



wheatbelt
natural resource
management



Wheatbelt NRM | Annual Report 2017–18



This annual report is an interactive publication which features videos and easy to navigate links so that you can explore our year's achievements.



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Written and designed by Wheatbelt NRM.

Who we are

Wheatbelt Natural Resource Management Incorporated (Wheatbelt NRM) is an independent community-based organisation involved with natural resource management (NRM) endeavours within the Avon River Basin. The organisation operates from its Northam office, Western Australia, and exists as the second largest of the seven NRM regional organisations in the state, with responsibility for the 12,000,000 hectares of the Avon River basin.

Wheatbelt NRM has a team who work delivering projects in partnership with the community. Our team includes NRM and communications professionals as well as a support group with strengths in administration, finance and governance. Project management is a core strength of the organisation with staff supported to achieving formal project management qualifications.

The Wheatbelt NRM succinct strategy statement for 2015–18 is:

By 2018, have 25% of the Wheatbelt community actively improving the Wheatbelt environment through our multi-disciplinary strategies and programs.

The Wheatbelt NRM vision is: **A vibrant Wheatbelt community creating healthy environments and livelihoods.**

This vision is supported by Wheatbelt NRM's mission to:

1. be a leader in NRM through strong governance, a dedicated team and investment in the NRM Regional Strategy for the Avon River Basin;
2. build partnerships to deliver the vision;
3. advocate for NRM and the Wheatbelt to national, state and local government;
4. identify and support innovative and beneficial research;
5. promote and coordinate improvements in environmental, cultural, social and industrial practices beneficial to NRM;
6. engage with Aboriginal people and assist with the incorporation of their culture and beliefs within the Wheatbelt;
7. build capacity within the community to create healthy environments and livelihoods; and
8. advocate for the Regional NRM Strategy to be part of our partners work.



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Feral Control and Revegetation Management

John and Madeline Hayles have worked with Wheatbelt NRM to implement a feral control and a revegetation management plan. Listen to their great stories about the on ground changes and the return of native fauna and flora.



James Sullivan
Chairperson

Wheatbelt NRM successfully secured its first major tender with the Australian Government this year. The Regional Lands Partnership tender process was a collaborative effort from staff, our members, and the broader community. Our gratitude is extended as well to the forty organisations that supported our endeavours by submitting references and letters of support.

You may recall the [“Your Say” campaign](#) we held during last year’s AGM which allowed us to hear your priorities. This campaign assisted in the creation of projects that were put forward to match the Australian Government’s outcomes.

The “Your Say” campaign was also used to inform our [Three Year Plan for 2018 to 2021](#) that is being launched today. The community’s top pick was the Avon Waterways project. Our [Three Year Plan from 2015 to 2018](#) results have been reviewed and considered: over seventy percent of targets were achieved, but funding for key areas was difficult to access. Waterways Management and Chemical Use were two areas particularly lacking in deliverable works.

It is also noted that the organisation’s target of getting 25% of the community to actively improve the environment of the Wheatbelt was not met. We recorded 12%, or five thousand-one-hundred people, which is one thousand less than the previous three years. We next considered the possible causes of this reduction: Was it the shrinking size of State and National Environmental Programs? Population restructuring? Government’s progressive move towards buying environmental outcomes? Or perhaps misalignment between the Government’s environmental priorities and the Wheatbelt Community’s priorities? Most likely it was all of the above. Our new [Three Year Plan](#) has the following overarching strategy:

Deliver a program of works designed to get the community of the Wheatbelt active in improving their environment, now and into the future.

Our emphasis on an active community still remains. We believe that the size of our catchment and the degree to which it has been altered means that the most effective method of change is by involving everyone. Rather than monitor a total number, we will focus on project designs and each project’s potential for effective engagement.



This year, the following key targets were achieved: the membership base of the organisation continues to grow, the income diversification target was met, and the equity of Wheatbelt NRM is now over five-million. This strength in finance and governance puts us in a strong position to respond efficiently to the new procurement model of the Regional Lands Partnership.

And so at the end of a difficult year, I would like to thank our CEO Natarsha Woods, and the rest of the team; those who were with us at the beginning of the year as well as those that are still working with us. We have experienced a substantial rate and degree of change in the organisation, and it has been met with the utmost professionalism.

Thank you

James Sullivan MAICD
Chairperson
Wheatbelt NRM

“

Our Three Year Plan from 2015 to 2018 results have been reviewed and considered: over seventy percent of targets were achieved, but funding for key areas was difficult to access.

”



Natarsha Woods Chief Executive Officer

The organisation we now have in June 2018 is simply not the same as it was in June 2017. The most obvious change is the reduction in [staff – 25 to 14](#). What is not quite immediately apparent is the other changes we have made to reduce the overheads of the organisation. Moving from printed documents to online documents, reducing the internal reporting load, using video conferencing for Board meetings.

The core change to internal systems is the real story. A big driver of change was the [Australian Government moving the National Landcare Programs](#) Regional Delivery from a grants model to a procurement model. Procurement works the same way we buy services from tradies in day-to-day life. We need a job done, we get quotes on the service, negotiate how we want that to happen, they do the work, we pay them. In grants, the Government's process would be more like this: they have an idea of what needs to be done, we write a competitive funding application about how we would like to contribute, we might be successful, they pay us, we do the work, if there is any money left over we pay it back.

With grants you are using their money to do the work.

With procurement you earn the money then it is yours. You get paid in arrears: if you don't do the work properly – you don't get paid.

What this means for us is that the Government is no longer paying for all our internal systems – they are simply our largest customer. We need to stand on our own two feet. As a result, we have restructured the financial and project management systems to strengthen the focus on efficiency.

For our relationship with members and the community there has also been change. We have a strategy, it is firmly focused on community action, however we no longer pick which projects we put through. We react to work orders – the Australia Government says what environmental outcome they want to buy from us – we design a project together. Wheatbelt NRM will design projects that get the community active in managing their environment because we firmly believe community action is the only pathway to success.



We will still participate in the grants processes of the State Government, and from other Australian Government programs. We will still take on other contracted work.

This change is not a shock; for six years the organisation has been targeting income diversification and equity growth to allow Board to make independent decisions. Members can see that in the financial statements we now have over 5 million in equity. Wheatbelt NRM is in a good position to adapt to this change, so that we can continue to create our vision of “A vibrant Wheatbelt community that creates healthy environments and livelihoods”.

Change is hard. Reducing the size of the team has been one of the most challenging processes that the organisation has faced. Challenging because of our friends and valued colleagues that have been here for years aren’t employed here anymore, challenging because when they left so did their skills, challenging because we have to work out how to operate lean, challenging because we have had to redesign the internal systems. However, there are positives:

- We get rewarded for being efficient
- For the next 5 years (maybe 7) we can get [funding from the Australian Government](#) without any wasted effort in funding applications.

- We have simplified the internal systems to function much more like a business
- They are buying environmental outcomes; not how many trees we planted but what difference it made.

I would much prefer to be talking about the environment of the Wheatbelt than the business of the organisation – that hasn’t been the reality for 2017/18. However, we did successfully wrap up the National Landcare Program 1. All of our projects met their contracts. We completed our [Three Year Plan 2015-18](#) with 70% of targets met, and we increased our associate membership. We started new partnerships, with the [CRC for High Performance soils](#), contracting the [Noongar Boodjar Rangers](#) to the Shire of Northam, joined Perth NRMs efforts in Regenerative Agriculture. We have a [new Three Year Plan](#) to present to you at the AGM and proposed new Rules of Association for your approval.

Thank you

Natarsha Woods
CEO
Wheatbelt NRM

“
Wheatbelt NRM is in a good position to adapt to this change.
”



Overview

Highlights

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Program Highlights of 2017–18

1336 community members actively improving the Wheatbelt environment through NRM activity

3400ha of native vegetation actively managed

330km of fencing to stop stock access

480ha of revegetation for conservation

400ha of waterways zone managed



428 people participated in sustainable agriculture activity

Ag Trials website launched

7 towns with improved community sustainability through our small grants

100 Rangers Days providing employment opportunities to work on country

4 sites of cultural significance managed

46 Elders stories shared with the community through the Mooditj Budjar website



Dashboard Update 2018

Click on the widgets to learn more



The number of farmers with worrying debt to income ratio has decreased

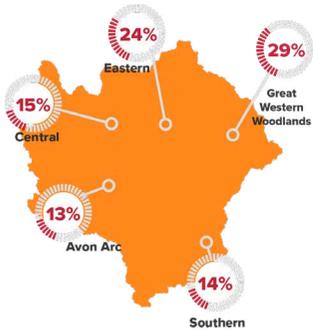
-0.28%
change since 2011

Wheatbelt Population Counter



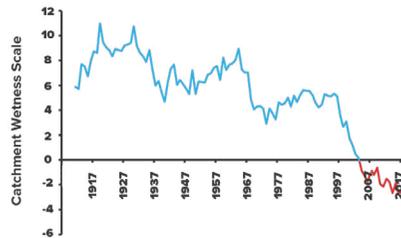
Avon Arc 22,791	Central 12,697	Eastern 2,755	Southern 5,157
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Our population is declining and aging, high school enrollments are decreasing, farm sizes are increasing and unemployment rates are high



The Great Western Woodlands are becoming more fragmented

Catchment Wetness Trend



Catchment wetness has been below the threshold since 2013



Soil samples with adequate soil organic carbon have decreased by 1% since 2009



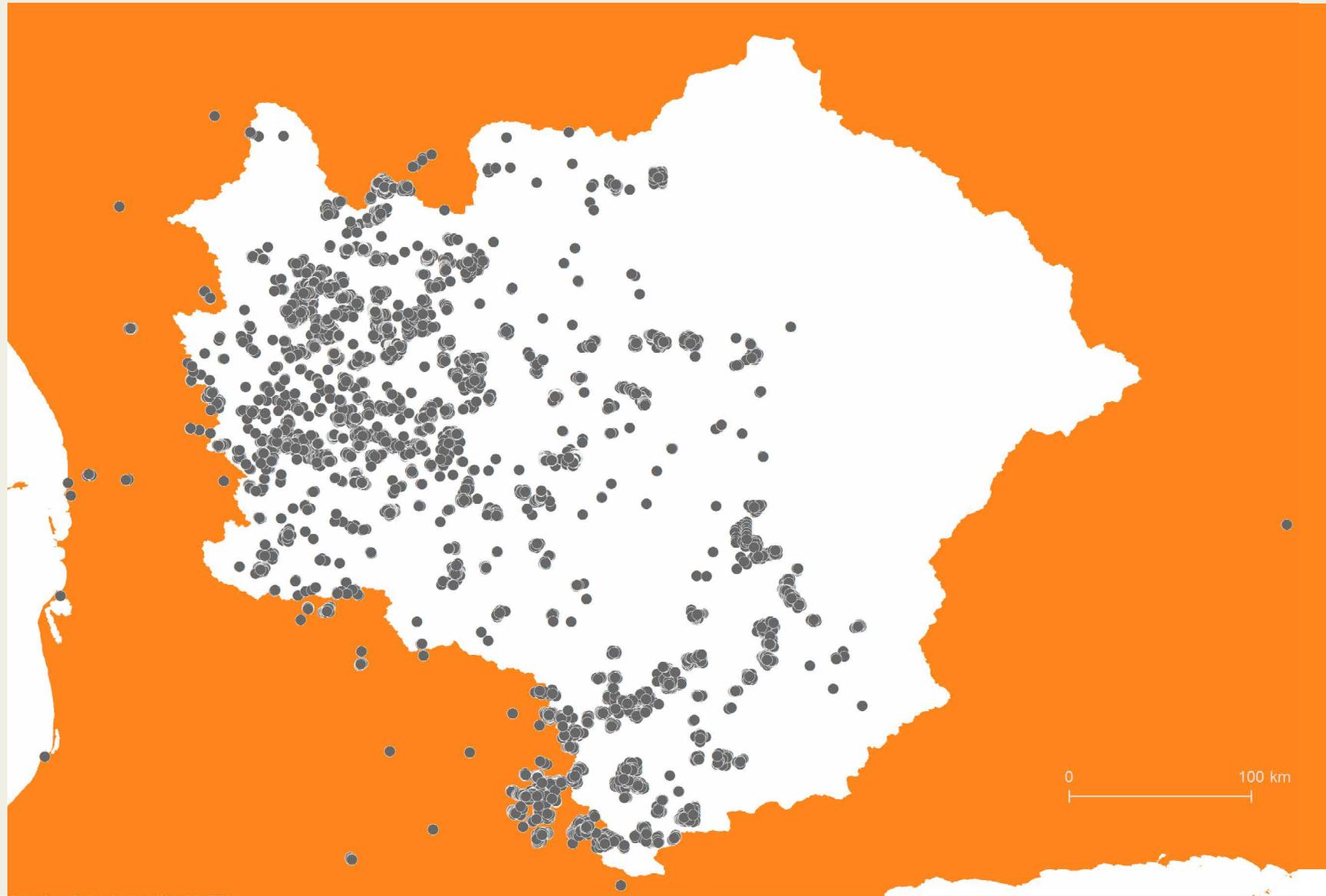
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Project Locations 2013–18





Risk Appetite Statement

As a community based not-for-profit organisation predominately using government funding, Wheatbelt NRM has a low tolerance for reputational risk. In alignment with the 'precautionary principal', Wheatbelt NRM has a high tolerance for strategic risk as it is acknowledged that the complexity and lack of knowledge about environmental management means strategic decisions must be made using the best available information.

The projects that Wheatbelt NRM take on will have a worthwhile and meaningful outcome while taking a level of considered risk. While there will be a high level of confidence in projects being successful, Wheatbelt NRM is willing to prematurely cancel a project if it is not going to yield appropriate outcomes.

Financial risk tolerances for the organisation vary according to the origin of the funding and its intended use. Wheatbelt NRM is conservative in financial management. It is of paramount importance that funding for business continuation be maintained.

The elevated importance of business continuity funding is due to the historical dependence on a limited number of funders. Business continuity funding requirements change with external funding round and are reviewed regularly. The use of government funds for project delivery has a low risk tolerance; the use of the organisation's fund for business development has a higher risk tolerance, in line with the intent of developing on-going revenue streams.

Wheatbelt NRM strives to reduce exposure to operational and strategic risks through continuous improvement management approaches. Wheatbelt NRM considers risk which may cause serious injury to staff or violate Australian laws to be unacceptable.



Annual Financial Statements 2017–2018

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Perennial Pastures in the Eastern Wheatbelt of Western Australia

Frank Varone shares his experience growing perennial legumes on heavy soils in the eastern Wheatbelt. His trial results are impressive.



Independent Audit Report



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WHEATBELT NATURAL RESOURCE MANAGEMENT INC.

Opinion

We have audited the financial report of Wheatbelt Natural Resource Management Incorporated (the “Association”), which comprises the statement of financial position as at 30 June 2018, the balance sheet, the profit and loss statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by directors.

In our opinion, the accompanying financial report of Wheatbelt Natural Resource Management Incorporated is in accordance with the *Associations Incorporation Act 2015 (WA)* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association’s financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for

Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association’s financial reporting responsibilities under the *Associations Incorporation Act 2015 (WA)* and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Board for the Financial Report

The Board of the Association is responsible for the



preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Associations Incorporation Act 2015 (WA)*, the *Australian Charities and Not-for-profits Commission Act 2012* and the needs of the members. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Leanne K Oliver CPA RCA
Director

BYFIELDS BUSINESS ADVISERS BELMONT WA

Dated at Northam, Western Australia this 20th September 2018



Statement by Directors

For the Year Ended 30 June 2018

The Board has determined that the accompanying financial report of Wheatbelt Natural Resource Management (Inc) has been prepared in accordance with the Associations Incorporations Act (WA) from proper accounts and records, to present fairly the financial transactions for the financial year ended 30 June 2018.

In the opinion of the Board, the financial report fairly presents the financial position and performance of Wheatbelt Natural Resource Management (Inc) as at 30 June 2018. 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, on behalf of the Board by:

Jim Sullivan
Chair, Board of Directors
Wheatbelt Natural Resource Management
20 September 2018

Natarsha Woods
Chief Executive Officer
Wheatbelt Natural Resource Management
20 September 2018



Balance Sheet

As at 30 June 2018

ASSETS	Note	2018 \$	2017 \$
Current Assets			
Current Assets		7,314,027	5,945,937
Non Current Assets		139,338	98,101
Total Assets	12	7,453,365	6,044,038
LIABILITIES			
Current Liabilities			
Credit Cards		3,578	1,363
Accounts Payable		291,798	26,672
GST Liabilities		(74,002)	(26,264)
Payroll Liabilities	14	217,996	208,107
Deposits Collected	15	1,773,000	1,129,499
Total Current Liabilities		2,212,370	1,339,377
Non-Current Liabilities			
Payroll Liabilities (LSL)	14	190,023	205,444
Total Non-Current Liabilities		190,023	205,444
Total Liabilities		2,402,393	1,544,821
Net Assets		5,050,972	4,499,217
EQUITY			
Retained Earnings	9	819,330	660,656
Consolidated Funds	10	4,231,642	3,838,560
Total Equity	16	5,050,972	4,499,217

The Statement of Financial Position should be read in conjunction with the accompanying notes

Profit and Loss

As at 30 June 2018

INCOME	Note	2018 \$	2017 \$
Grants Received		5,361,849	3,818,833
Other Income		345,718	333,395
Total Revenue	16	5,707,567	4,152,228
EXPENSES			
Board of Directors		72,860	70,253
Community Funding	17	890,749	945,162
Project contractors and events	17	1,351,073	525,787
Employment and Staff Development	18	2,422,093	2,193,653
Operating and Administration	19	417,828	331,608
Return of unused Grant Funding		1,209	0
Total Expenses		5,155,812	4,066,463
OPERATING POSITION			
Net Position	10	551,755	85,765

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



Cash Flow

As at 30 June 2018

ASSETS	Note	2018	2017
	x	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grant		5,879,492	3,417,488
Interest		214,508	144,311
Other		122,052	189,084
Employment Expenses		(2,427,976)	(2,250,935)
Payment to Suppliers		(2,363,764)	(1,862,962)
Net Cash Provided by (used in) Operating Activities	20	1,424,312	(363,014)
CASH FLOWS FROM INVESTING ACTIVITIES			
Asset Purchases		(65,380)	(71,138)
Net Cash Provided by (used in) Investing Activities		(65,380)	(71,138)
Net Increase/ (Decrease) in Cash Held			
		1,358,932	(434,152)
Cash at Beginning of Year		5,800,203	6,234,355
Cash at End of Year		7,159,135	5,800,203

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

Change in Equity

As at 30 June 2018

	Retained Earnings	Consolidated Funds	Total Equity
	\$	\$	\$
BALANCE AT 1 JULY 2017	660,656	3,838,560	4,499,217
CHANGES IN EQUITY FOR FY1718			
Surplus / Deficiency (-) from Operating	158,673	1,028,385	1,187,058
Payroll and Contingent Liabilities	-	(104,303)	(104,303)
Prepaid grant reinstated from Liability to Income	-	792,000	792,000
Accrual Grant Funds to Balance Sheet	-	(1,323,000)	(1,323,000)
Capital Assets	-		0
Net Change in Equity	158,673	393,082	551,755
Balance at 30 June 2018	819,329	4,231,642	5,050,972

The Statement of Change in Equity should be read in conjunction with the accompanying notes



Notes

As at 30 June 2018

Basis of Preparation and Significant Accounting Policies

Wheatbelt NRM's primary purpose as constituted is of a not-for-profit nature. Therefore Wheatbelt NRM is a not-for-profit entity under the Tax Assessment Act, and holds a number of tax concessions and endorsements. As such, Wheatbelt NRM is required to publish financial statements to its members.

Wheatbelt NRM is a not-for-profit organisation and its activities do not generate profit or losses for distribution to members. The committee has determined the Association not to be a reporting entity, therefore, this financial report is a special purpose financial report (SPFR), prepared for the use by Wheatbelt NRM to satisfy the requirements of the Wheatbelt NRM Constitution, the Associations Incorporations Act 2015 and Not-for-Profit Commissions Act 2012; material accounting policies adopted by Wheatbelt NRM in preparation of the annual SPFR are applied on a consistent basis, unless otherwise stated specifically in the financial statements.

The SPFR is prepared on an accrual basis and based on historical cost and does not take into consideration changing money values or, except where specifically stated, current valuations of non-current assets.

The financial report has been prepared in accordance with

the following Australian Accounting standard:

- AASB 101 Presentation of Financial Statements
- AASB 107 Statement of Cash Flows
- AASB 108 Accounting Policies, Change in Accounting Estimates and Errors
- AASB 1048 Interpretation of Standards
- AASB 1054 Australian Additional Disclosures

No other applicable accounting standards, Australian Interpretations or other authoritative pronouncements of the Australian Accounting Standards board have been applied.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

1. Assets and Liabilities

Assets will be recognised at fair value at a time when a resource from a past event from which future economic benefit is expected, and adequate provision is made for any permanent diminution in the value on non-current assets; carrying amounts of all non-current assets are reviewed at least annually to determine whether they are in excess of their recoverable amount and amended accordingly to present value.

Adequate provision will be made for allowances which may be given and for losses which may be sustained, in

connection with collection of accounts receivable and non-trade receivables; deficiencies and encumbrances attached to title of Wheatbelt NRM will be reflected in the SPFR; Contingent Asset will be recognised at a time when the asset realisation of income associated with it, is virtually certain; Liabilities which have arisen or which will arise out of the activities of Wheatbelt NRM will be recognised and included in the SPFR.

Material commitments for capital expenditure will be included in the notes to the SPFR; Contingent Liabilities including guarantees or assets including those arising under derivative financial instruments, will be recognised at a time when the liability is probable, and disclosed in the SPFR.

2. Capitalisation of Fixed Assets

The principles of accrual accounting includes the recommendation that the costs of Fixed Assets such as plant and equipment and certain structural improvements be written off over their useful lives.

As per terms of the constitution, on winding up all assets are to be passed over to a like organisation and in the case of leasehold improvements these will be abandoned when Wheatbelt NRM vacates its premises. As such it is the practice of Wheatbelt NRM to expense most capital expenditure assets excepting items based on policy deemed as recognised assets over \$5,000 with a useful life of more than 12 months.



3. Income

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 receivable.

4. Depreciation

Depreciation of a Recognised Asset is on a straight line basis over the asset's useful life, commencing from the time of acquisition. The assets' residual value and useful life are reviewed, and adjusted as appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

5. Cash and Cash Equivalent

Cash and cash equivalents include cash on hand, deposits held at call with banks, including short term highly liquid investments.

6. 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.

7. Cash Flows

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.

8. Employee Entitlements

The provision for employee benefits relates to the amount liable to be paid for the long service leave and annual leave resulting from the employees services provided to balance date. All entitlements are calculated at their nominal

amounts using remuneration rates and expected to be settled within one year.

9. Retained Earnings

Retained earnings represent income accumulated over time that is not specifically allocated to a project and can be used in the future for projects or initiatives at the organisation's discretion.

10. Consolidated Funds

Consolidated funds represent income accumulated over time, used to provide staffing, business support and governance for the delivery of NRM services. This funding maintains its nature and may be used to bridge times of funding shortage for organisational continuity. While used in line with the organisations objectives, these funds will be considered equity of the organisation and not a future liability.

11. Tax Concessions and Endorsements

Income Tax Exemption

Wheatbelt NRM is a not-for-profit organisation and thus exempt from income tax liability by virtue of the Income Tax Assessment Act 1997 (ITAA).

Tax Concession Charity

Under the Fringe Benefit Tax Assessment Act 1986, and the Taxation Administration Act 1953, tax concession charity endorsement has been granted to Wheatbelt NRM as a charitable institution. Wheatbelt NRM is a not-for-profit entity that operates for the public benefit to protect, preserve, care for, and educate the community about the environment and charities.

Payroll Tax Exemption

For the purpose of Payroll Tax Assessment Act 2002, and the Taxation Administration Act 2003, Wheatbelt NRM is granted exemption from payroll tax for the purpose of section 40 (2) (n) of the Act effective 2007 financial year.

Deductible Gift recipient / Register of Environmental Organisations

Wheatbelt Natural Resource Management Public Fund has received endorsement as a deductible gift recipient. Entry has been granted onto the Register of Environmental Organisations 27th April 2012. Under the Income Tax Assessment Act 1997 item 6.1.1 of subsection 30-55(a) Wheatbelt Natural Resource Management Public Fund is entitled to receive tax deductible donations.



The Details

12. Total Assets

	<u>2018</u> \$	<u>2017</u> \$
Cash at Bank	7,155,594	5,797,203
Public Fund	2,541	2,118
Petty Cash	1,000	882
Accounts Receivable	154,892	145,734
Deposits Paid	-	-
Total Current Assets	<u>7,314,027</u>	<u>5,945,937</u>
Furniture and Fixtures	38,240	21,079
Plant and Equipment	<u>101,098</u>	<u>77,022</u>
Total Non Current Assets	139,338	98,101
Total Assets	<u>7,453,365</u>	<u>6,044,038</u>

Substantial funds are held in trust on behalf of third party entities. These funds are established under contractual agreements for the delivery of NRM services. In these instances, balances may only be used for the purpose described in the contractual agreements and are not available to meet other Wheatbelt NRM liabilities or commitments.

13. Events After Balance Sheet Date

Subsequently the association has signed a five year contract with the Australian Government for the delivery of the Regional Lands Partnership amounting to \$2,398,021.

14. Total Payroll Liabilities

	<u>2018</u> \$	<u>2017</u> \$
Provision for Employment	387	0
Leave Provisions	352,890	348,580
PAYG Withholding Payable	58,779	57,442
Superannuation Payable	0	7,520
Novated Lease Clearing Account	-4,037	9
Total Payroll Payable	<u>408,019</u>	<u>413,551</u>

The provision for employee leave relates to the amount liable to be paid for the long service leave and annual leave resulting from the employees services provided to balance date.

*15. Total Deposits Collected*

	<u>2018</u>	<u>2017</u>
	\$	\$
Reimbursements from staff	0	351
Premises Provision	100,000	75,000
Prepaid Income	1,573,000	1,054,148
Funds held on behalf of Main Roads WA	100000	0
Total Deposits Collected	<u>1,773,000</u>	<u>1,129,499</u>

Grant funds are recognised as prepaid on the balance sheet under the matching principle and reported in the profit and loss in the period in which the related expense is incurred. Premises provision recognises a \$100k commitment which will arise in 2019 for premises upgrade. The provision is increasing to relevant amount as outcome becomes probable.

16. Total Income

	<u>2018</u>	<u>2017</u>
	\$	\$
CWTH Grants Received	4,399,140	3,608,400
SNRMO Grants Received	261,800	109,000
OTHER Grants Received	700,909	101,433
Grants Received	<u>5,361,849</u>	<u>3,818,833</u>
Miscellaneous Income	44,790	52,383
Interest Earned	214,508	144,311
Business Stream	86,420	136,702
Other Income	345,718	333,395
Total Revenue	<u>5,707,567</u>	<u>4,152,228</u>

17. Project Delivery

	<u>2018</u>	<u>2017</u>
	\$	\$
Agricultural Supplies	60,586	124,212
Community Funding	890,749	945,162
Contractors and Consultants	902,137	145,313
Events Marketing and Communications	388,350	256,262
Total	<u>2,241,822</u>	<u>1,470,949</u>

18. Employment Expenses and Staff Development

	<u>2018</u>	<u>2017</u>
	\$	\$
Wages and Salaries	2,173,598	1,947,973
Superannuation	201,824	184,579
Provision for Employment	4,303	25,963
Training/Uniforms/Other	42,367	35,138
Total	<u>2,422,092</u>	<u>2,193,653</u>

All provisions are calculated based on the capability of being measured reliably in respect of probable future economic settlement, appropriate consideration to current organisation provision values and workforce plan.



19. Operating and Administration

	<u>2018</u>	<u>2017</u>
	\$	\$
Depreciation Expense	24,143	8,737
Operating and Administration	393,685	322,871
Total	<u>417,828</u>	<u>331,608</u>

Depreciation of a Recognised Asset is on a straight line basis over the asset's useful life commencing from the time of acquisition.

20. Reconciliation of net cost of services to net cash flows provided by / (used in) operating activities

	<u>2018</u>	<u>2017</u>
	\$	\$
Net Cost of Service	551,756	85,765
Add Depreciation	24,143	8,737
(Increase)/ Decrease in Assets		
Trade Debtors	<u>(9,158)</u>	<u>(76,343)</u>
Increase (Decrease) in Liabilities		
Credit Cards	2,215	(2,297)
Other Liabilities	125,000	25,038
Payroll Liabilities	(5,884)	17,002
Trade Creditors	265,126	2,937
GST Payable	(47,738)	(98,854)
Pre Paid Income	518,852	(325,001)
Net cash provided by/(used in) operating activities	<u>1,424,312</u>	<u>(363,016)</u>

Financial Instruments

21. Financial Risk Management

Wheatbelt NRM financial instruments consist of deposits with banks, accounts receivable and payable. The Organisation does not have any derivative instruments at 30 June 2018.

Treasury Risk Management: There are no significant concentrations of treasury risk.

Financial Risk exposure and Management: Primary risk exposures are through financial instruments:

- **Interest rate risk:** Wheatbelt NRM is exposed to interest rate risk relating to cash balances held at variable rates. Wheatbelt NRM has no borrowings.
- **Liquidity risk:** Wheatbelt NRM manages liquidity risk by frequently monitoring forecast cash flows and finance plans to ensure that funds are available to meet its commitments overseen by audit committee.
- **Credit Risk:** Primary receivables are derived from both State and Commonwealth Government resulting in minimal risk of bad debt.

22. Capital Management

The CEO and the SFO oversee the management of capital. The process in place requires cash to be moved on an as needs basis. Funds surplus to operating are held in fixed cash investments monitored by Finance Committee. Under contractual arrangements, Wheatbelt NRM manage the funds of other entities. The cash position 30 June 2018 is \$46,665.54.

23. Contingent Liabilities

\$100,000 Held on behalf of Main Roads WA in relation to capital works defects period.

24. Leasing Commitments

	<u>2018</u>	<u>2017</u>
	\$	\$
Payable - minimum lease payments		
- not later than 12 months	80,279	88,188
- between 12 months and 5 years	255,789	177,000
	<u>336,068</u>	<u>265,188</u>



Overview

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Committed operating leases of vehicle, equipment and premises contracted for, but not capitalised in the financial statements.

End of notes



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natural resource
management

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This annual report is an interactive publication which features videos and easy to navigate links so that you can explore our year's achievements.

