



**wheatbelt**  
natural resource  
management

Annual Report  
2008/2009

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CARING  
FOR  
OUR  
COUNTRY



# Chairperson's Report

08 - 09

This year is best described as a year of change and the organisational need to respond to the challenges this brings.

We began the year as the Avon Catchment Council and are now officially Wheatbelt Natural Resource Management Incorporated (Wheatbelt NRM). This represents considerable reflection and hard work. Our new name helps reinforce the new and better way of working and doing business with our community to manage the region's natural resources.

As a board, we've considered Wheatbelt NRM's structure and function and completed changes to our constitution to reflect this. The organisation is now an independent community-based board of skilled directors, providing membership opportunities to organisations with a natural resource management (NRM) focus in our region and opportunities for individuals to be involved through our sub-catchment forums in the Lockhart, Yilgarn and Avon regions.

Change of government at any level is always a challenge, with a settling in period and the subsequent changes to policy, funding and delivery. The Australian Government's 'Caring for our Country' (CfoC) Business Plan 2009-2010 provided an opportunity to submit funding proposals for Wheatbelt NRM base-level funding as well as competitive bids. These proposals included improving land management practices to reduce the risk of wind erosion, increasing the National Reserve System, reducing the impact of rabbits, community skills, knowledge and engagement. We worked in collaboration with other stakeholders and I thank the staff for their efforts in attracting community interest and working across regional boundaries with agencies, non-government organisations (NGOs) and industry groups.

From the State perspective it has been a busy year. Two reviews of the regional model were completed, \$30 million has been allocated to the State NRM budget for 2009 and we are encouraged by current discussions. We are collectively positioning ourselves with other regional bodies to better align with State funding opportunities.

Our overall budget for the coming year is \$4.3 million which will enable new projects based on the CfoC targets to be implemented and to build on previous



*Glenice Batchelor Wheatbelt NRM Chairperson*

work. We will continue to support and build capacity across our community – providing training and development opportunities to our project partners and NRM professionals in our region. An ongoing challenge is to continue to emphasise at all levels of government the importance of maintaining the regained momentum in both research and on-ground action that previous investments provided.

Thank you to all our partners and delivery organisations working with us this year, including agencies, NGO's, local government and community groups. I would also like to thank all staff for their dedication and support in the "new way of doing business". This transition has been supported by the very professional work of People Rich – whose values ensure that working through change means those involved must learn and grow their own knowledge.

Finally, I would like to thank my fellow directors for their efforts, advice and support as a new Director and Chairperson. In particular, I would like to thank Merylyn Temby, previous Chairperson and now Deputy Chairperson, for her wise counsel and guidance. I also thank outgoing members for their valuable contribution over the years. It gives me great pleasure to welcome our new directors to the team. Wheatbelt NRM is well positioned to provide the best possible outcomes for our community and environment.

Glenice Batchelor  
Chairperson  
Wheatbelt NRM

# Chief Executive Officer's Report

08 - 09



The 2008-2009 year was ushered in as a 'transition' year. Wheatbelt NRM, our delivery organisations and the Avon River Basin community have been very active in drawing to a close the Natural Heritage Trust (NHT) and National Action Plan for Salinity and Water Quality (NAP) investment programs, while at the same time, taking up the reins on the Australian Government's Caring for our Country program.

It is important to take stock and recognise the success of these programs in delivering on-ground beneficial change, expanding natural resource management (NRM) knowledge and building community participation in NRM. There have been lessons learnt, and these are helping us to shape the way we do business into the future. A key focus and core value has been to strengthen the 'community basis' for the organisation. Staff have made a conscious effort to 'walk the talk' in how we design, implement and learn from NRM programs to engage and validate community knowledge, skills and participation.

In the context of 'tough economic times', Wheatbelt NRM capitalised on its efficient business structure to maintain service delivery to our community. Several areas of our business stepped up their activity including communications, knowledge management and Aboriginal engagement. Continued professional development for staff has maintained a strong and cohesive work team.

As the dust has settled over the transition year, it is apparent that our strategic NRM program, where driven by national and state policy and funding programs, has become more selective. This has led to emerging gaps in investment in valued assets and community priorities. A major challenge for the organisation under the stewardship of the Board of Management will be to develop and diversify our business model to attract additional resources and deliver expanded services to fill these gaps.

Peter Sullivan  
Chief Executive Officer  
Wheatbelt NRM



“It is important to take stock and recognise the success of these programs in delivering on-ground beneficial change”



Wheatbelt NRM planting day (l - r): Prudence Dufty, Geraldine Addison, Bernie Kelly, James Palumbo, Michael Palumbo, Rebecca Palumbo, name, Brian Faithfull, Shepherd Chipfunde, Rochelle Pyle, Rosemary Kelly, Annette Long, Nicholas Long, Chloe Woods, Natarsha Woods and Dan Ferguson.

# Program Overview

08 - 09

During 2008/2009 the program management team for Wheatbelt NRM wrapped up the 17 investment plan (IP) projects funded under National Heritage Trust (NHT) and National Action Plan for Salinity and Water Quality (NAP) since 2005. This included significant amounts of work completing audits, final reports and ensuring the knowledge management aspects of projects were captured. Data was sent to Shared Land Information Platform (SLIP) and reports are available on the Wheatbelt NRM web site. Selected projects underwent evaluations to capture lessons learnt and assist with project outcome communications.

The team responded to the inaugural Caring for our Country business plan, with projects built to address the relevant targets for the Avon. Proposals were successful in securing the \$3.9million annual indicative budget and additional funding was received for a competitive project addressing the National Reserve System biodiversity target.

The shift in funding programs has resulted in a shift of emphasis of Wheatbelt NRM projects. As the Avon Investment Plan projects addressed targets developed by the community in the 'Avon Natural Resource Management Strategy' the current targets are set by the Australian Government. All targets are congruent with IP targets, but the coverage of IP targets is not complete. The change in distribution of funding between themes is illustrated in figures 1 and 2.

Wheatbelt NRM has continued to investigate other opportunities to address regionally set NRM targets. Long term partner organisations cover some of these targets as part of their core work, IP funding allowed an accelerated rate of achievement, but a lack of external funding does not mean that all work will cease.

Wheatbelt NRM continues to assist NRM work in the region with its existing capacity in knowledge management, networks, Monitoring Evaluation Reporting and Improvement (MERI), project management, financial management and strategic planning.

Figure 1. NHT2 and NAP 2005/09

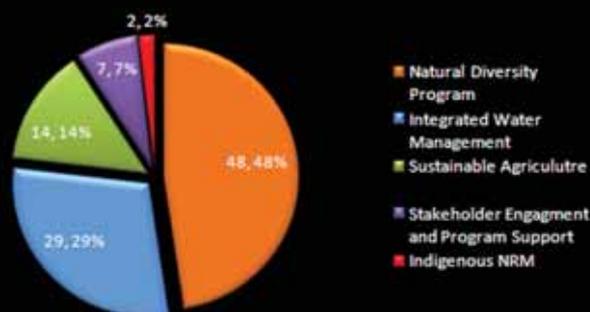
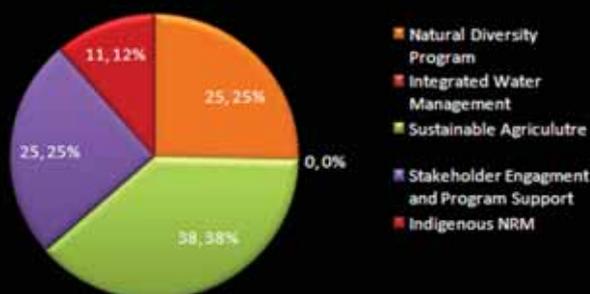


Figure 2. Caring for Our Country 2009/10





“The team responded to the inaugural Caring for our Country  
business plan, with projects built  
to address the relevant targets for the Avon.”



*Avon River, Toodyay*



## Waterways Management

Management of the Avon River and its tributaries during 2008/09 focused on delivering on-ground in accordance with management plans. River dredging occurred at priority pools, the community was supported to fence off waterways, significant riparian revegetation occurred and water quality monitoring continued.

Management plans for Dwarlacking, Neuralgin and Beardlucking Pools were completed. Waterways assessments were completed for sections of the Lockhart and Yilgarn Rivers. Community education continued with the Ribbons of Blue Program and a Rivercare workshop was held at Grass Valley.

A nutrient management manual entitled 'Nutrient management for the Avon River Basin - a toolkit for managing nutrient loss to the environment from a range of land uses.' was completed and workshops held with managers. The manual was so well received that a commitment was made by the managers to integrate this into further works. Wheatbelt NRM's waterways management work was delivered by the Department of Water.

## Water Planning

Following the finalisation of water planning processes, water saving projects were completed with land managers and local governments. Brookton completed a stormwater/recycled water harvesting project. Cunderdin Agricultural College installed four water tanks and will now save between 1 and 3 million litres of water each year.

The final town site water management plans for Dowerin, Wongan Hills and Pingelly were completed. The Dowerin community picked up on one of their plan's recommendations and installed coil drainage at the golf club as an innovative approach to a salinity and water logging issue.

## Salinity Management

Trials of management options for acid groundwater continued with data collected from composting, pulsed lime sand reactor and hydrated lime dosing demonstrations. Outcomes of this work are now available in a brochure form.

Wheatbelt NRM worked alongside the Narembeen community as they have developed a solution to manage deep drainage in the catchment. While the Department of Water developed engineering solutions, Wheatbelt NRM provided assistance by way of environmental assessment and developing options for governance arrangements for the community.



“Cunderdin Agricultural College installed four water tanks  
and will now save between  
1 and 3 million litres of water each year.”



*Wheatbelt NRM Operations Manager  
Natarsha Woods in front of the Water  
Recycling Dam outside Brookton.*



## Optimising Soil pH for Sustainable Farm Practices

The aim of this project was to facilitate farmer practice change within the Avon River Basin (ARB) to improve the management of soil acidity and progress toward the 2025 pH targets for the ARB. Wheatbelt NRM continued to support the Department of Agriculture & Food WA (DAFWA) and Precision SoilTech in undertaking this work.

In the Narembeen area 552 sites were sampled for top (0-10 cm) and sub-surface (10-20 and 20-30 cm) soil pH. Lime recommendations were provided to participating farmers as a result of the samples taken.

Chris Gazey, Senior Research Officer, Biosecurity and Research Service, DAFWA, continued his extraordinary work in soil acidity extension through numerous presentations, workshops, media work and publications. One of the highlights of this work was the presentation of a 'Case study of a 17 year old lime trial in Kellerberrin' to farmers throughout the ARB.

Workshops were also held in Beacon, Wickopin and Narembeen during August on the barriers to adoption of liming to manage soil acidity in the WA wheatbelt. This information will be used to strategically manage soil acidity into the future.

## Enhancing Valley Floor Environments

This project primarily focused on providing incentives and information to assist adaptive management of valley floor salinity. A partnership was formed with Wheatbelt NRM and the Saltland Pastures Association which resulted in 839,500 saltbush seedlings being allocated to ninety-four properties throughout the Avon River Basin. In addition, sites were established in Hyden and Corrigin to demonstrate recommended management of various types of saltland to local communities using a mix of saltbush, pasture understorey and trees.

DAFWA was also engaged to establish a site at Yealering to demonstrate the impact of trees in managing groundwater and containing salinity in central wheatbelt landscapes. This site now has monitoring in place to measure long-term changes in groundwater as a result of the treatment.

Two salinity management training courses have been undertaken as part of this project. The courses were designed to assist natural resource management and agricultural professionals to deliver appropriate advice to farmers for increasing adoption of cost-effective measures to contain and adapt to secondary salinity. They were coordinated by the Saltland Pastures Association with support from the Future Farm Industries Co-operative Research Centre. Planning is underway for delivery in other regions throughout the agricultural zone.

## Sustainable Farm Practices

This project aims to address threats to the soil resource including wind and water erosion, soil structure and biological decline and a decrease in soil nutrients responsible for plant growth by increasing the skills and knowledge of farmers in adopting farming practices that improve soil health.

Planfarm consultants and the University of Western Australia (UWA) ran three soil health forums on topics ranging from optimising soil nutrition, resolving non-wetting issues, soil carbon and the economic benefits of soil health. These two organisations have already undertaken successful workshops at the Western Australian No-Till Farming Association (WANTFA) field day and are providing extension resources containing practical information to farmers on improving soil health through altering farm management practices.

The Facey Group has been engaged to undertake a project on soil testing for root lesion nematodes and rhizoctonia. Information is being provided to the local community including management recommendations for addressing this issue via ways to improve soil health.

“increasing the skills and knowledge of farmers  
in adopting farming practices  
that improve soil health.”



*Arjen Ryder - Senior Technical Officer  
from DAFWA at the Wheatbelt NRM  
Salinity workshop*

Farmers were provided with this information at the long-term trial site at Cunderdin during the WANTFA field day and will be further exposed to the soil health benefits of sustainable farm practices through publications and extension materials over the coming months.

## Integrating Trees in Agricultural Systems

This project aimed to integrate planting of tree crop species into farming systems within the wheatbelt, to improve the management of soil erosion and prevent waterlogging and poor soil structure from occurring on priority land.

Seedlings were provided to 34 successful applicants to establish seedlings under guidance of coordinators and technical officers. In total 502,400 seedlings were

allocated in the incentives program, including 125ha of oil mallee, 108ha of sandalwood host species, 37ha of brushwood, 24ha of swamp sheoak and 37ha of timber species.

A demonstration site was established at a property in Pingelly to demonstrate recommended establishment and management techniques. All species offered through the program were planted at the site and it will be made available for site visits in future years.

Extension of information to farmers was a key component of this project, which included coordinating four field days to promote tree crops, a flyer on each of the key tree species subsidised, two AVONGRO newsletters and the equivalent of 1.5FTE assistance to ensure that support was available to farmers who received or were interested in establishing seedlings.



In 2008/09 the Biodiversity Program delivered twelve projects that were jointly funded by new Caring for our Country transition funding as well as carried over National Heritage Trust (NHT) and National Action Plan for Salinity and Water Quality (NAP) funding. The biodiversity program aimed to improve the conservation of key biodiversity assets across the region and operated on several scales.

At the smallest scale the Department of Environment and Conservation delivered the 'Back from the Edge' project which worked with communities and individual land managers to improve the protection of over a hundred species of flora and fauna that are threatened with extinction in the region.

The 'Healthy Ecosystems' project worked with individual land holders to protect remnant bushland on private property. The WWF-Australia project team supported land holders who committed to permanently protecting important bushland through the use of conservation agreements. The targeted bushland was fenced off and other activities such as weed control were carried out.

A number of projects delivered on ground outcomes at a landscape scale. Previous projects identified three

localities where the richness and extent of the remnant bush made them prime areas for concentrated conservation efforts. These areas, located in the Dale (west of Beverley/Brookton), Westonia and Wongan Hills, have had conservation plans developed that have identified what is important and irreplaceable and land holders have been supported with fencing, revegetation, weed control and opportunities to use tree cropping to reduce the impact of threats such as water logging. On ground activity was delivered by WWF, Department of Water, Greening Australia and the Department of Environment and Conservation.

The biodiversity of the region is very poorly known so considerable effort has gone into improving that knowledge. An inventory of all known assets has been developed which brings together a number of existing data sets in order to paint an overall picture of what is out there and what needs to be done to protect it. As fencing is an important tool in conservation efforts, research has been carried out to determine when a fence on its own is not enough, and at what point other activity is necessary to allow the bush to recover.



*Fencing east of Narembeen near Mt Walker*

“A significant conservation planning strategy has been developed that will guide future decisions and smartly direct conservation efforts.”

Over 20,000 wetlands have been identified and mapped across the region and an evaluation framework has been developed that will enable high value wetlands to be identified for conservation. A significant conservation planning strategy has been developed that will guide future decisions and smartly direct conservation efforts.

Local governments and private land holders have shared in over \$85,000 worth of funding which has been used to tackle serious pests that are impacting on biodiversity. Fox and rabbit control and weed spraying have been the major activities undertaken.

As part of the Red Card for the Red Fox program, coordinated community fox control activities have been undertaken with community baiting programs and community fox shots being popular.

Over the last year the following projects have delivered:

- 38ha of biodiversity revegetation
- 142km of fencing to protect over 3000ha of priority bushland
- 15 community training events and workshops
- Over 20 media releases, fact sheets and other publications including two books on threatened flora and fauna
- 19 monitoring programs for threatened flora
- 13 new populations of threatened flora identified through survey programs
- 25 local governments and community groups assisted with their local projects
- Eight on ground projects implemented with private land holders to protect threatened species
- 160 000 tree cropping seedlings planted to address threats impacting on biodiversity



*Banksia cuneata*



*Pygmy Possum*  
Courtesy Mike Griffiths



*Caladonia hirta*

# Sustainable Communities

08 - 09



This was a new program initiated under Caring for our Country, as well as using carried over National Heritage Trust (NHT) and National Action Plan for Salinity and Water Quality (NAP) funding from the Recording of Traditional Knowledge project. The program sought to engage the regional community, as well as improve knowledge and understanding of natural resource management. This was achieved through enhanced communications, knowledge management and capacity building initiatives.

This program has been managed by the Wheatbelt NRM Sustainable Communities Program five-member team, as well as a number of short-term contracts, where appropriate expertise was needed. This has included: social science expertise, hydrogeologists, surveyors, film-makers, cultural heritage assessors, seed collectors, a website maker, construction engineers, artists, publishers and printers and a journalist.

Marketing the achievements of Wheatbelt NRM activities has been successful in the rural and local media due to the skills of a contracted ex-ABC journalist. CfoC funded activities have been communicated through a bi-monthly newsletter which has been published to coincide with the changing Nyungar seasons, and promoted through

the website and fortnightly e-News. The development of a communications database is on-going.

The Aboriginal natural resource management program has worked closely with community to manage culturally significant sites within the region, where these have been prioritised. This program has assisted community in developing, practising and handing-on knowledge about caring for the natural environment. Recording of Traditional Knowledge has continued through film making and Aboriginal Elder permission.

Network support and development funding for building community capacity in NRM around the region has assisted many groups to develop small, but significant initiatives. These have included projects such as a vegetable 'crunch-n-sip' garden for school children, Aboriginal Youth and Elder knowledge sharing, ecological surveying of the Avon River, educational field-day activities for local farmers and a school native plant nursery. Promotion of these initiatives has been achieved through the regional media and via an educational film developed by university researchers.



*Tree Planting by the over 50's mens shed in Mukinbudin*

“The program sought to engage the regional community,  
as well as improve knowledge and  
understanding of natural resource management.”

Over the last year this program has delivered:

- Management actions at three sites of cultural significance: Burlong pool, Badjaling Aboriginal Reserve and Kokerbin Nature Reserve.
- A Recording of Traditional Knowledge DVD, staff training in Traditional Knowledge Revival Pathways (TKRP) and a Wheatbelt NRM promotional film of the TKRP methodology as a recording and evaluation tool for the region.
- Training workshops for the region's Natural Resource Management Officers in Project Management and Practice Change methodologies.
- Training workshops for the region's Aboriginal community in heritage training, native seed collection techniques and chainsaw techniques.
- An updated website for Wheatbelt NRM, incorporating new features; interactive flash maps, forum function, web-based newsletter, video streaming and possible video conferencing.
- Attendance at the following key regional events to promote NRM; the Dowerin Agricultural field-day, Avondale Harvest Festival, Northam Earth Expo and the Newdegate Agricultural field-day.
- Funding of 17 small projects to build community group capacity in NRM.
- 230 media articles in the FarmWeekly, Countryman, Merredin Mercury, Avon Advocate and other local Avon regional newspapers.
- Six Wheatbelt NRM bi-monthly newsletters featuring project highlights and achievements.
- 29 e-News publications providing fortnightly updates of NRM activities.
- A report outlining the methodology for evaluation practice and attitude change resulting from investment in NRM.
- A CSIRO commissioned report outlining engagement of local government in NRM within the Avon River Basin.



*Frank and Trevor Davis perform a smoking ceremony in Korrelocking.*

# Going Forward

Wheatbelt NRM plans to further develop the solid groundwork created by the governance changes implemented during 2008/2009. Our overall budget for the coming year is \$4.3 million which will enable the delivery of new projects based on the CfoC targets and where possible build on our previous work.

Wheatbelt NRM will undertake intensive strategic planning at board level during 2009/2010 which will revisit the strategic plan of 2005 to ensure an ongoing focus on community driven natural resource management and relevance to a changing NRM landscape.

One of several new programs commencing is the provision of technical and financial assistance for farmers to demonstrate management practices that address wind erosion.

The prime focus of the Wheatbelt NRM baselevel biodiversity program will be working with private landholders to protect and conserve important remnant vegetation through the use of conservation agreements and on-ground works. This program will be complemented by a competitive biodiversity project, delivering similar outcomes cross-regionally, partnering with Northern Agricultural Catchments Council, WWF-Australia and Blackwood Basin Group.

The Wheatbelt NRM Aboriginal natural resource management program will continue to develop strong leadership and partnerships with community and other stakeholder groups. Recording of Traditional Ecological Knowledge will continue through further DVD productions, the Noongar Budjar Carers employment and active on-site management of six culturally significant sites in the region over the next two years. Land managers will be engaged to sustainably manage Aboriginal-held lands and partnerships will be developed with schools to bring NRM to them through Nyungar language.





*View from Yaraguia farm, Beverley*



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**WHEATBELT NATURAL RESOURCE MANAGEMENT INC**

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**STATEMENT BY DIRECTORS OF THE BOARD  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2009**

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The Board has determined that the accompanying financial report of the Wheatbelt Natural Resource Management (Inc) has been prepared in accordance with the Associations Incorporation Act (WA) from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2009.

In the opinion of the Board the financial report:

- 1 Presents fairly the financial position of the Wheatbelt Natural Resource Management (Inc) as at 30 June 2009 and its performance for the year ended on that date.
- 2 At the date of this statement, there are reasonable grounds to believe that Wheatbelt Natural Resource Management (Inc) will be able to pay its debts as and when they fall due.

This statement is signed for and on behalf of the Board by:

Chairperson

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Glenice Batchelor

Chief Executive Officer

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Peter Sullivan

Dated this 29<sup>th</sup> day of September 2009

# Independent Auditor's Report

To the Members of Wheatbelt Natural Resource Management Inc.



**Bentleys Audit  
& Corporate (WA) Pty Ltd**  
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We have audited the accompanying financial report of Wheatbelt Natural Resource Management Inc. (the organization), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company.

## Directors Responsibility for the Financial Report

The organization is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the needs of the members. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

## Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

## Auditor's Opinion

In our opinion:

The financial report of Wheatbelt Natural Resource Management Inc. is in accordance with the Associations Incorporations Act (WA), including:

- i. giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- ii. complying with Australian Accounting Standards to the extent described in Note 1.

**BENTLEYS**  
Chartered Accountants

**RANKO MATIĆ**  
Director

**WHEATBELT NRM INCORPORATED** (Formerly Avon Catchment Council)  
**FOR THE YEAR ENDED 30 JUNE 2009**

**INCOME STATEMENT**

<b>COST OF SERVICES</b>	<b>Notes</b>	<b>2009</b>	<b>2008</b>
<b>Expenses</b>		<b>\$</b>	<b>\$</b>
Advertising		5,770	10,023
Audit Fees		26,660	-
Bank Fees and charges		892	965
Computer costs		5,987	2,011
Conferences & Seminars		2,380	20,144
Consultancy costs	2	105,372	114,398
Council costs		38,136	43,037
Depreciation		4,908	3,856
Expenses Assets > \$500 but < \$1000		2,273	-
Fringe Benefits Tax		7,591	9,950
Insurances		21,367	22,603
Marketing		9,416	2,387
Meals & Refreshments		11,246	28,481
Media Processing		2,902	13,696
Motor Vehicles	3	101,060	113,402
Office Rental		67,369	71,219
Payroll Expenses	4	1,067,811	913,220
Postage and delivery		2,961	3,480
Printing, stationery & office supplies		21,269	11,054
Professional development/Staff Training		25,115	25,602
Contractor payments	5	9,812,542	9,726,759
Refunds of External Funded Grants	6	675,815	526,488
Repairs & Maintenance		16,861	-
Seed, Fertiliser and Plants		110,599	11,454
Sundries		10,949	19,160
Telephone		7,651	15,929
Travel costs		12,452	9,651
Uniforms & Protective Clothing		2,966	1,494
<b>Total cost of services</b>		<b>12,180,320</b>	<b>11,720,464</b>
<b>Income</b>			
<b>Revenue</b>			
<b>Revenue from operating activities</b>			
Project Funding Received Grants	7	11,286,617	8,839,944
<b>Revenue from non-operating activities</b>			
Interest revenue		254,282	409,902
Other revenue	8	734,740	92,290
<b>Total Revenue</b>		<b>12,275,639</b>	<b>9,342,136</b>
<b>NET COST OF SERVICES</b>		<b>95,319</b>	<b>2,378,328</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
<b>Net cost/(surplus) of services</b>		<b>95,319</b>	<b>2,378,328</b>

The Income Statement should be read in conjunction with the accompanying notes.

**WHEATBELT NRM INCORPORATED (Formerly Avon Catchment Council)**  
**AS AT 30 JUNE 2009**

**BALANCE SHEET**

	Notes	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	9		
Cash assets		40,214	(99,058)
Restricted Cash assets		4,457,418	3,640,939
Imprest accounts			
Visa Debit Card Account		(270)	(454)
Receivables			-
Accounts Receivable	10	77,038	113,715
GST Receivables		237,372	224,876
<b>Total Current Assets</b>		<b>4,811,772</b>	<b>3,880,019</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	11	21,646	21,338
<b>Total non-current assets</b>		<b>21,646</b>	<b>21,338</b>
<b>TOTAL ASSETS</b>		<b>4,833,418</b>	<b>3,901,357</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables - Payroll	12	33,203	20,532
Accrued Expenses	13	853,626	76,911
Provisions - Current	14	56,115	35,262
<b>Total Current Liabilities</b>		<b>942,944</b>	<b>132,705</b>
<b>Non-Current Liabilities</b>			
Provisions - Non-Current	14	76,681	50,178
<b>Total Non-Current Liabilities</b>		<b>76,681</b>	<b>50,178</b>
<b>TOTAL LIABILITIES</b>		<b>1,019,625</b>	<b>182,883</b>
<b>NET ASSETS</b>		<b>3,813,793</b>	<b>3,718,474</b>
<b>EQUITY</b>			
Consolidated Fund		136,219	123,594
Accumulated Surplus		3,677,574	3,594,880
<b>TOTAL EQUITY</b>	15	<b>3,813,793</b>	<b>3,718,474</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,833,418</b>	<b>3,901,357</b>

The Balance Sheet should be read in conjunction with the accompanying notes.

WHEATBELT NRM INCORPORATED (Formerly Avon Catchment Council)  
 FOR THE YEAR ENDED 30 JUNE 2009

**CASH FLOW STATEMENT**

	Note	2009 \$	2008 \$
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
<b>Payments</b>			
Council costs		38,136	43,037
Consultancy costs		(105,372)	(114,398)
Pa roll costs		1,115,935	959,917
Motor Vehicle costs		101,060	113,402
Contractor a ments		(9,812,542)	(9,726,759)
Office Rental		(67,369)	(71,219)
Refunds of External Funded Grants		675,815	526,488
Other ex enses		(259,182)	(161,388)
Accounts Receivable		36,677	(17,991)
Pa roll Liabilities		60,026	23,799
Other Liabilities		776,715	(335,550)
<b>Receipts</b>			
NHT/NAP/NLP Funding		11,286,617	8,839,944
Interest received		254,282	409,902
Other Revenue		734,740	92,290
Petty Cash		(184)	431
Other Receivables		-	-
GST Transactions		12,496	215,916
<b>Net cash (used in)/provided by operating activities</b>	<b>16</b>	<b>960,967</b>	<b>(2,967,298)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
assets (Office Equipment)		5,216	9,380
<b>Net cash (used in)/provided by investing activities</b>		<b>(5,216)</b>	<b>(9,380)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>,</b>	<b>,</b>
<b>Cash and Cash equivalents at the beginning of year</b>		<b>3,541,881</b>	<b>6,518,559</b>
		<b>,</b>	<b>,</b>

The Cash Flow Statement should be read in conjunction with the accompanying notes.

## NOTES

### 1 Summary of significant Accounting Policies

#### 1(a) General Statement

These financial statements are a Special Purpose Financial Report (SPFR) prepared for use by the Wheatbelt NRM Incorporated (formerly Avon Catchment Council) and Department of Local Government. For the purposes of these statements, the Organisation is not a reporting entity. This financial report has been prepared in accordance with the Associations Incorporation Act (WA).

The financial report covers the Wheatbelt NRM Incorporated (formerly Avon Catchment Council) as an individual entity.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### 1(b) Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

#### Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### 1(c) Not-For-Profit Organisation

Wheatbelt NRM Incorporated is a not-for-profit organisation and its activities do not generate profits or losses. Accordingly, the projects on the balance sheet are only an increase or decrease in funds available for projects. The costs incurred in managing the projects are generally recoverable from those activities.

#### 1(d) Income Revenue

The Organisation's principal receipts are funds provided for specific projects and not available for general activities. Revenue is measured at the fair value of consideration received or receivables. Revenue is recognised for the major business activities as follow:

#### Rendering of Services

Revenue is recognised on delivery of the service or by reference to the stage of completion.

#### Interest

Revenue is recognised as the interest accrues.

#### Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Organisation obtains control over the assets when cash is received.

#### Transfers

The Balance Sheet includes transfers between individual projects.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenue during the reporting period were obtained on the condition that they be expanded in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

#### 1(e) Property, Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

#### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable asset are:

Office Equipment	25%
Office Furniture	10%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

#### 1(f) Cash and Cash Equivalent

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. A large portion of the cash is restricted in its use by contractual agreements (See note 1(m)).

#### 1(g) Receivables

Receivables are recognised and carried at original invoice amount less any provision for uncollectible amounts (impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The provision for uncollectible amounts (doubtful debts) is raised when collectability is no longer probable. The carrying amount is equivalent to the fair value as it is due for settlement within 30 days. (See note 10 'Receivable Accounts').

#### 1(h) Payables

Payables are recognised at the amounts payable when the Organisation becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. (See note 13 'Accrued Expenses').

#### 1(i) Accrued salaries

Accrued salaries (See note 12 'Payables - Payroll') represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Organisation considers the carrying amount of accrued salaries to be equivalent to the net fair value.

#### 1(j) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST.

Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### 1(k) Consolidated Fund

The Consolidated Fund in the Equity section of the Balance Sheet represents income received that has not been specifically allocated to a project (mainly Interest Income) and can be used in the future for projects at the Organisation's discretion.

#### 1(l) Income Tax Exemption

By a Private Ruling for the purposes of Part IVA of the Taxation Administration Act 1953, the ordinary and statutory exempt income of the Organisation is exempt from income tax under the provisions of Section 50-10 of the Income Tax Assessment Act (1997). This ruling is current to 30 June 2009.

#### 1(m) Restricted Cash assets

These cash funds have been granted to the entity to deliver express outcomes and are restricted by the contractual agreements under which those funds were provided (See also note 9 'Cash and Cash Equivalents').

## 2 Consultancy Costs

	2009	2008
	\$	\$
Consultants - Private Sector	105,372	114,116
Consultancy Travel & Mileage Exps -	-	282
	<b>105,372</b>	<b>114,398</b>

## 3 Motor Vehicle Costs

Mileage	36,259	33,893
Vehicle Leasing costs	55,956	70,385
Vehicle Operating costs	8,845	9,125
	<b>101,060</b>	<b>113,402</b>

## 4 Payroll Expenses

	2009	2008
Salaries - Normal time	942,367	829,718
Annual Leave Loading	811	(6,557)
Superannuation	84,636	79,317
Payroll Provisions	39,995	8,063
Transfer removal & re-location cost-	-	2,678
	<b>1,067,811</b>	<b>913,220</b>

## 5 Contractor payments

Contractors - Private Sector	9,812,542	9,726,759
	<b>9,812,542</b>	<b>9,726,759</b>

## 6 Refunds of Externally Funded Grants

Transfer Southcoast NRM	-	116,367
Refund Toodyay Friends of the River	-	13,381
Refund DAFWA	580,117	396,740
Refund Peel-Harvey Catchment Council Inc	95,698	-
	675,815	526,488

## 7 Revenue from operating activities

### Project Funding Received (Grants)

Grants received	11,286,617
8,839,944	
	<b>11,286,617</b>

**8,839,944**

## 8 Other Revenue

Recoups - General	12,232	81,476
Recoup of Unspent Grant Funding	704,510	-
Sale of Brushwood Seedlings	16,000	-
Refund Expenditure	1,453	1,711
Miscellaneous Revenue	-	(2)
Sale of Publications	-	136
Recoup of Telephone Charges	544	1,120
Sale of Seed/Service Fee	-	7,849
	<b>734,739</b>	<b>92,290</b>

## 9 Cash & Cash Equivalents

Cash	40,214	(99,058)
Restricted Cash <sup>(a)</sup>	4,457,418	3,640,939
	4,497,632	3,541,881

Funds are held in the following accounts:

Bendigo 11AM Account	3,979,743	3,283,401
Bendigo Cash Management	517,889	258,480
	<b>4,497,632</b>	<b>3,541,881</b>

<sup>(a)</sup> Funds are held in trust on behalf of the Western Australian State Government, the Commonwealth Government and other third party entities. These Trust Funds are established under contractual agreements for the delivery of NRM services. Balances may only be used for the purposes described in the contractual agreements and are not available to meet other Wheatbelt NRM Incorporated Board liabilities or commitments.

## 10 Accounts Receivable

Debtors	64,731	76,324
Accrued Interest Receivable	11,956	31,691
Accrued Other Income	-	5,500

Other Receivables	351	200
	<b>77,038</b>	<b>113,715</b>

## 11 Property, Plant & Equipment

Office Equipment	2009	2008
At Cost	71,075	65,859
Accumulated depreciation	(49,429)	(44,521)
	<b>21,646</b>	<b>21,338</b>

Movements in carrying amounts Movement in the carrying amounts for Office Equipment between the beginning and the end of the current financial year:

Balance at 1 July 2008	21,338	15,814
Additions	5,216	9,380
Disposals	0	0
Depreciation	(4,908)	(3,856)
<b>Carrying amount at 30 June 2009</b>	<b>21,646</b>	<b>21,338</b>

## 12 Payables - Payroll

Payables - Payroll	34	119
Accrued Salaries	12,665	5,473
PAYG Income Tax Liability	20,504	14,940
	<b>33,203</b>	<b>20,532</b>

## 13 Accrued Expenses

Accounts Payable	135,597	-
Accrued Creditors	715,629	74,511
Accrued Fringe Benefits Tax	2,400	2,400
	<b>853,626</b>	<b>76,911</b>

## 14 Provisions

Current		
Employee Benefit Provisions		
Annual leave	55,490	34,637
Annual leave loading	625	625
	<b>56,115</b>	<b>35,262</b>

## Non-Current

Employee Benefit Provisions		
Long Service Leave	76,681	50,178
Other Provisions		
Employee On-Costs	-	-
	<b>76,681</b>	<b>50,178</b>
<b>Total Provisions</b>	<b>132,796</b>	<b>85,440</b>

## 15 Equity

	2009	2008
<b>Consolidated Fund</b>		
Balance at start of period	123,594	573,248
Transfers for the period	12,625	(449,654)
Balance at end of period	136,219	123,594
<b>Accumulated Funds</b>		
Balance at start of period	3,594,880	5,523,554
Net cost of service	82,694	(1,928,674)
Balance at end of period	3,677,574	3,594,880
<b>TOTAL EQUITY</b>	<b>3,813,793</b>	<b>3,718,474</b>

## 16 Notes to the Cash Flow Statement

	2009	2008
	\$	\$
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	95,319	(2,378,328)
<b>Non-cash items:</b>		
Depreciation/Impairment of Assets	4,908	3,856
<b>(Increase)/decrease in assets:</b>		
Imprest accounts	(184)	431
Receivables	36,677	(17,991)
Change in GST Receivables	(12,496)	(215,916)

## Increase/(Decrease) in liabilities:

Payables	60,026	(23,799)
Accrued Expenses	776,715	(335,550)

Net cash provided by/(used in) operating activities 960,966 (2,967,298)

**Increase/(Decrease) in liabilities:**

Payables 60,026 (23,799)  
Accrued Expenses 776,715 (335,550)

Net cash provided by/(used in) operating activities 960,966 (2,967,298)

**17 Financial Instruments**

**(a) Financial Risk Management**

The association's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The association does not have any derivative instruments at 30 June 2009.

**17a (i) Treasury Risk Management**

There are no significant concentrations of treasury risk.

**17a (ii) Financial Risk Exposures and Management**

The main risks the association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

**Interest Rate Risk**

The Organisation is exposed to interest rate risk since cash balances are maintained at variable rates. The Organisation has no borrowings.

**Liquidity Risk**

The association manages liquidity risk by monitoring forecast cash flows to ensure that funds are available to meet its commitments.

**Credit Risk**

Credit risk associated with the associations financial assets is minimal because the main receivable is the amounts receivable for grants from both the State and Commonwealth governments. The association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the association. In addition, receivable balances are monitored on an ongoing basis with the result that the association's exposure to bad debts is minimal.

**Price Risk**

The association is not exposed to any material price risk.

**17(b) Interest Rate Risk**

The association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2009	Weighted average interest rate	Variable interest maturing in 1 year or less		Variable interest maturing over 1 to 5 years		Non-interest bearing	TOTAL
		%	\$	%	\$		
<b>Financial Assets:</b>							
Cash and cash equivalents	4.24	4,497,832	-	-	-	-	4,497,832
Trade and other receivables	-	-	-	-	-	314,140	314,140
<b>Total Financial Assets</b>							<b>4,811,972</b>
<b>Financial Liabilities</b>							
Trade and sundry payables	-	-	-	-	-	1,019,625	1,019,625
<b>Total Financial Liabilities</b>							<b>1,019,625</b>

2008	Weighted average interest rate	Variable interest maturing in 1 year or less		Variable interest maturing over 1 to 5 years		Non-interest bearing	TOTAL
		%	\$	%	\$		
<b>Financial Assets:</b>							
Cash and cash equivalents	5.74	3,541,881	-	-	-	-	3,541,881
Trade and other receivables	-	-	-	-	-	338,138	338,138
<b>Total Financial Assets</b>							<b>3,880,019</b>
<b>Financial Liabilities</b>							
Trade and sundry payables	-	-	-	-	-	182,883	182,883
<b>Total Financial Liabilities</b>							<b>182,883</b>

**18 Capital Management**

The CEO and Finance Officer oversee the management of capital. The process in place requires cash to be moved to and from the Bendigo Cash Management Account on an as needs basis. I.e. Upon review of the Organisation's immediate payments and receipts, excess cash in the Bendigo Cash Management Account is moved to the Bendigo 11AM Account to take advantage of the higher interest rate offered on this account.

**19 Contingent Liabilities**

There are no contingent liabilities to report for 2008-09.

**20 Events after Balance Sheet Date**

There are no material events occurring after Balance Sheet Date to report.

**21 Capital and Leasing Commitments**

	2009	2008
<b>Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
-not later than 12 months	49,205	53,519
-between 12 months and 5 years	10,937	13,615
-greater than 5 years	-	-
	<b>60,143</b>	<b>67,134</b>

END OF NOTES



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natural resource  
management

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*Farm land, East Pingelly*

