



**wheatbelt**  
natural resource  
management



# Wheatbelt NRM | Annual Report 2019–20



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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natural resource  
management



## Who we are

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ABN 61 661 518 664

Written and designed by Wheatbelt NRM.

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

We are an independent, community-based organisation that provides leadership in the management of natural resources of the Avon River Basin of WA.

We aim for the sustainable use and enjoyment of the unique natural resources of the Wheatbelt.

Our vision of a vibrant Wheatbelt community creating healthy environments and livelihoods is driven by our commitment to developing a legacy of community action.

We do that by building partnerships with industry, government and community. We coordinate improvements in our environmental, social, cultural and industrial practices and we enable our community to take positive action beneficial to our natural resources.

We are committed to our objective of healthy soils, healthy environments, an activated community and an aboriginal community that is connected to country.

The Wheatbelt NRM succinct strategy statement for 2018–21 is: **Deliver a program of works designed to get the community of the Wheatbelt active in improving their environment, now and into the future.**

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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## Restoring our unique natural environment

In 2016, John and Madeline Hayles from Dukin near Koorda started working with Wheatbelt NRM to protect and restore the natural environment on their property. By fencing off patches of bush to stop stock access and carrying out infill revegetation to restore some damaged areas, the Hayles have taken action to protect our unique Wheatbelt. They also took action to control feral pest animals including cats, foxes and rabbits.

In 2020, we went back to see how things were going and to hear about the changes they have seen.



## Debra Rule Chairperson

2020 is a year Wheatbelt Natural Resource Management (NRM) Inc will never forget. It has definitely highlighted our ability as a business to pivot quickly and our Board and Staff's ability to work swiftly to ensure the health of everyone is protected.

The Board spent the first half of the year concentrating on bedding down the new roles of Treasurer and Secretary and reviewing our sub-committee structure.

We held a very successful [Talking Soil Health Conference in York](#) in early March. Highlights of the Conference were the field trip to one of our soil champions Nick Kelly's property in Newdegate to explore mixed plantings and the fodder planning workshop run by Phil Barrett-Lennard. A number of Directors attended the National Conference in Albury Wodonga and experienced first-hand the effect of bushfires on the air quality and climate. Our very successful annual community led [Red Card program resulted in a cheque to Rural Men's Health](#) but the event of the year for me was a meeting at [Brockman Pool between our Noongar Boodjar Rangers and Minister MacTiernan](#) for a

short session of storytelling highlighting this very special place on the Avon River.

In late March COVID-19 restrictions were imposed and regional borders were established. We fired up our Disaster Management Committee, approved our COVID-19 Plan and we all got used to meeting online. Our fabulous staff moved very quickly to work from home and some of our on-ground work was delayed, but work schedules were re-jigged and everyone was kept employed. Our major client the Federal government provided us with confidence that we would not be disadvantaged by any delays in completing projects caused by the COVID-19 restrictions and the State government provided some COVID-19 stimulus support.

Thank you to the amazing Wheatbelt NRM staff for their resilience, flexibility and ability to just make it work no matter what kind of obstacle was put in their way.

In June, we farewelled Natarsha Woods. As CEO Natarsha led the organisation through the changes from Caring for Our Country to the Regional Lands Partnership and the development of the NRM



dashboard. On behalf of us all, I thank Natarsha for her unwavering commitment to protecting the Wheatbelt's natural resources. We wish Natarsha the very best.

We welcomed Karl O'Callaghan as our new CEO. Karl brings a passion for the Wheatbelt and a depth of knowledge and experience. We look forward to the difference Karl will make to our business and the connections we will form with a wide range of stakeholders and potential partners. Welcome Karl.

Murray McGregor our Independent Chair of the Nominations Committee retired in November. Thank you, Murray for your service to Wheatbelt NRM and your valued advice and counsel.

Bruce Storer retires as a Director and I thank him for the unique skills he has contributed to the Board. I have really enjoyed Bruce's enthusiasm, commitment, knowledge and passion for the Wheatbelt. Thanks Bruce.

Finally, thank you to Peter McConnell our Independent Chair of the Audit Committee and

to my fellow Director's I am enormously privileged to work with such an engaged and committed group and I thank you for your courage and support. It's a terrific group with a diverse set of skills and experience.

To the Wheatbelt community, our members and our associate members thank you for engaging with us and sharing our passion for the Wheatbelt.

It's a very exciting time as Wheatbelt NRM seeks to increase our community engagement, diversify and commercialise some of our business activities and join with new and existing partners to make the Wheatbelt a great place to visit, live and work.

**Debra Rule**  
Chairperson  
Wheatbelt NRM

“

**It has definitely highlighted our ability as a business to pivot quickly and our Board and Staff's ability to work swiftly to ensure the health of everyone is protected.**

”



# Karl O'Callaghan Chief Executive Officer

As a newly appointed CEO of Wheatbelt NRM, I am excited to have been afforded the privilege of leading such a well-respected organisation. Wheatbelt NRM is an independent community-based organisation that provides leadership in the management of natural resources of the Avon River Basin of WA. In the short time that I have been with the organisation I have been impressed by the level of dedication to the Wheatbelt community by our staff. Our people demonstrate a strong passion for enhancing the unique natural resources of the Wheatbelt, promoting sustainable use and enjoyment of our environment.

Despite the achievements of the organisation there are many challenges in the road ahead. Changes in Government natural resource management objectives and funding means we must diversify our business model to ensure continuity. Many people have asked me why I would choose a position in the Wheatbelt. The truth is that the opportunity to influence and secure the continuity of the work of Wheatbelt NRM is enormously important to me. In my previous work I have always had a passion for

vibrant sustainable community and I think I can bring that passion to the Wheatbelt. As a former resident of Northam, it is good to be back.

Wheatbelt NRM has the foundations to grow and adapt to the new challenges. A strong and committed Board, a passionate and well qualified workforce, and a credibility in service delivery are all necessary parts of the equation. We have them all.

I look forward to working with and for our Wheatbelt community.

**Karl O'Callaghan**  
CEO  
Wheatbelt NRM



**Our Vision**

A vibrant Wheatbelt community creating healthy environments and livelihoods.

**Community action is key**

To achieve [our Vision](#), Wheatbelt NRM has focused on an overarching strategy to create a program of work that gets the community of the Wheatbelt active in improving their environment, now and into the future.

We know that size of the catchment and the degree to which the landscape has been altered is so large, that positive, system-wide, environmental impact will only be achieved by enabling the resources of the wider community.

The work we do is structured to grow community knowledge and confidence so that action will continue.

But does it work? Do we create a legacy of community action?

This year we undertook an independent evaluation to investigate the outcomes of past projects and the impact they have on the community as well as the extent of ongoing environmental action.

**What did we find?**

- Community participants reported seeing the benefits to the environment as the biggest impact of their work
- Their projects were deemed successful. Community expectations were met and often exceeded.
- 90% of community members interviewed indicated that they have continued with some form of NRM activity
- Community members valued the relationship with Wheatbelt NRM

***“We fenced some natural bushland to keep the stock out – to let it do its natural thing. We did it because we wanted to do it and it benefits our farm. We have a wind break for sheep, we have trees to hold the soil together, and we don’t have to get the stock out of the bush.”***

It’s reassuring to know that our strategy is working and helping us deliver the organisation’s Vision. This year we continued to put the community in the middle of all we did.

**Highlights**

While COVID-19 has impacted our ability to get out and about with community we have been able to achieve some great outcomes this year.

# Annual Highlights

## Achieving Outcomes



[The Living Lakes project](#), is working with the communities of Lake Yealering and Lake Ewlyamartup (Katanning) has reached its final phase with the engineering works completed. These works will keep more water in the lakes, [improving water quality and allowing these recreational waters to be used for longer into the summer](#).

In March we hosted the [Talkin' Soil Health Conference](#) in York. This is the biggest soil health event in regional WA and attendees heard from professionals, researchers and farmers, all doing their bit to improve soil health, protect the resource base and build resilience in the face of a changing climate.

Highlights included [seeing regenerative practices in action at Newdegate](#), a [farm planning workshop sharing ideas on how to maximise ground cover over the summer period](#) and the presentation of the [WA Soil Health Champions awards](#).

Our Noongar Budjar Rangers built new partnerships that expanded their work across the region. They secured a [3 year contract with the Shire of Northam](#) as well as [helping the gold mine at Westonia](#) and the [Carbon Neutral Charitable Fund to carry out revegetation activities](#).

The team worked with Greening Australia to develop skills in collecting native seed for revegetation purposes.

In the Healthy Environment area we commenced new work aiming to [improve breeding success for our black cockatoos](#). We will [work directly with Birdlife Australia on this one](#).

Citizen science is identifying the information we need to protect unique Wheatbelt assets such as the [Malleefowl](#) and the [Eucalypt Woodlands of the Wheatbelt](#).

A highlight was the students of Quairading DHS sharing their knowledge of the elusive [Matchstick Banksia](#) through the development of an [enviro story book](#). It is thought that only 500-odd plants of this threatened species remain in the wild.

[Our online surveys](#) allow community to easily participate in conservation action and builds our knowledge base. The community has jumped at this opportunity and already we have over 100 community reports of black cockatoos in the region.

We continued to build our community base with [2000 Associate Members](#) joining us and our social media followings on [Facebook](#) and [Twitter](#) growing to over 3000.

In 2020/21 we are planning a recovery from COVID-19 and the growth of our community partnerships:

[Farm plans developed to maximise groundcover](#) will be implemented and will assist to fill the summer feed gap. Landowners will [protect patches of threatened eucalypt woodland through fencing and pest control efforts](#), while revegetation will secure the feed sources [Carnaby's Black-Cockatoos need to successfully raise their chicks](#). The [Noongar Budjar Rangers will grow opportunities to develop a seed collection enterprise](#) and our Elders Advisory Group will assist Wheatbelt NRM in developing a Reconciliation Action Plan.

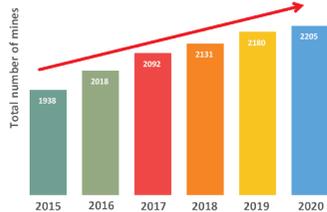
We will also be asking the community to help us review the Regional NRM Strategy for the Avon River Basin. We want to know what you think our Wheatbelt environment needs to be resilient, vibrant and productive.

Thank you to our Wheatbelt community who continue to share with us their love and commitment to our unique environment. We are endlessly amazed and inspired by your enthusiasm **and hard work**.



# Dashboard Update 2020

Click on the widgets to learn more



The number of mines in the region continues to grow, particularly in the Great Western Woodlands .



Wheatbelt farmers continue to maintain healthy debt: income ratios despite well below average rainfall last year.



**4,574,957 seedlings sold 2020**  
878,257 increase on last year  
**267 ha of revegetation**  
36 ha decrease from last year



Seedlings numbers sold are up while the area of major revegetation projects are down, potentially reflecting an increase in private investment in revegetation.

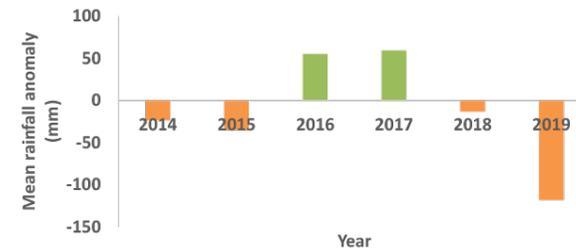
Area of land under clearing permits in 2020



**72 ha**

Decrease of 173 ha from last year

Revegetation exceeded clearing in 2020!



Annual rainfall had an average deficit of over 100 mm across the region. The dry season was disastrous for many revegetation projects.



## 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 on 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 rounds and are reviewed regularly. The use of government funds for project delivery has a low risk tolerance; the use of the organisation's funds 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 2019–2020

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## Protecting Pristine Bushland and Fostering Symbiotic Relationships

In 2015, Ron and Laura from Moorine Rock started working with Wheatbelt NRM to protect the bushland on their property.

Two areas were fenced to prevent the stock getting in and it is providing a soft release area for kangaroos rehabilitated through Laura’s Parnana Pikurtu Wildlife Sanctuary.

In 2020, we revisited Ron and Laura to follow up.



## 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 2020, 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 2020 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

**AUDIT PARTNERS AUSTRALIA BELMONT WA**

Dated at Northam, Western Australia this 24  
September 2020



## Statement by Directors

### For the Year Ended 30 June 2020

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 2015* and the *Australian Charities and Not-for-Profits Commission Act 2012* from proper accounts and records, to present fairly the financial transactions for the financial year ended 30 June 2020.

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 2020. 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:

Debra Rule  
Chair, Board of Directors  
**Wheatbelt Natural Resource Management**  
**17 September 2020**

Karl O'Callaghan  
Chief Executive Officer  
**Wheatbelt Natural Resource Management**  
**17 September 2020**



## Balance Sheet

As at 30 June 2020

ASSETS	Note	2020 \$	2019 \$
<b>Current Assets</b>			
Current Assets		7,338,326	6,183,212
Non Current Assets		89,418	112,951
<b>Total Assets</b>	<b>11</b>	<b>7,427,744</b>	<b>6,296,163</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Credit Cards		3,756	1,187
Accounts Payable		38,992	16,093
GST Liabilities		125,297	(14,388)
Payroll Liabilities	13	362,896	416,905
Deposits Collected	14	1,679,173	836,810
<b>Total Current Liabilities</b>		<b>2,210,114</b>	<b>1,256,607</b>
<b>Non-Current Liabilities</b>			
Payroll Liabilities (LSL)	13	7,383	11,043
<b>Total Non-Current Liabilities</b>		<b>7,383</b>	<b>11,043</b>
<b>Total Liabilities</b>		<b>2,217,497</b>	<b>1,267,650</b>
<b>Net Assets</b>		<b>5,210,248</b>	<b>5,028,513</b>
<b>EQUITY</b>			
Retained Earnings	9	5,210,247	5,028,513
<b>Total Equity</b>		<b>5,210,248</b>	<b>5,028,513</b>

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

## Profit and Loss

As at 30 June 2020

INCOME	Note	2020 \$	2019 \$
Grants Received		2,966,319	3,629,622
Other Income		438,684	267,136
<b>Total Revenue</b>	<b>15</b>	<b>3,405,003</b>	<b>3,896,758</b>
<b>EXPENSES</b>			
Board of Directors		66,299	69,501
Community Funding	16	325,099	22,873
Project contractors and events	16	801,296	1,822,720
Employment and Staff Development	17	1,769,027	1,735,289
Operating and Administration	18	233,892	265,704
Return of unused Grant Funding		27,655	3,130
<b>Total Expenses</b>		<b>3,223,268</b>	<b>3,919,217</b>
<b>OPERATING POSITION</b>			
<b>Net Position</b>	<b>10</b>	<b>181,735</b>	<b>(22,459)</b>

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



## Cash Flow

As at 30 June 2020

ASSETS	Note	2020	2019
	x	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Grant		3,065,123	2,825,465
Interest		114,744	115,496
Other		286,436	161,978
Employment Expenses		(1,826,696)	(1,715,360)
Payment to Suppliers		(1,558,099)	(2,746,511)
<b>Net Cash Provided by (used in) Operating Activities</b>	19	<b>81,508</b>	<b>(1,358,932)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Asset Purchases		-	-
<b>Net Cash Provided by (used in) Investing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase/ (Decrease) in Cash Held</b>			
		81,508	(1,358,932)
Cash at Beginning of Year		5,800,203	7,159,135
<b>Cash at End of Year</b>		<b>5,881,711</b>	<b>5,800,203</b>

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

## Change in Equity

As at 30 June 2020

	2020	2019
	\$	\$
<b>Balance at 1st July</b>	<b>5,028,513</b>	<b>5,050,972</b>
<b>Changes in Equity for the Year</b>		
Surplus / Deficiency (-) from Operating	181,735	-22,459
<b>Net Change in Equity</b>	<b>181,735</b>	<b>-22,459</b>
<b>Balance at 30th June</b>	<b>5,210,248</b>	<b>5,028,513</b>

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



## Notes

### As at 30 June 2020

#### 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 the *Australian Charities and Not-for-Profits Commission 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 accounting policy adopted below relating to Income and Employee entitlements are not entirely consistent with the Australian Accounting Standards (AAS) Hence, the financial statements overall do not comply with the recognition and measurement requirements of some of the AAS. The organisation is yet to assess the AAS, which the financial statements do not comply.

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 employee 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

#### 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.

*11. Total Assets*

	<u>2020</u>	<u>2019</u>
	\$	\$
Cash at Bank	5,878,066	5,797,217
Public Fund	2,932	2,555
Petty Cash	712	431
Accounts Receivable	1,454,051	356,326
Sundry Debtors	2,565	26,683
Total Current Assets	<u>7,338,326</u>	<u>6,183,212</u>
Furniture and Fixtures	11,274	23,330
Plant and Equipment	78,144	89,621
Total Non-Current Assets	<u>89,418</u>	<u>112,951</u>
Total Assets	<u>7,427,744</u>	<u>6,296,163</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.

*12. Events After Balance Sheet Date*

The board is not aware of any significant events since the end of the reporting period.

*13. Total Payroll Liabilities*

	<u>2020</u>	<u>2019</u>
	\$	\$
Fringe Benefit Tax / Payroll Payable	18,836	1,362
Leave Provisions	279,166	325,494
PAYG Withholding Payable	59,704	105,010
Novated Lease Clearing Account	-406	-3,918
Total Payroll Payable	<u>370,279</u>	<u>427,948</u>

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

*14. Total Deposits Collected*

	<u>2020</u>	<u>2019</u>
	\$	\$
Premises Provision	100,000	100,000
Prepaid Income	1,579,173	635,283
Funds held on behalf of Main Roads WA	0	100,000
Other Liabilities	0	1,527
Total Payroll Payable	<u>1,679,173</u>	<u>836,810</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 for premises upgrade.

*15. Total Income*

	<u>2020</u>	<u>2019</u>
	\$	\$
CWTH Grants Received	1,886,474	1,754,649
State Grants Received	1,079,845	1,822,069
Other Grants Received	0	52,904
Grants Received	<u>2,966,319</u>	<u>3,629,622</u>
Miscellaneous Income	116,206	15,449
Interest Earned	90,626	142,180
Business Stream	131,851	109,507
Reversal of Contingency	100,000	0
Other Income	438,684	267,136
Total Revenue	<u>3,405,003</u>	<u>3,896,758</u>

*16. Project Delivery*

	<u>2020</u>	<u>2019</u>
	\$	\$
Agricultural Supplies	97,368	55,619
Community Grant Funding	325,099	22,873
Contractors and Consultants	532,627	1,661,760
Events Marketing and Communications	171,301	105,341
Total	<u>1,126,395</u>	<u>1,845,593</u>

*17. Employment Expenses and Staff Development*

	<u>2020</u>	<u>2019</u>
	\$	\$
Wages and Salaries	1,626,465	1,553,780
Superannuation	147,193	145,038
Provision for Employment	-43,822	16,520
Training/Uniforms/Other	39,192	19,951
Total	<u>1,769,027</u>	<u>1,735,289</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.

*18. Operating and Administration*

	<u>2020</u>	<u>2019</u>
	\$	\$
Depreciation Expense	23,533	26,387
Operating and Administration	210,359	239,317
Total	<u>233,892</u>	<u>265,704</u>

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



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

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>Net Cost of Service</b>	181,735	(22,459)
Add Depreciation	23,533	26,387
Less Reversal of Contingency	(100,000)	0
<b>(Increase)/ Decrease in Assets</b>		
Trade Debtors	(1,097,725)	(201,434)
Sundry Debtors	24,118	(26,683)
<b>Increase (Decrease) in Liabilities</b>		
Credit Cards	2,569	(2,391)
Other Liabilities	(1,527)	1,527
Payroll Liabilities	(57,669)	19,929
Trade Creditors	22,899	(275,705)
GST Payable	139,685	59,614
Pre-Paid Income	943,890	(937,717)
Net cash provided by/(used in) operating activities	<u>81,508</u>	<u>(1,358,932)</u>

## Financial Instruments

### 20. 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 2020.

**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.

### 21. Capital Management

The CEO and the Project Manager - Finance 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 2020 is \$82.89 (30 June 2019: \$30,054.70).

### 22. Contingent Liabilities

\$100,000 held on behalf of Main Roads WA in relation to capital works defects period has been discharged.



23. Leasing Commitments

	2020	2019
	\$	\$
Payable - minimum lease payments		
- not later than 12 months	48,925	69,029
- between 12 months and 5 years	55,726	137,903
	<u>104,651</u>	<u>206,932</u>

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

End of Notes.



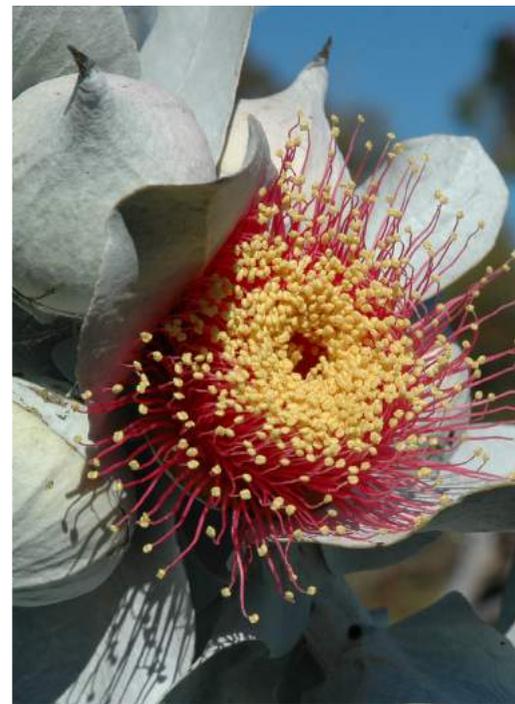
wheatbelt  
natural resource  
management

Supporting our  
Wheatbelt community to  
create a

**vibrant**

**productive**

**landscape**



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