for surrender of properties to Crown ⁽ⁱⁱⁱ⁾	1,061,055	1,061,055
Total non-current provisions	3,286,256	2,722,559
Total provisions	3,340,026	2,783,027

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	Make-good	Future stewardship	Other Provisions	Total
	2021	2021	2021	2021	2021
	\$	\$	\$	\$	\$
Opening balance	1,061,055	70,000	1,595,672	56,300	2,783,027
Additional provisions recognised	-	-	586,167	3,000	589,167
Amounts used		-	(4,168)	(28,000)	(32,168)
Closing balance	1,061,055	70,000	2,177,671	31,300	3,340,026
Current	-	-	22,470	31,300	53,770
Non-current	1,061,055	70,000	2,155,201	-	3,286,256
Closing balance	1,061,055	70,000	2,177,671	31,300	3,340,026

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

	2021	2020
	\$	\$
Cash on hand	2,100	2,100
Cash at bank	914,803	643,705
Cash on deposit at call	10,768,467	24,360,266
Balance as per cash flow statement	11,685,370	25,006,071

Note 6 How we financed our operations - continued

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

	2021	2020
	\$	\$
Net result for the period	940,545	1,978,809
Non-cash movements:		
Provision for transfer of land to crown	-	1,061,055
(Gain)/loss on sale of non-current assets	(312,584)	(438,896)
(Gain)/loss on other financial assets held at fair value	(1,110,766)	483,239
Depreciation and amortisation of non-current assets	535,537	506,721
Properties received as gifts	(165,000)	(1,275,000)
Movements in assets and liabilities:		
(Increase)/decrease in receivables – Sale of goods and services	(43,895)	286,591
(Increase)/decrease in interest receivable	73,306	235,452
(Increase)/decrease in other assets	(725,394)	(375,109)
Increase/(decrease) in payables	504,105	(170,194)
Increase/(decrease) in provisions	591,866	647,518
Increase/(decrease) in other liabilities	2,123,213	(1,679,695)
Net cash flows from/(used in) operating activities	2,410,933	1,260,491

Note 6.2 Borrowings

	2021	2020
	\$	\$
Current borrowings		
Lease liabilities ⁽ⁱ⁾	128,802	273,100
Other borrowings ⁽ⁱⁱ⁾	4,067	-
Total current borrowings	132,869	273,100
Non-current borrowings		
Lease liabilities ⁽ⁱ⁾	153,308	125,480
Total non-current borrowings	153,308	125,480
Total borrowings	286,177	398,580

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

	2021	2020
	\$	\$
Current other liabilities		
Funds held awaiting remittance:		
Land Conservation Strategy	14,253	14,351
Marcus Knapple	2,446	2,463
Potter Farmland	49,526	49,866
AGL – Growling Grass Frog	34,049	33,942
Hume – Native Grasslands	-	239,503
Pimelea Fund	281,613	350,509
Golden Sun Moth Conservation Fund	124,790	138,419
PTV - Biomass management study	16,092	28,713
Bushbank Funding Account	6,215,022	-
Bonds held in trust:		
Department of Justice & Regulation	191,451	9,169,081
Major Road Projects Victoria	-	6,055,839
Australia Post Corporation	-	3,141,758
Roads Corporation of Victoria	-	804,878
Landowner payments held in trust	5,910,497	3,834,710
Deferred 10-year offset stewardship revenue	91,165	43,350
Deferred leasehold incentive benefit	9,079	27,237
Contract liability	5,042,283	2,848,014
Total current other liabilities	17,982,266	26,782,633
Non-current other liabilities		
Landowner payments held in trust	23,269,494	16,317,781
Deferred 10-year offset stewardship revenue	389,203	390,158
Deferred leasehold incentive benefit	-	9,079
Total non-current other liabilities	23,658,697	16,717,018
Total other liabilities	41,640,963	43,499,651

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.

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.

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.

Contract liabilities include consideration received in advance from customers in respect of the provision of environmental services for the conservation and improvement of biodiversity and ecosystems in Victoria, and community and landowner engagement and education. Invoices are raised in accordance with milestones in the grant agreement. Grant income is recognised when the relevant services are provided.

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 2021, the Trust was committed to short-term leases and the total commitment at that date was \$4,784 (2020: \$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:

	2021	2020
	\$	\$
Interest expense on lease liabilities	8,688	18,788
Expenses relating to short-term motor vehicle leases	59,587	42,281
Total amount recognised in the Comprehensive Operating Statement	68,275	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 2021 relating to leases:

	2021	2020
	\$	\$
Total cash outflows for leases	255,638	237,076

For any new contracts entered into, 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

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 and 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.

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	
	2021	2020	2021	2020
	\$	\$	\$	\$
Lease liabilities payable (prior period finance lease) ⁽ⁱⁱ⁾				
Not longer than 1 year	133,433	275,465	128,802	273,100
Longer than 1 year but not longer than 5 years	157,698	135,522	153,308	125,480
Minimum future lease payments	291,131	410,987	282,110	398,580
Less future finance charges	(9,021)	(12,407)	-	-
Present value of minimum lease payments	282,110	398,580	282,110	398,580
Included in the financial statements as:				
Current borrowings lease liabilities (Note 6.2)			128,802	273,100
Non-current borrowings lease liabilities (Note 6.2)			153,308	125,480
Total			282,110	398,580

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:

- four motor vehicle finance lease held with Vicfleet with a lease term of three years (2020: one). 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 operating leases are currently on a month to month arrangement pending replacement of the vehicles with new vehicles under finance leases once those replacement vehicles become available. Office facility leases have terms of between one and three 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 2021	Less than 1 year	1-5 years	5+ years	Total
	\$	\$	\$	\$
Capital expenditure commitments payable ⁽ⁱ⁾	275,000	-	-	275,000
Novated lease commitments	44,198	64,357	-	108,555
Less: GST recoverable				(34,869)
Total commitments (exclusive of GST)				348,686
	2020			
	\$	\$	\$	\$
Novated lease commitments	31,883	71,890	-	103,773
Less: GST recoverable				(9,434)
Total commitments (exclusive of GST)				94,339

Note:

(i) Capital expenditure commitments includes a Contract of Sale which has been entered into for the acquisition of a parcel of land once a number of separate subdivisions have been completed.

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 2020: 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 changes 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
2021	\$	\$	\$	\$	\$
Contractual financial assets					
Cash and deposits	11,685,370	-	-	-	11,685,370
Receivables: ⁽ⁱ⁾					
Sale of goods and services	-	184,362	-	-	184,362
Accrued investment income	-	99,188	-	-	99,188
Investments and other contractual financial assets:					
Term deposits	-	31,705,649	-	-	31,705,649
Listed securities and managed investment schemes	-	1,737,590	14,342,361	-	16,079,951
Total contractual financial assets	11,685,370	33,726,789	14,342,361	-	59,754,520
Contractual financial liabilities					
Payables ⁽ⁱ⁾	-	-	-	570,481	570,481
Lease liabilities	-	-	-	282,110	282,110
Other borrowings	-	-	-	4,067	4,067
Other financial liabilities	-	-	-	41,640,963	41,640,963
Total contractual financial liabilities	-	-	-	42,497,621	42,497,621

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
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	-	1,566,963	11,652,422	-	13,219,385
Total contractual financial assets	25,006,071	23,422,596	11,652,422	-	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

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
2021					
	\$	\$	\$	\$	\$
Contractual financial assets					
Financial assets at amortised cost	-	-	463,874	-	463,874
Financial assets designated at fair value through net result	1,110,766	285,650	-	-	1,396,416
Total contractual financial assets	1,110,766	285,650	463,874	-	1,860,290
Contractual financial liabilities					
Financial liabilities at amortised cost	-	-	(249,372)	-	(249,372)
Total contractual financial liabilities	-	-	(249,372)	-	(249,372)
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)

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 2020-21.

Credit quality of financial assets⁽ⁱ⁾

2021	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)	-	11,683,270	-	2,100	-	11,685,370
Accrued investment income	-	51,970	47,218	-	-	99,188
Term deposits	-	7,968,124	23,735,000	2,525	-	31,705,649
Listed securities and managed investment schemes	-	-	-	-	16,079,951	16,079,951
Financial assets with loss allowances measured at lifetime expected credit loss:						
Sale of goods and services ⁽ⁱ⁾	113,055	10,000	-	61,307	-	184,362
Total financial assets	113,055	19,713,364	23,782,218	65,932	16,079,951	59,754,520

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

2020	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)	-	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

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:

30-June-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	\$-	\$-	\$-	\$-	\$-	\$-

30-Jun-21	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	\$122,262	\$52,100	\$10,000	\$-	\$-	\$184,362
Loss allowance	\$-	\$-	\$-	\$-	\$-	\$-

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

	2021	2020
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
	\$	\$	\$	\$	\$
2021					
Payables⁽ⁱ⁾:					
Contractual payables at amortised cost	570,481	570,481	323,931	246,550	-
Other financial liabilities at amortised cost	41,640,963	41,640,963	966,163	17,016,103	23,658,697
Borrowings:					
Lease liabilities	282,110	291,131	11,119	122,314	157,698
Other borrowings	4,067	4,067	4,067	-	-
Total	42,497,621	42,506,642	1,305,280	17,384,967	23,816,395
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

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
	%	\$	\$	\$	\$
2021					
Financial assets					
Cash and deposits	0.25%	11,685,370	-	10,768,467	916,903
Receivables ⁽ⁱ⁾ :					
Sale of goods and services		184,362	-	-	184,362
Accrued investment income		99,188	-	-	99,188
Investments and other contractual financial assets:					
Term deposits	0.70%	31,705,649	31,703,124	2,525	-
Listed securities and managed investment schemes	0.08%	16,079,951	-	1,737,590	14,342,361
Total financial assets		59,754,520	31,703,124	12,508,582	15,542,814
Financial liabilities					
Payables⁽ⁱ⁾:					
Payables	0.51%	570,481	-	205,604	364,877
Lease liabilities	2.22%	282,110	282,110	-	-
Other borrowings		4,067	-	4,067	-
Other financial liabilities ⁽ⁱⁱ⁾	0.48%	41,640,963	29,179,991	6,929,242	5,531,730
Total financial liabilities		42,497,621	29,462,101	7,138,913	5,896,607
2020					
Financial assets					
Cash and cash equivalents	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
Other receivables					-
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

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 (2020: 25 basis points up and down) in market interest rates (AUD)
- a movement of 10 per cent up and down (2020: 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
2021	\$	\$	\$	\$	\$
Contractual financial assets					
Cash and cash equivalents	11,685,370	(26,921)	26,921	-	-
Receivables:					
Sale of goods and services	184,362	-	-	-	-
Accrued investment income	99,188	-	-	-	-
Investments and other contractual financial assets:					
Term deposits	31,705,649	(79,264)	79,264	-	-
Listed securities and managed investment schemes ⁽ⁱ⁾	16,079,951	(4,344)	4,344	(1,434,236)	1,434,236
Total impact	59,754,520	(110,529)	110,529	(1,434,236)	1,434,236

	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
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

Note:

(i) Non-interest bearing managed funds include \$5,561,385 of domestic equities and managed funds (2020: \$3,600,832), \$366,425 of fixed interest trusts (2020: \$745,236) and \$8,414,557 of fixed income securities (2020: \$7,306,348).

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. (2020: 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
	2021	2021	2020	2020
	\$	\$	\$	\$
Contractual financial assets				
Cash and deposits	11,685,370	11,685,370	25,006,071	25,006,071
Receivables ⁽ⁱ⁾ :				
Sale of goods and services	184,362	184,362	249,333	249,333
Accrued investment income	99,188	99,188	172,494	172,494
Investments and other contractual financial assets:				
Term deposits	31,705,649	31,705,649	21,433,806	21,433,806
Listed securities and managed investment schemes	1,737,590	1,737,590	1,566,963	1,566,963
Total contractual financial assets	45,412,159	45,412,159	48,428,667	48,428,667
Contractual financial liabilities				
Payables⁽ⁱ⁾:				
Payables	570,481	570,481	522,875	522,875
Lease liabilities	282,110	282,110	398,580	398,580
Other borrowings	4,067	4,067	-	-
Other financial liabilities	41,640,963	41,640,963	43,499,651	43,499,651
Total contractual financial liabilities	42,497,621	42,497,621	44,421,106	44,421,106

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
2021	\$	\$	\$	\$
Financial assets at fair value through net result:				
Listed securities and managed investment schemes	14,342,361	10,253,066	4,089,295	-
Total	14,342,361	10,253,066	4,089,295	-
2020				
Financial assets at fair value through net result:				
Listed securities and managed investment schemes	11,652,416	8,694,841	2,957,575	-
Total	11,652,416	8,694,841	2,957,575	-

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⁾
	\$	\$	\$	\$
2021				
Land at fair value				
Specialised land	22,954,001	-	-	22,954,001
Total of land at fair value	22,954,001	-	-	22,954,001
Buildings at fair value				
Specialised buildings	3,364,799	-	-	3,364,799
Total of buildings at fair value	3,364,799	-	-	3,364,799
Leasehold improvements at fair value				
Leasehold improvements	2,366	-	-	2,366
Total of leasehold improvements at fair value	2,366	-	-	2,366
Plant and equipment at fair value				
Plant and equipment	264,620	-	-	264,620
Total of plant and equipment at fair value	264,620	-	-	264,620
Motor vehicles at fair value				
Motor vehicles	181,683	-	-	181,683
Total of motor vehicles at fair value	181,683	-	-	181,683
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

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 land and buildings was performed effective at 30 June 2021 by Opteon Property Group Pty Ltd under contract to the Valuer-General Victoria. The valuation, which conforms to the requirements of AASB13 and FRD 1031, adopted the Market Based Direct Comparison method adjusted for the Community Service Obligations.

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 2021.

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
2021	\$	\$	\$	\$	\$
Opening balance	20,152,282	3,145,197	9,386	196,782	51,033
Purchases (sales)	339,363	-	-	161,446	146,502
Restatement of present value right-of-use assets	-	-	-	-	(3,268)
Gains or losses recognised in net result	-	-	-	-	-
Depreciation	-	(351,957)	(7,020)	(93,608)	(12,584)
Subtotal	20,491,645	2,793,240	2,366	264,620	181,683
Gains or losses recognised in other comprehensive income	-	-	-	-	-
Revaluation	2,462,356	571,559	-	-	-
Subtotal	2,462,356	571,559	-	-	-
Closing balance	22,954,001	3,364,799	2,366	264,620	181,683
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
Gains or losses recognised in net result	-	-	-	-	-
Depreciations	-	(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

Note 7 Risks, Contingencies and Valuation Judgements - continued

Description of significant unobservable inputs to Level 3 valuations

2021 and 2020	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%-60% (5.7%)	⁽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	\$1,000 - \$1,105,000 per building (\$44,000)	A significant increase or decrease in direct cost per unit would result in a significantly higher or lower fair value.
		Useful life of specialised buildings	20-40 years (23 years)	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	\$840 per m ² (\$840)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
		Useful life of leasehold improvements	1 year (1 year)	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	\$1,000 - \$69,000 per unit (\$6,500)	A significant increase or decrease in direct cost per unit would result in a significantly higher or lower fair value.
		Useful life of plant and equipment	3-5 years (4 years)	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	\$1,000 - \$76,000 per unit (\$20,000)	A significant increase or decrease in direct cost per unit would result in a significantly higher or lower fair value.
		Useful life of motor vehicles	7-10 years (10 years)	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 ranging from 25 per cent to 60 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⁾
2021				
Land at fair value				
Specialised land	1,676,145	-	1,676,145	-
Total of land at fair value	1,676,145	-	1,676,145	-
Buildings at fair value				
Specialised buildings	208,000	-	208,000	-
Total of buildings at fair value	208,000	-	208,000	-
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	-

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 Responsible persons
- 8.5 Remuneration of executives
- 8.6 Related parties
- 8.7 Remuneration of auditors
- 8.8 Subsequent events
- 8.9 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.

	2021	2020
	\$	\$
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 2020-21 (2019-20: 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.

	2021	2020
	\$	\$
Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of land and buildings	312,461	431,790
Net gain/(loss) on disposal of plant & equipment	123	7,106
Total net gain/(loss) on non-financial assets	312,584	438,896
Net gain/(loss) on financial instruments		
Net gain/(loss) on disposal of financial investments	8,242	40,144
Net gain/(loss) arising from revaluation of financial assets at fair value	1,102,524	(523,383)
Total net gain/(loss) on financial instruments	1,110,766	(483,239)

Note 8 Other disclosures - continued

Note 8.3 Reserves

	2021	2020
	\$	\$
Physical asset revaluation surplus		
Balance at the beginning of the financial year	16,787,082	14,802,806
Revaluation increments/(decrements)	3,033,915	1,984,276
Balance at the end of the financial year	19,820,997	16,787,082
Donations surplus		
Balance at the beginning of the financial year	3,443,204	3,548,714
Transfers to/(from) accumulated surplus:		
Investment income earned on funds held less administration fee	140,594	(59,323)
Donations for reserve and proceeds from sale of properties	1,709,168	1,269,160
Funds appropriated and properties acquired	(953,036)	(343,351)
Transfers to/(from) other surpluses	-	(971,996)
Balance at the end of the financial year	4,339,930	3,443,204
Covenant stewardship surplus		
Balance at the beginning of the financial year	1,352,702	1,538,551
Transfers to/(from) accumulated surplus:		
Investment income earned on funds held	241,690	(13,383)
Surpluses transferred for future covenant monitoring	24,600	18,000
Funds appropriated on covenant monitoring program	(244,242)	(190,466)
Balance at the end of the financial year	1,374,750	1,352,702
Properties surplus		
Balance at the beginning of the financial year	351,694	406,248
Transfers to/(from) accumulated surplus:		
Surpluses transferred for future property stewardship	-	351,694
Funds appropriated	(231,134)	-
Transfers to/(from) other surpluses	-	(406,248)
Balance at the end of the financial year	120,560	351,694
Bequest surplus		
Balance at the beginning of the financial year	941,889	1,245,441
Transfers to/(from) accumulated surplus:		
Investment income earned on funds held less administration fee	108,608	(28,504)
Funds appropriated	(17,045)	(21,592)
Transfers to/(from) other surpluses	-	(253,456)
Balance at the end of the financial year	1,033,452	941,889
Endowment surplus		
Balance at the beginning of the financial year	2,187,192	52,950
Transfers to/(from) accumulated surplus:		
Donations for endowment	2,600	495,492
Investment income earned on funds held	300,169	12,533
Funds appropriated	(193)	(5,483)
Transfers to/(from) other surpluses	-	1,631,700
Balance at the end of the financial year	2,489,768	2,187,192
Total reserves	29,179,457	25,063,763

The **physical asset revaluation surplus** records increments and decrements on the revaluation of non-current assets.

Donation 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.

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.

The **properties surplus** is for property purchases and management, educational and legal costs for Trust properties.

Note 8 Other disclosures - continued

Bequest surplus funds are held in trust for specified purposes.

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 \$1,151,142; the TFN Property Endowment Fund \$459,884; and, the TFN General Purpose Endowment Fund \$878,742.

With the establishment of the endowment surplus during 2019-20, 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 8.4 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 2020 to 30 June 2021

Governing Board of Trustees:

Gayle Austen (Chair)	1 July 2020 to 30 June 2021
Nina Braid	1 July 2020 to 30 June 2021
Dr Sandra Brizga	1 July 2020 to 30 June 2021
Binda Gokhale	1 July 2020 to 30 June 2021
Dr Dominique Hes	1 July 2020 to 23 April 2021
Matthew Kronborg	1 July 2020 to 30 June 2021
Charles Meredith	1 July 2020 to 30 June 2021
Nadine Ponomarenko	1 July 2020 to 30 June 2021
Jennifer Wolcott	1 July 2020 to 30 June 2021
Jill Smith	13 October 2020 to 30 June 2021

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

Chief Executive Officer (Accountable Officer):

Victoria Marles 1 July 2020 to 30 June 2021

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 (2019-20: \$357 - \$432). Trustees may elect not to receive sitting fees. Total sitting fees paid in 2020-21 were \$34,701 (2019-20: \$29,196). The remuneration of the Trustees fell within the band:

	2021	2020
Income band		
less than \$9,999	10	15

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

	2021 No.	2020 No.
Income band		
\$220,000 - \$229,999	1	1

Note 8 Other disclosures - continued

Note 8.5 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 8.6)	2021	2020
	\$	\$
Short-term employee benefits	276,931	290,679
Post-employment benefits	26,050	25,792
Other long-term benefits	8,446	8,154
Total remuneration ^(a)	311,427	324,625
Total number of executives	2	2
Total annualised employee equivalents ^(b)	1.8	1.8

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 8.6).

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

Note 8.6 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 \$5,179,434 (2020: \$6,671,516).

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

- Department of Environment, Land, Water and Planning - Operating grant recurrent \$442,000 (2020: \$442,000);
- Department of Environment, Land, Water and Planning - Operating grant non-recurrent \$943,000 (2020: \$920,000);
- State Government grants \$3,562,384 (2020: \$4,248,461); and
- State Government grants used to acquire properties \$232,050 (2020: \$1,061,055).

At 30 June 2021, the Trust is holding bonds in trust on behalf of State Government entities totalling \$191,451 (2020: \$16,029,798). 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	2021	2020
	\$	\$
Short-term employee benefits	516,895	526,449
Post-employment benefits	47,939	44,843
Other long-term benefits	11,866	6,152
Total ^(a)	576,700	577,444

Notes:

(a) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.5).

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 8.7 Remuneration of auditors

	2021	2020
	\$	\$
Victorian Auditor-General's Office:		
Audit or review of the financial statements	18,500	18,500
Total amount	18,500	18,500

No other services were performed during the reporting period.

Note 8.8 Subsequent events

The State of Victoria has introduced more restrictions post balance date in response to the recent outbreaks 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 8.9 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2020-21 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 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 AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* 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 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*.
- AASB 2020-7 *Amendments to Australian Accounting Standards – Covid-19-Rent Related Concessions: Tier 2 Disclosures*.
- AASB 2020-8 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform – Phase 2*.
- AASB 2020-9 *Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*.



