

Wheatbelt Natural Resource Management Inc.

Annual Report

2010 - 2011



wheatbelt
natural resource
management



CARING
FOR
OUR
COUNTRY



Hayley Blakiston and Natarsha Woods tree planting in York

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WHEATBELT NRM ANNUAL REPORT 2010/2011



Acacia lasiocalyx
Silver Wattle

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Chairperson's Report

Wheatbelt NRM continues to shine; this year with another major success at the prestigious State Regional Achievement Awards.

Wheatbelt NRM won the Landcorp Sustainability award with our partners, and were overall winners of the Regional Achievement and Community Award.

Of course, we recognise that it is not all about winning (but it sure feels good!) – it's about achievement. This one is extra special as it highlighted our work in regional partnerships and with our community, something we've worked hard on.

The Shire of Brookton won the Water Corporations Water Conservation award for work we had been able to help fund!

Our membership continues to grow with over 50 community groups and nearly 300 individual associate members.

This year has been about working smarter in all aspects of our business. Our strong governance and good policies support a new Business development culture. We're managing our own finances and strengthened our internal processes. The NRM Regional Leaders Group strengthened relationships across the 6 WA regions, at the operational and state level. This year I chaired the group and we met with Ministers, jointly funded an Executive Officer, represented WA on the National Working Group and collaborated on a joint funding application for Royalties for Regions.

We've provided strong input to the Caring for Country's mid-term review and worked collectively with other organisations at higher levels. Nationally we've supported

Carbon initiatives and Benchmarking for Nature with the Wentworth group of concerned scientists.

I must acknowledge our fantastic and professional operational team. Everyone has contributed throughout the year and there are some new faces that have taken over from the more familiar.

A special mention to our Sustainable Communities Communications Team. Those of us who have been involved long-term know Governments find it difficult to invest in capacity and community, but that it is the key to all long-term change especially environmental. It has been a credit to Wheatbelt NRM that we continue to deliver on-ground by engaging and empowering our community. Thank you all.

This year we farewelled our Chief Executive Officer Peter Sullivan who began with the Avon Catchment Council and helped us become Wheatbelt NRM. Peter oversaw the change of the Board's direction to Strategic and operational planning, strong governance, business and project management and redevelopment of community focus. Our new Chief Executive Officer will build on our excellent record of delivering on-ground project work and develop new business based on our key strengths to enable us to achieve our strategic objectives.

I thank all the continuing directors for their commitment and support as we welcome a new director who will provide our board with different skills and knowledge. It has been an honour and privilege to be the Chair of this great organisation for the past three years. I finish my term with a sense of achievement having taken Wheatbelt NRM to a member-based organisation with a skills based community board that works with and for



Participants at the Wheatbelt NRM resilience training

“Our strong governance and good policies support a new Business development culture”



Glenice Batchelor

its communities. I have enjoyed the challenges and opportunity to represent at regional, state and national level. By continuing to work with other NRM regions and organisations like Regional Development Australia and the Wheatbelt Development Commission we can expand our thinking and allow the region to determine its own destiny. We can lead by example in achieving this; we already work across regional boundaries, see the big picture and know nothing can be viewed in isolation.

Wheatbelt NRM is in a very strong position; it is now a truly independent, well respected community-based organisation with a professional and highly skilled board and staff and the opportunity to be anything it needs to be.

Our excellent governance and diverse program of existing projects has funding confirmed until 2013. We have a new culture and thinking on business development that is already delivering new funding options such as Waterways and Salinity management that will address outstanding strategic goals. The next

priority is our Regional Strategy, one based on resiliency that values community and ongoing collaborations and partnerships. It must provide a positive and sustainable framework for our environment and link in with regional planning.

A final challenge to partners, directors, member groups and individual associates and staff - please remain passionate, committed and most of all involved.

Make sure Wheatbelt NRM builds on its considerable achievements to ensure great things keep happening in our precious and unique communities and landscapes.

Remember we are all in this together and continue to work with each other, at all levels and in all places. I thank you and wish you all the best.

Glenice Batchelor
Chairperson

Chris Curnow, The Hon Mia Davies MLC, Paul Rosair, Glenice Batchelor, Elizabeth Kington, Rod Garlett and Anne Smith at the 2010 Regional Achievement Awards.



Chief Executive Officer

The 2010 -11 year has been a year of consolidation on multiple fronts – strengthening our grass roots community connection, enhancing the work environment with solid policy development and strong achievement in the delivery of projects in the second year of the Caring For Our Country program.

We achieved a 281% increase in the number of associates of Wheatbelt NRM from 96 in 09/10 to 270. Anyone who is interested in NRM in the Wheatbelt can sign up to be an Associate; these people are our first port-of-call for funding announcements, community consultation and knowledge sharing. The Board had set a target of a 20% increase, staff took the initiative to develop community focused work and the results speak for themselves. This success can be attributed across the team:

- Use of the “Farm Practice Model” by the Sustainable Agriculture Team to trial farmer driven technology
- Providing training to support the communities burgeoning interest in camera trapping by the Biodiversity team
- The ever increasing value provided by our web site and Enews managed by our Sustainable Communities team
- And boutique projects like the “Recognising Women Farmers – Birchip Tour”.

Alongside this project work the Sustainable Communities team ran our “Low Key Local” community engagement strategy where they visited ## local events throughout

Wheatbelt. These events weren’t just NRM focused but rather the local events that are important to communities. This provided us vital information on the communities’ environmental priorities.

In the workplace we had a year of policy development and training. While the organisation has been incorporated for 12 years we have had much of our internal support supplied by the Department of Agriculture and Food WA. In 2011 we established independent finance, human resources systems and information technology systems. Policy development and training was also required to strengthen our skills based Board. Our Chair and CEO undertook Australian Institute of Company Directors (AICD) training, and the Board was evaluated by the AICD. This has led to important improvements in Governance.

There has been considerable preparation work during 2010/11 for registering the organisation as a deductible gift recipient and establishing the “Wheatbelt NRM Public Fund”. The documentation is waiting ministerial sign off and then the structure to manage the fund will be established internally

Staff have been successfully delivering projects - \$4,450,222 of Caring for Our Country work and \$714,675 of State funding projects – all delivering on-ground environmental outcomes and all delivered in partnership with the Wheatbelt community. A testament to the quality of project delivery is the Biodiversity program winning the 2010 Landcorp Sustainability award and the overall Regional Achievement award for 2010.

Wheatbelt NRM and Department of Water staff tree planting near York



“...enhancing the work environment with solid policy development and strong achievement in the delivery of projects in the second year of the Caring for Our Country program.”



Peter Sullivan



Natarsha Woods

Alongside project delivery staff worked on revenue development. Applications were submitted for based level CFOC, competitive CFOC, competitive State NRM funding, Lotterywest, Royalties for Regions and more. Looking to the future we have participated in the CFOC review to help shape CFOC2 and have been keeping a keen eye on the developing carbon opportunities. Wheatbelt NRM has been taking stock of its core skills and seizing on opportunities to offer services to stakeholders, while project management and environmental work are 'what we do', we have been able to contract our workshop coordination and desk-top publishing skills.

2010/11 was a difficult season for our community, the low growing season rainfall was unprecedented, and while we enjoy the hope provided by this year's rainfall it is a good time take stock. In 2010/11 we still achieved a 70% survival rate with the seedlings planting, and likewise I heard famers talking about the crops they did get. In past low rainfall years there has been no crop. I put this down

to technology improvements (like no-till), constant learning about this environment and crop (and farming practice) diversification. Wheatbelt NRM is a community organisation whose vision is: to be the leading NRM organisation in the Wheatbelt working with communities to create healthy environments and livelihoods.

With 2010/11 being such a trying year I can only hope our efforts have helped.

Natarsha Woods
On behalf of Peter Sullivan
Acting Chief Executive Officer



Healthy Bushland

Protecting Wheatbelt Bush for Future Generations

In 2010/11 the Wheatbelt NRM Biodiversity program developed a clear communications plan with key messages that we would share with the Wheatbelt community. As part of this planning a 'brand name' was developed for the program so that the community would recognize the work as being part of the Wheatbelt NRM biodiversity program no matter what the particular details of the funding source or the priorities of the program. This brand name is "Healthy Bushland" and our key message is that we aim to "Protect Wheatbelt Bush for Future Generations".

With less than 5% of the Wheatbelt bush land protected in reserves the remaining remnant vegetation is often located on private land. Healthy Bushland aims to assist land holders to protect remnant vegetation on farms and non government land.

In 2010/11 we had several different projects with different objectives but all with the aim of protecting remnant bush land.



Rex and Wendy Kennedy

Protected Areas – Private Lands Project

Through the Caring for Our Country competitive program Wheatbelt NRM gained funding to implement a project in the Avon Wheatbelt Bioregion aiming at increasing the area of remnant vegetation that is protected through conservation covenants and the National Reserve System.

Conservation covenants are a voluntary agreement between a landholder and a covenant provider to help the landholder to protect and manage the environment on their property.

The National Reserve System is a nation network of protected areas that aims to protect Australia's distinct landscapes, plants and animals. It not only includes National Parks but privately owned land under a conservation covenant.

Through this project landholders with important patches of remnant vegetation were supported to place a conservation covenant on their property, thus guaranteeing its future protection. Financial assistance was available for activities such as fencing and revegetation.

In 2010/2011 project agreements were signed with six land holders to protect 2962ha of priority remnant vegetation.

Healthy Bushland

The Healthy Bushland project was funded through the Caring for Our Country base level allocation. The project was managed by Wheatbelt NRM with WWF Australia and Greening Australia contracted to provide project staff. The management of this project was something new for Wheatbelt NRM with three organisations providing staff who all worked together as one team to deliver project outcomes. This arrangement has worked extremely well and is likely to become a blue print for future biodiversity programs.

The primary aim of Healthy Bushland was to deliver conservation covenants and was delivered in conjunction with the Protected Areas – Private Lands project. The objective was to negotiate conservation covenants that were eligible for inclusion in the National Reserve System.

This project provided financial support and funding for management activities to land holders who committed to this long term conservation mechanism. Through this project six projects have been contracted which will protect over 1500ha of significant Wheatbelt remnant bush for the future.

An important part of the project is community awareness raising and knowledge building. Through workshops, media and other promotions we aim to improve the knowledge of the Wheatbelt community on just how special the biodiversity of this region is and how everyone can have a role in protecting it.

Over the last 12 months we have discovered the value of motion triggered cameras as a community engagement tool. These cameras have a motion sensor and use either video or still photography to record the goings on of the native animals of the region. These cameras are set up in the bush land and help us to find out what actually goes on in the bush when no one's there.



“In 2010/2011 project agreements were signed with six land holders to protect 2962ha of priority remnant vegetation.”



Rebecca Palumbo



Nathan Heal



Mick Davis

The project has purchased 6 of these cameras that we use to engage the landholder by setting it up on their property so that they can see how important the bush land is as a haven for the unique animals of the region. Whether it is the antics of the echidnas or the discovery of threatened fauna such as malleefowl the footage never ceases to excite and engage the land holder and in many cases raises the value of the bush in the eyes of the land holder.

In October a two day workshop was held and 25 landholders joined in learning about how to use these cameras in their own patches of bush and in early 2011 the project supported a similar workshop held by the Muckinbudin community.

A 20 minute DVD of camera trap footage was produced as a community engagement tool and has been used at numerous events such as the Dowerin Field Days.

Bushcare Grants

In 2010 we developed an open grants program that aimed to attract new project participants that we did not have an existing relationship with. Most of the Healthy Bushland project relied on actively targeting land holders with significant high quality patches of bush and land holders not targeted did not have an opportunity to participate. By introducing an open call process those land holders who were not already involved in Healthy Bushland had an opportunity to seek funding for their own conservation projects.

When the applications closed in February 2011 we had received 50 applications with a value of \$480,000. Following the assessment process 23 projects were approved to receive funding with a value of \$220,000. Works funded included fencing of patches of bush, revegetation and weed control projects. These projects are planned to be completed in 2012.

Red Card

Following a successful grant application to the 2010 State NRM program the State Wide Red Card for Rabbits and Foxes project was managed by Wheatbelt NRM. This program aims to encourage a coordinated

community feral animal control program. Local communities band together to undertake fox and rabbit control in the autumn season. In the autumn of 2011 over 35 groups and 750 people participated in fox shoots and 500 people participated in the baiting program laying over 18,000 fox baits and 3500km of poisoned oat trails for rabbits. Through a sponsorship arrangement with the Stock Brands company over \$20,000 was donated to the Royal Flying Doctor Service based on the number of foxes culled.

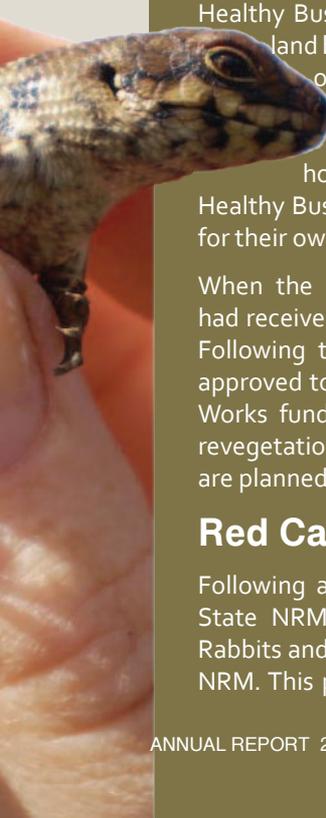
Protecting threatened flora from the impact of rabbits

In conjunction with the Department of Environment and Conservation the Wheatbelt NRM has been implementing a project that aims to protect threatened flora species that are threatened by the impact of rabbits.

During this year 40 sites have been identified for activity that has been funded through this Wheatbelt NRM project. A further 220 sites have been funded through a complimentary DEC project. All 40 sites have been assessed for the impact of rabbits and management activities have been implemented where required. Works completed under this project include fencing at three sites, baiting at 13 sites, warren destruction at 8 sites and weed control at several sites.

Rebecca Palumbo
Program Manager (Biodiversity)

Juvenile Balidu (left)



Sustainable Agriculture

Assisting farmers to maintain a productive and environmentally sustainable agricultural industry.

The Sustainable Agriculture Program assists farmers to maintain a productive and environmentally sustainable agricultural industry. The Program aims to increase the adoption of farm practices that improve soil quality and protect it from threats including erosion, dryland salinity and soil acidity. The 2010/2011 year has seen the program continue to roll out its \$4.43 million 'Supporting farm practice change to improve soil quality' project, while also securing funding for major new initiatives worth \$475,000.

The Soil Conservation Incentives Program (SCIP) continued to support activities across the region aimed at reducing wind erosion and improving soil health. Over 2010/2011 SCIP Rounds 3, 4, and 5 were initiated while the implementation of projects funded in Rounds 1 and 2 continued with more than 80 projects now funded. While Rounds 1-3 funded similar activities, Round 4 and 5 were different. Round 4 directly targeted activities in the south east of the Avon River Basin, a region that had previously been poorly represented in SCIP projects. Round 5 targeted the development of fewer, large scale 'flag ship' projects which aim to trial and/or demonstrate technologies and techniques for improving soil quality. The program has had a highly successful 2010/2011, and we have begun to see the impact of these activities in the community. Surveys conducted at community events related to SCIP projects have indicated that half of the people surveyed will adopt the practice being demonstrated over the next 1-3 years.

The program is now working with the community to support projects distributed throughout the region demonstrating sustainable practices in cropping management, pasture management, integration of trees and soil amelioration.

Cropping management practices to improve soil quality

The Sustainable Agriculture Program in Wheatbelt NRM has implemented a range of cropping projects with the aim of increasing the number of land managers that adopt management practices leading to increased ground cover and retention of crop residues to increase soil organic matter, carbon content and retain top soil. Two major new projects in this theme were initiated over 2010/2011. The 'Advancements in No-Till for Soil Health' is a joint project with WANTFA and the community that aims to improve herbicide efficacy in high stubble load situations. While the benefits of stubble retention are widely recognised, the potential impact of increased weed burden with this practice is an issue affecting the long term adoption of recommended stubble retention practices across the region. The second project, 'Supporting Farm Practices

that Increase Soil Organic Carbon', aims to facilitate practices that lead to increased soil organic matter, improved soil structure and beneficial biological activity from increased stubble retention. The project will work with UWA researchers to increase the data available to determine the impact of land use change on soil organic carbon, and increase the knowledge and skills of farmers to support the voluntary adoption of farm practices that increase soil organic carbon.

Grazing management practices that maximise ground cover

The Sustainable Agriculture Program in Wheatbelt NRM is working with a number of farmers to trial a range of grazing and pasture management practices that maximise ground cover, increasing soil health and resilience. Over the 2010/2011 year, the Program has supported a number of trial based projects that are examining the potential of perennial fodder types, including sub-tropical perennial grasses and integrated fodder shrub alleys. This has included the planting of more than 300,000 saltland pasture seedlings to trial new varieties and management techniques for grazing on land susceptible or affected by wind erosion. The program has also examined the potential of transferring different grazing management practices across the region to reduce wind erosion. Given the dry conditions of 2010, these projects have also highlighted the economic as well as environmental benefits of having alternative feed sources during periods of drought.

Integrating trees into agricultural systems

The Sustainable Agriculture Program in Wheatbelt NRM has supported projects aimed at integrating a range of perennial species into agricultural systems for improving soil conservation, reducing water logging and providing a resource for future income. Over 50 projects focusing on the integration of perennials were supported by the Sustainable Agriculture Program in 2010/2011. Collectively these have results in;

- 700,000 Oil Mallee seedlings allocated to reduce wind speed (and improve soil conservation), provide shelter for livestock, provide biodiversity value and green the environment in which we live.
- 220,000 Sandalwood hosts



“Soil Conservation Incentives Program has linked farmers with farmers through the support of trials and associated field events and by supporting established NRM groups in the community.”

(Below) Bob and Ros Huxley



Guy Boggs



Georgie Troup



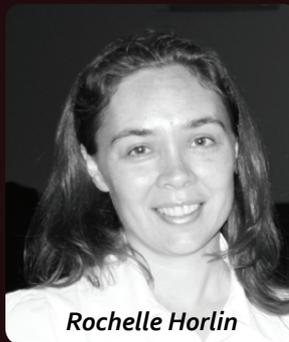
David Grasby



Sally Rayner



Dan Ferguson



Rochelle Horlin

seedlings allocated to support sandalwood plantations to provide income from their heartwood and seeds as well as providing a bio-diverse revegetated area for our native wildlife.

- 130,000 Brushwood seedlings allocated to protect areas affected by wind and water erosion and provide potential income when harvested as brushwood fencing material.

Soil quality maintenance, amelioration and monitoring

Healthy soils are not only fundamental to the economic success of a farming enterprise, but also a key component of making our landscapes more resistant to erosion from wind and water.

The Sustainable Agriculture Program has supported projects aimed at trialing different soil treatments to improve soil quality, including trialing compost to improve soil health on non-wetting soils, the incorporation of clay as a way of overcoming hydrophobic (non-wetting) soil and a range of practices such as brown manuring and chemical fallowing, to increase ground cover during summer. The program has also contributed to the establishment of a dustwatch monitoring station in the region to help identify

conditions affecting wind erosion and evaluate the long term impact of changed farm practices on wind erosion.

Building Networks for Sustainable Agriculture

The ‘Farm Practice Change Model,’ which underpins the Sustainable Agriculture Program, relies on the sharing of information and knowledge, with practices only being successfully adopted when people feel it is the best option for their enterprise. In this way, our program has built or supported existing networks that allow this sharing of information. In particular, the SCIP has linked farmers with farmers through the support of trials and associated field events and by supporting established NRM groups in the community. The program is also supporting local government natural resource management officers (NRMOs), recognizing the valuable role these people play in supporting community participation in NRM. Finally, our program has worked hard on linking industry experts with farmers, NRM groups and NRMOs – our program works closely with staff from AVONGRO, DAFWA, Oil Mallee Association, UWA and WANTFA to ensure we are delivering the best advice and on-ground action possible.

Guy Boggs
Program Manager (Sustainable Agriculture)



Sustainable Communities

Building the foundations for a sustainable Wheatbelt community

Building a Sustainable Community in the Avon Region is a Wheatbelt NRM priority. This initiative continues to evolve and develop projects with available funding opportunities. This year the Wheatbelt NRM program has been successful in continuing, for a fourth consecutive year, its popular Community Small Grants, which has provided the incentive for 15 local groups, schools and volunteers to make a difference to their local environment and community. The Communications team has been thoroughly busy promoting Wheatbelt NRM achievements and telling the rest of the world what we do and why, as well as finding out what we should be doing. Community engagement has been our priority this past year, with engagement of the region's Aboriginal community in NRM an important part of this.

Water Management

Working in partnership with Avon Arc Shires, Wheatbelt NRM has reviewed how these Local Government Authorities could improve stormwater quality flows into the Avon River, as well as mitigate flood-risk to the town sites during peak flow events through improvements to town water management infrastructure. This has been an insightful investigation of just how much the Avon River towns contribute to the water quality of the river and has already assisted in designing water management for future town developments.

Community Small Grants

Community small grants worth up to \$15,000 each make a huge contribution to local groups with the enthusiasm but not the financial means to manage their local environment. This year's project has invested in a range of educational, promotional and on-ground management. The community was asked to identify their environmental need and submit an application for funding. Where this met with the National NRM priorities funding could be approved and so this year has focused on biodiversity conversation and capacity building and skill development initiatives. This funding remains competitive and demand always exceeds what we have available, which reflects a keen interest from our community to volunteer their time towards improving their natural environment. Successful in this year's round were: Northam's Avonvale Primary School Educational workshops and site visits, Beacon Progress Association's 'Mt Marshall Flora Identification Book' and database, Men of the Trees 'Tremendous Trees for Schools' education program, and, Millennium Kids Professional and Educational NRM workshops. These and the 11 other successful projects are due to be completed in September 2011.

Aboriginal NRM

The Aboriginal NRM program is back on track after personnel changes and an internal review and restructure of some of its activities. During the past year this program has continued to deliver on-ground projects on sites of cultural and ecological significance. Priority has been to Gnamma (Rock holes) cleaning at Derdebin Rock and ecological surveying and camera trapping of fauna at Boogin Rock, with a very successful cultural day at this significant site. Wheatbelt NRM has supported a Max Employment Aboriginal works team at Morranoppin reserve, which has been trained in to successfully fence off the site and drawn up a management plan for further management of this area. This site contains a rock nicknamed Shark's Mouth because of its appearance.

The recording of traditional ecological knowledge this year has continued, with visual and oral media developed into two DVDs. Wheatbelt NRM engaged a filmmaker to capture and present these recordings, one of which, on a cultural fire burn at Korrellocking Reserve in Wyalkatchem is being used to educate others about the way this traditional management was achieved. The second DVD captures and explains the NRM work the Aboriginal program is doing and some of the activities achieved, including working with the region's Aboriginal land managers and teaching

The Wheatbelt NRM Aboriginal Advisory Group continues to meet and provide Wheatbelt NRM with guidance for the way it conducts this important work. This year the group has held each meeting on country and has become more involved in advising on the delivery of project work.

The Nyungar Budjar Carers both resigned in 2010 and a decision was made to re-design the management of these positions run them as an apprenticeship. A trainee position will be housed with Wheatbelt NRM in late 2011, who will train on-the-job and work towards a Conservation and Land Management Certificate via C.Y. O'Connor TAFE.

Communications

Wheatbelt NRM marketing campaigns this year have been strong, with a fortnightly media article published in the main rural newspapers highlighting our various achievements. A notable presence on Hot FM Radio through advertisements and cross-regional press releases with the 'there's a lot in our backyard' nationally-driven campaign has been pioneered through Wheatbelt NRM's Communications Officer. The team has also been active in engaging the community with attendance at numerous



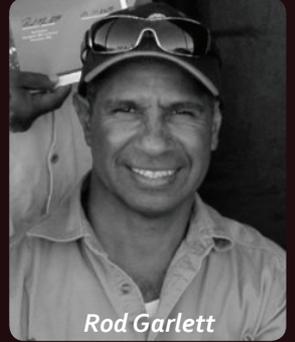
Dr Elizabeth Kingston



Taryn Beagley



Chris David



Rod Garlett

local events around the region where the community have been asked to talk to us about their environmental priorities.

The Wheatbelt NRM communications team continue to produce top quality and regular publications, including the fortnightly e-news and quarterly Newsletters.

Dr Elizabeth Kingston
Program Manager
(Sustainable Communities)

“ The Community Small Grants funding remains competitive and demand always exceeds what we have available, which reflects a keen interest from our community to volunteer their time towards improving their natural environment. ”

(Below) Di Lovell with School students at the Northam Reserve as part of the Millenium Kids Community Small Grant project.

(Left) Dancer at Boogin Rock celebration.



Wheatbelt NRM Members

1. River Conservation Society Incorporated
2. Talbot Brook Land Management Association Incorporated
3. Shire of Brookton
4. WA Farm Trees
5. Bruce Rock Land Conservation District Committee
6. Avon Eco-Agriculture Consultants
7. Western Australian No-Tillage Farmers Association (WANTFA)
8. Evergreen Farming Incorporated
9. Corrigin Farm Improvement Group Incorporated
10. Shire of York
11. Westgrow Farm Trees
12. Yaraguia Enterprises Incorporated
13. Avongro Wheatbelt Tree Cropping Incorporated
14. Shire of Mount Marshall
15. Avon Valley Environmental Society
16. Shire of Quairading
17. Oil Mallee Association of Australia Incorporated
18. WWF
19. Shire of Dowerin
20. The Beverley Naturalist's Club Incorporated
21. Kokardine Trees
22. The Gabby Quoi Quoi Catchment Group Incorporated
23. Bodallin Catchment Group Incorporated
24. Mount Marshall Land Conservation District Committee
25. Shire of Nungarin
26. Wallatin Wildlife & Landcare Incorporated
27. WA Channel Management Group
28. Shire of Mukinbudin
29. Department of Water
30. Shire of Trayning
31. Shire of Merredin
32. Shire of Wandering
33. Toodyay Friends of the River
34. Toodyay Naturalists' Club
35. Shire of Koorda
36. Department of Agriculture and Food WA
37. Project Numbat Incorporated
38. Malleefowl Preservation Group Incorporated
39. Mukinbudin Conservation Group Incorporated
40. Shire of Lake Grace
41. Greening Australia (WA)
42. Shire of Westonia
43. Future Farm Industries CRC Ltd
44. South Yoting Catchment Group Inc
45. Shire of Bruce Rock
46. Wongan - Ballidu Bush Care Group
47. Shire of Yilgarn
48. Coraling Wamenusking Catchment Group
49. Wildflower Society of Western Australia - Avon Branch
50. Shire of Dalwallinu

Administration Team



Annual Financial Statements

FINANCIAL YEAR 2010 - 2011



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Financial Brief Chair, Wheatbelt NRM

During this financial year Wheatbelt Natural Resource Management Inc has implemented major improvements in our financial management and strengthened our internal processes. Changes include bringing the finance and accounting system in-house with external support from Byfields Accountants. This has increased accounting costs but has allowed the organisation to have better control and use of funds and more timely and accurate reporting. An accrual system for revenue was adopted to more accurately reflect the matching of revenue to the activities and milestones being completed.

Our Chart of Accounts was reviewed to better reflect our business requirements. Upgrading the Chart of Accounts has meant that expenses are difficult to compare between financial years. We have highlighted what appears to be significant change with notes to provide a comprehensive guide and assist with understanding the organisations finances. As an example; Light meals and refreshments. This now includes all catering costs associated with community engagement such as our Forums, Workshops and involvement with the Drought Reform Pilot and our Women's project tour.

The Statement of Income (page 3) shows less Commonwealth grants income this year compared to last year. In fact on a cash basis, Wheatbelt NRM was able to achieve more funding this year. Due to project commitments this money remains in the pre paid liability account for use next year. Refer Note 2, page 8.

It may appear that our Net operating position has worsened. In fact, our Total Asset has improved.

The Accrual system for revenue differs from a cash system as income is only reported on the Statement of Income, as you need to use it. The pre paid income account- a liability account, now holds funds until we need to expend them. Refer Note 14, page 10.

Statement of Income

Wheatbelt Natural Resource Management Inc

Statement of Income For the Year Ended 30 June 2011

INCOME	Note	2011 \$	2010 \$
Grants Received			
CWTH Grants Received		2,955,693	4,494,375
SNRMO Grants Received		677,140	250,000
OTHER Grants Received		15,676	410,758
Total Grants Received	2 (a)(b)	3,648,510	5,155,133
Other Income			
Miscellaneous Income		13,834	91,422
Interest Earned		171,322	149,093
Total Other Income	2 (c)	185,155	240,515
Total Revenue		3,833,665	5,395,649

EXPENSES

Advertising		29,959	16,612
Board of Directors	3	85,297	52,718
Project Based Committees	4	12,471	-
Conferences & Seminars Registration		3,908	8,515
Consultants		81,577	138,490
Contractors		2,913,970	3,003,863
Depreciation Expense	5	16,961	6,193
Light Meals & Refreshments		25,189	9,807
Marketing & Communications		19,263	26,438
Printing		27,545	20,000
Office Rental		55,894	72,391
Sponsorships		1,850	-
Stationary & Office Supplies		28,230	71,274
Industry Group Payments & Subscriptions	6	25,408	-
FBT		(4,412)	5,191
Professional Fees and Charges	7	21,120	11,252
Employment Exp and Staff Development	8	1,302,951	1,173,217
Hardware and Software		42,185	25,805
Insurance Costs		18,552	18,972
Return of unused Grant Funding	9	447,731	488,988
Agricultural Supplies		36,395	205,468
Travel Expenses		22,373	19,268
Motor Vehicles	10	53,793	72,139
Total Expenses		5,268,213	5,446,601

Operating Position

Net Operating Position	11	(1,434,548)	(50,952)
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The Statement of Income should be read in conjunction with the accompanying notes

Statement of Financial Position

Wheatbelt Natural Resource Management Inc

Statement of Financial Position As at 30 June 2011

ASSETS	Note	2011 \$	2010 \$
Cash and Cash Equivalents			
Current Assets			
Bendigo Bank Cheque Account		118,277	518,993
Bendigo 11AM Interest A/C		4,187,733	3,410,659
Petty Cash		599	-
Accounts Receivable		-	66,272
Total Current Assets		4,306,609	3,995,924
Non-Current Assets			
Property Plant and Equipment		-	24,300
Total Other Assets		-	24,300
Total Assets	12	4,306,609	4,020,224
LIABILITIES			
Current Liabilities			
Corporate Cards		(6,900)	958
Total Credit Cards	13	(6,900)	958
Trade Creditors	20 ^(a)	314,839	98,657
Total Accounts Payable		314,839	98,657
GST Collected		16,827	-
GST Paid		(87,467)	(41,749)
Total GST Liabilities	20 ^(b)	(70,640)	(41,749)
Payroll accrual		-	21,293
Parental Leave Provisions		50,000	-
Salary Deduction		454	-
PAYG Withholding Payable	20 ^(b)	21,468	23,051
Annual Leave Provisions		46,766	57,419
Total Payroll Liabilities		118,689	101,763
Social Club Fees		246	-
PRE-PAID INCOME		1,520,005	-
Total Deposits Collected	14 ^(a)	1,520,251	-
Total Current Liabilities		1,876,239	159,628
Non-Current Liabilities			
Long Service Leave Provisions		103,210	90,419
Total Payroll Liabilities		103,210	90,419
Total Non-Current Liabilities		103,210	90,419
Total Liabilities	14 ^(b)	1,979,449	250,047
Net Assets		2,327,160	3,770,177
EQUITY			
Retained Earnings		388,693	245,943
Consolidated Funds		1,938,467	3,524,234
Total Equity	15	2,327,160	3,770,177

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

Statement of Cash Flow

Notes to the Annual Audited Financial Statements

For the Financial Year ended 30 June 2011

Wheatbelt Natural Resource Management Inc			
Statement of Cash Flow for the Year Ended 30 June 2011			
	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grant		5,234,787	5,155,133
Interest		171,322	149,092
Other		13,834	102,876
Consultants		(81,577)	(138,490)
Contractors		(2,702,717)	(2,926,728)
Employment Expenses		(1,273,234)	(1,171,492)
Payment to Suppliers		(538,325)	(1,247,872)
Return of unused Grant Funding		(447,731)	(488,988)
Net Cash Provided by (used in) Operating Activities	16	376,358	(566,469)
CASH FLOWS FROM INVESTING ACTIVITIES			
Asset Purchases		-	(1,508)
Net Cash Provided by (used in) Investing Activities		-	(1,508)
Net Increase/ (Decrease) in Cash Held			
		376,358	(567,977)
Cash at Beginning of Year		3,929,652	4,497,629
Cash at End of Year	12	4,306,010	3,929,652

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

Notes to the financial statements

Wheatbelt Natural Resource Management Inc

Notes to the Annual Audited Financial Statements
For the Year Ended 30 June 2011

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 Inc. For the purposes of these statements, Wheatbelt NRM is not a reporting entity.

This financial report has been prepared in accordance with the Associations Incorporation Act (WA).

The financial report covers Wheatbelt NRM Incorporated 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.

(b) Basis of Preparation

The accounting policies set out below have undergone change from 2010 to 2011. Significant policy change are summarised below:

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. Accrual revenue accounting has been adopted in this financial year. Grant funding is receipted to the balance sheet as pre-paid income. This amount is then progressively transferred to the income statement as revenue in the reporting period to match the planned activity associated with the revenue.

(c) Not-For-Profit Organisation

Wheatbelt NRM Incorporated is a not-for-profit organisation and its activities do not generate profits or losses.

The costs incurred in managing the projects are generally recoverable from grant funding received for these activities.

(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 from the major business activities as follows:

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

Grants are recognised at fair value when the organisation is scheduled to apply this funding to project implementation.

The balance of grants are recognised as prepaid income until such time as it is scheduled for project implementation.

Notes to the financial statements

(e) Depreciation

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

The asset's residual values and useful lives are reviewed, and adjusted if 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.

(f) Cash and Cash Equivalent

Cash and cash equivalents includes cash on hand, deposits held at call with banks, inc short-term highly liquid investments.

A large portion of the cash is restricted in its use by contractual agreements (See note 12)

(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.

(k) Employee Entitlements

The provisions for employee benefits relates to the amounts expected to be paid for the long service leave, annual leave, wages and salaries resulting from employees' services provided to balance date. All entitlements are calculated at their nominal amounts unles remuneration rates and expected to be settled within one year. No allowance has been made for future pay rates and thus discounting present value of future cash outflows due to inherent uncertainty in determining the appropriate valuation rates.

(l) Retained Earnings

Retained Earnings represents income received 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.

(m) Consolidated Funds

Consolidated Funds represents income received that is specifically allocated to project outcomes

(mainly Government Grants) and can only be used for the purposes described in the contractual agreements for the delivery of NRM services. It is essential that the character of the funding provided in retained.

(n) Tax Concessions

i Income Tax Exemption

Wheatbelt NRM is a non-profit organisation and thus exempt from income tax liability by virtue of 23(3) of the Income Tax Assessment Act 1997 (ITAA).

ii 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 the organisation as a charitable institution. Wheatbelt NRM a Non-profit entity that operate for the public benefit to protect, preserve, care for, and educate the community about the environment and charities.

iii Pay-roll Tax Exemption

For the purpose of Pay-roll 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.

iv Deductible Gift Recipient/ Register of Environmental Organisations

Wheatbelt NRM is nearing completion of the process of acceptance onto the Register of Environmental Organisations for the purpose of gifts made to a public fund being deductible under the register by item 6.1.1 of subsection 30-55(1) of the Income Tax Assessment Act 1997 (ITAA). The requirements of admission of organisations as prescribed in Subdivision 30-E of the ITAA have been met, Minister Burke, Department of Sustainability and Environment has signed approval June 2011. Final endorsement is pending with the Assistance Treasurer, Financial Services and Superannuation Hon. Bill Shorten.

	<u>2011</u>	<u>2010</u>
	\$	\$
2 Revenue from operating activities		
(a) Accrual Basis		
Commonwealth Grant Received	2,955,693	N/A
State Grants Received	677,140	N/A
Other Funding	15,676	N/A
	<u>3,648,510</u>	<u>N/A</u>

Wheatbelt NRM has adopted an accrual basis for revenue effective 2011 Financial year. 2010 financial year, revenue was reported on a cash basis. Therefore \$3,648,510 grant income can not be compared to last years Income. To compare 2011s cash income, to 2010 cash income, refer the Statement of Cashflow on page 5, and note 2 (b).

(b) Cash Basis for 2010 comparatives only		
Commonwealth Grant Received	4,450,222	4,494,375
State Grants Received	714,675	250,000
Other Funding	24,860	410,758
	<u>5,189,757</u>	<u>5,155,133</u>

Note 2(b) is for cash comparatives only. For further notes on cash and accrual accounting for revenue refer: 1b, 1d, 11, 14.

(c) Other Revenue		
Fee for service	6,382	-
Recoup of Funding	5,318	85,567
Miscellaneous Income	2,134	5,855
Interest Earnt	171,322	149,093
	<u>185,156</u>	<u>240,515</u>
Total Revenue	<u>3,833,665</u>	<u>5,395,649</u>

3 Board of Directors		
Board Meetings and Stipend	67,868	
Director Training	11,192	
Other	6,237	
	<u>85,297</u>	<u>52,718 *</u>

* \$52,718 represents Director and Chair attendance fees and stipend only. Mileage, training and other items had been consolidated in relevant expense account.

4 Project Based Committees		
Attendance Fees	8,500	-
Travel	2,539	-
Catering	1,432	-
	<u>12,471</u>	<u>-</u>

Aboriginal NRM Advisory Group for the Sustainable Communities Program

5 Depreciation Expense		
Depreciation Expense	16,961	6,193
	<u>16,961</u>	<u>6,193</u>

Wheatbelt NRM has expensed all outstanding asset items as apposed to expensing minor amounts over the next 2 years. This is due to a review of the asset register finding all listed items to have an expired useful life.

6 Industry Group Payments and Subs		
NRM Regional Leaders Group	20,000	-
Royalties for Regions Submission	2,000	-
Other	3,408	-
	<u>25,408</u>	<u>-</u>

Notes to the financial statements

	<u>2011</u>	<u>2010</u>
	\$	\$
7 Professional Fees and Charges		
Bank Fees	970	1,202
Accounting and Audit Fees	20,150	10,050
	<u>21,120</u>	<u>11,252</u>

An increase in Accounting fees are a result of the adoption of an in house finance system with external accounting support.

8 Employment Expenses and Staff Dvmt		
Wages and Salaries	1,119,661	1,043,913
Superannuation	100,955	96,622
Provision expense	52,139	21,329
Training/Uniforms/Other	30,195	11,353
	<u>1,302,951</u>	<u>1,173,217</u>

9 Return on unused grant funding		
CMWTH Funding 2005-2008	147,899	488,988
CMWTH Funding 2008-2009	299,832	-
	<u>447,731</u>	<u>488,988</u>

The return of unused grant funding is residual from a \$40m, 4 year funding rounds. \$447k and \$488k represents 2.3%

10 Motor Vehicles		
Vehicle Lease- 5 pool vehicles	41,711	41,042
Operating expenses (inc fuel)	12,082	31,097
	<u>53,793</u>	<u>72,139</u>

11 Net Operating Position		
Net operating position	<u>(1,434,548)</u>	<u>(50,952)</u>

Wheatbelt NRM has moved from cash to accrual accounting for revenue, effective this financial year. Grant funds are now received to the Balance Sheet as pre-paid income, and progressively transferred to the Income statement to match planned expenses.

For the period Jul-Dec 2010 expenses were matched to funding that had already been reported as revenue on the Income Statement for Financial Year 09/10. For that same six month period, the majority of income was received to the Balance Sheet, and was not transferred to the Income Statement. The resulting deficit effectively being from only 6 mths income being reported in this Financial Year.

For a summary of Wheatbelt NRM cash position refer to the Statement of Cashflow, page 5, and note 12.

12 Total Assets		
Total Bendigo Bank Cash	4,306,010	3,929,652
Total Petty Cash	599	-
Total Accounts Receivable	-	66,272
Total Current Assets ^(a)	<u>4,306,609</u>	<u>3,995,924</u>
Total Non-Current Assets	-	24,300
	<u>4,306,609</u>	<u>4,020,224</u>

^(a)Substantial funds are held in trust on behalf of the Western Australian State Government, the Commonwealth Government and other third party entities. These 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.

	<u>2011</u>	<u>2010</u>
	\$	\$
13 Total Corporate Cards		
Corporate Cards	(6,900)	958
	<u>(6,900)</u>	<u>958</u>

Corporate cards have a positive balance due to payment made for a purchase in advance.

14 (a) Total Deposits Collected		
Social Club Fees	246	-
Pre-Paid Income	1,520,005	-
Total Deposits Collected	<u>1,520,251</u>	<u>-</u>
(b) Total Liabilities	<u>1,979,449</u>	<u>250,047</u>

Total Liabilities have increased due to the adoption of accrual accounting for revenue.

Income has been granted to Wheatbelt NRM to deliver express outcomes that have not yet been performed. This Pre-Paid Income is restricted by the contractual agreements under which those funds were provided. As the obligation is performed recognition will be made to revenue as budgeted. For further notes regarding accrual accounting for revenue, refer to: Notes 1b, 1d, and 11.

15 Total Owners Equity		
Retained Earnings ^(1l)	388,693	245,943
Consolidated Funds ^(1m)	1,938,467	3,524,234
	<u>2,327,160</u>	<u>3,770,177</u>

1(l) Retained Earnings

Retained Earnings represents income received 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.

1(m) Consolidated Funds

Consolidated Funds represents income received that is specifically allocated to project outcomes (mainly Government Grants) and can only be used for the purposes described in the contractual agreements for the delivery of NRM services. It is essential that the character of the funding provided is retained.

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

Net Cost of Service	(1,434,547)	(50,954)
Non Cash Items		
Depreciation	16,961	6,193
(Increase)/ Decrease in Assets		
Trade Debtors	65,921	10,766
GST Refundable	(28,889)	195,623
Pre-Paid Income	<u>1,520,005</u>	<u>-</u>
Increase (Decrease) in Liabilities		
Credit Cards	(9,809)	-
Accrued Expenses	-	(754,969)
Other Liabilities	(748)	688
Payroll Liabilities	30,712	-
Trade Creditors	216,752	26,183
Net cash provided by/(used in) operating activities	<u>376,358</u>	<u>(566,470)</u>

17 FINANCIAL INSTRUMENTS

(a) 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 2011

(i) Treasury Risk Management

There are no significant concentrations of treasury risk.

(ii) Financial Risk Exposures and Management

Primary risks Wheatbelt NRM is exposed to through financial instruments are interest rate risk, liquidity risk and credit risk.

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 frequent monitoring of forecast cash flows and finance plans to ensure that funds are available to meet its commitments.

Credit Risk

Credit risk associated with Wheatbelt NRM financial assets is minimal. Primary receivables are derived from both State and Commonwealth government. Receivable balances are continually monitored, resulting in minimal exposure to bad debts. Cash items held with Bendigo Bank.

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 a needs basis. ie. 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 2010-11

20 Events after Balance Sheet Date

- (a) Accounts payable processing completed July 2011 reducing trade creditors
- (b) June Business Activity Statement (BAS) completed reducing GST and PAYG liability

21 Leasing Commitments

	<u>2011</u>	<u>2010</u>
	\$	\$
Operating Lease Commitments		
Committed operating leases, vehicle and equipment, contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
- not later than 12 months	49,982	38,584
- between 12 months and 5 years	49,982	85,116
	<u>99,964</u>	<u>123,701</u>

END OF NOTES

Independent Audit Report



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INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF WHEATBELT NATURAL RESOURCE MANAGEMENT INC.

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Wheatbelt Natural Resource Management Inc., which comprises the balance sheet as at 30 June 2011, and the income statement, a summary of significant accounting policies, other explanatory notes and the statement by members of the Board.

Board's Responsibility for the Financial Report

The Board of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporation Act (WA) and are appropriate to meet the needs of the members. The Board's responsibilities also include 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. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 Board, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board's financial reporting under the Associations Incorporation Act (WA). We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

PARTNERS: Andrew Northcott B.Com CPA • Craig Lane B.Com CPA • Dale Woodruff B.Bus CPA • Jon Bush B.Com CPA
Leanne Oliver B.Com CPA • Mark Murphy B.Bus CPA • Neil Hooper B.Com CPA • Simon Northey B.Bus CPA • Glenn Wallock B.Bus CPA
ASSOCIATES: Ian Jones B.Com CPA • Jenny Roberts B.Bus CPA • Roger Thomson B.Bus CA • Richard Asquith-Charlton BA(Hons) GDFM CPA

"Liability limited by a scheme approved under Professional Standards Legislation."

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 have complied with the independence requirements of Australian professional ethical pronouncements.

Qualifications

Opening Balances

The financial report of Wheatbelt Natural Resources Management Inc for the year ended 30 June 2010 was audited by another auditor, Bentleys. We have been unable to obtain sufficient appropriate audit evidence regarding the comparatives for the 30 June 2010 to enable us to form an opinion. The results of the association for the year ended 30 June 2010 would be affected to the extent of any misstatement of the 30 June 2010 balance sheet. Accordingly, we are not in a position to and do not express an opinion on the comparatives for 30 June 2010.

Auditor's Opinion

In our opinion, except for the effects on of the matters referred to in the qualification paragraphs, the financial report Wheatbelt Natural Resource Management Inc. presents fairly, in all material respects the financial position Wheatbelt Natural Resource Management Inc. as of 30 June 2011 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Emphasis of Matter

The financial report is prepared in accordance with a special purpose framework and accordingly may not be suitable for other purposes. The opinion is not modified in respect of this matter.



LEANNE K OLIVER CPA
Partner

Dated 14th of September 2011

ISLAND OF BUSH IN BENCUBBIN BY MIKE GRIFFITHS





wheatbelt
natural resource
management

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CHELODINA OBLONGA

