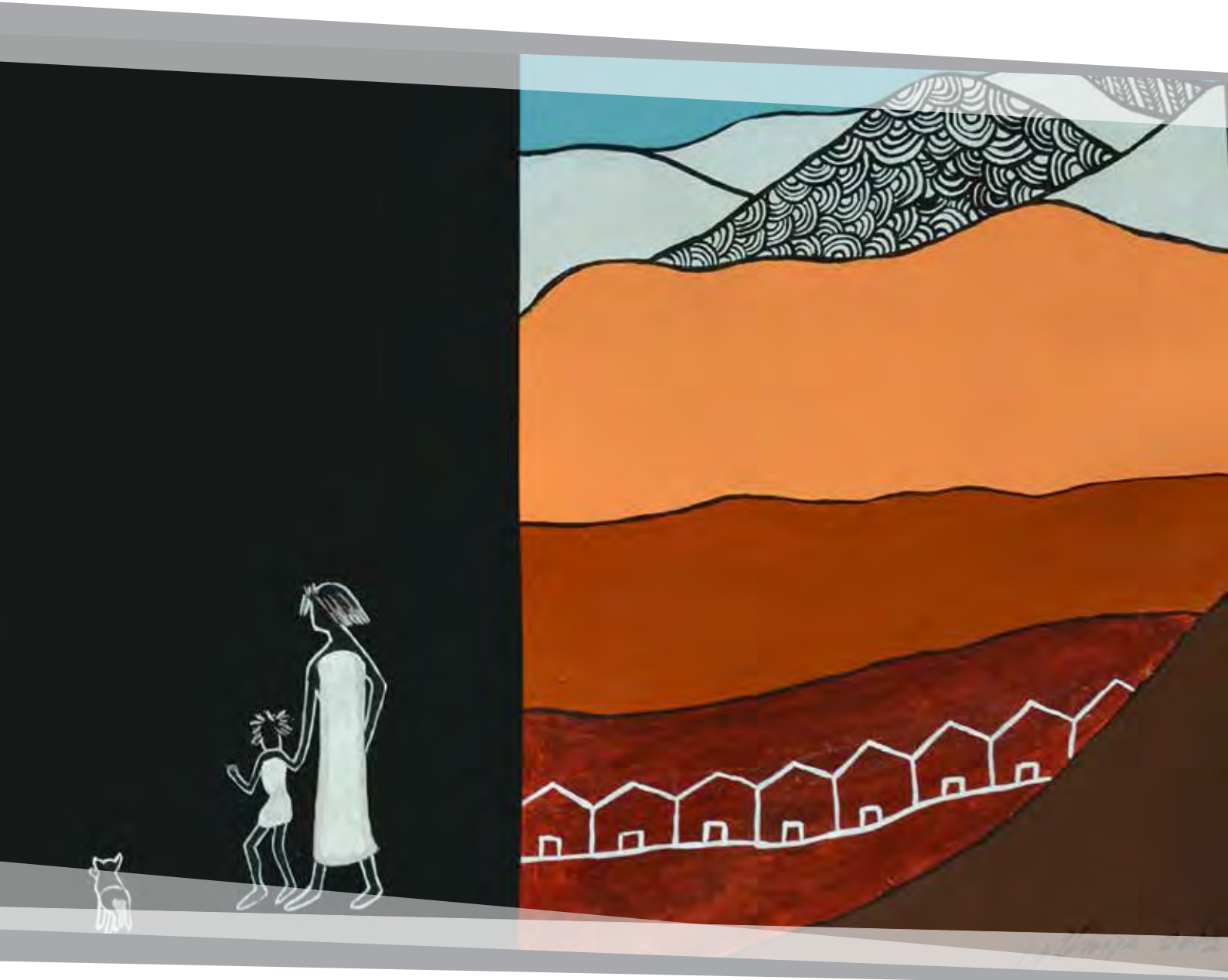


Northern Agricultural Catchments Council

ANNUAL REPORT 2012-2013



Supporting people to support the natural environment

The Northern Agricultural Catchments Council is dedicated to protecting the environment to leave a better and more sustainable future for generations to come.

As a proud not-for-profit organisation, NACC's overarching work is to support the community of the Northern Agricultural Region to adopt practices that will create a healthy sustainable future for the environment and community throughout the region.

Artwork: Pathways, by Marion Dingo.

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ABOUT NACC

NACC Vision

Community committed to environmental stewardship.

NACC Purpose

Supporting people to support the natural environment.

Delivering activities and programs in combination with community groups, business and industry, non-government organisations and all levels of government to conserve and enhance natural assets and advance sustainable commercial outcomes.

NACC Overview

The Northern Agricultural Catchments Council (NACC) is one of 54 regional Natural Resource Management (NRM) organisations around Australia that are helping to achieve a nation-wide approach to the management and restoration of our country's most critical natural assets.

NACC's role is to work with all sectors of the Northern Agricultural Region (NAR) of Western Australia to maintain or re-build a highly functioning natural environment for current and future generations in this region.

NACC is a not-for-profit organisation with 421 dedicated community members throughout the NAR, many of whom spend many volunteer hours protecting the region's natural assets.

The NAR is notable as a hotspot of biodiversity at both national and global scales. This is because of extraordinarily high levels of endemism, large numbers of rare and threatened animals and plants and continuing loss of biodiversity through clearing, disease and other threats. It contains two of Australia's 15 National Biodiversity Hotspots: Mount Lesueur-Eneabba and the Geraldton to Shark Bay sand plains.

As the pressures facing our environment continue to grow, support of our natural resources is crucial, and clear planning for that support is essential. NACC's core work is informed by a Regional NRM Strategy (2005) developed through extensive community consultation.

In 2011, further consultation with key stakeholder groups began for the purpose of updating the original plan. The new plan is scheduled for public release later in 2013.

NACC's principal programs include the protection of coastal and marine systems, improvement of native vegetation, sustainable farming focussing on innovative practices to increase production while maintaining and improving soil condition and riparian revegetation, and protection to improve water quality.

Across and within all NACC programs, the organisation seeks to engage local Aboriginal people to advise about, and participate in, working on country and, where possible, to record and preserve traditional ecological knowledge.

To ensure that every land manager in the NAR has the opportunity to participate in the core work programs, NACC works in close partnership with five other community-based organisations across the region: the West Midlands Group, Moore Catchment Council, Yarra Yarra Catchment Regional Council, Mingenev Irwin Group and the Shire of Chapman Valley.

NACC is funded by the Australian Government through the Caring for our Country and Clean Energy Futures Biodiversity Fund Initiatives, and supported by the WA State Government's NRM funding.

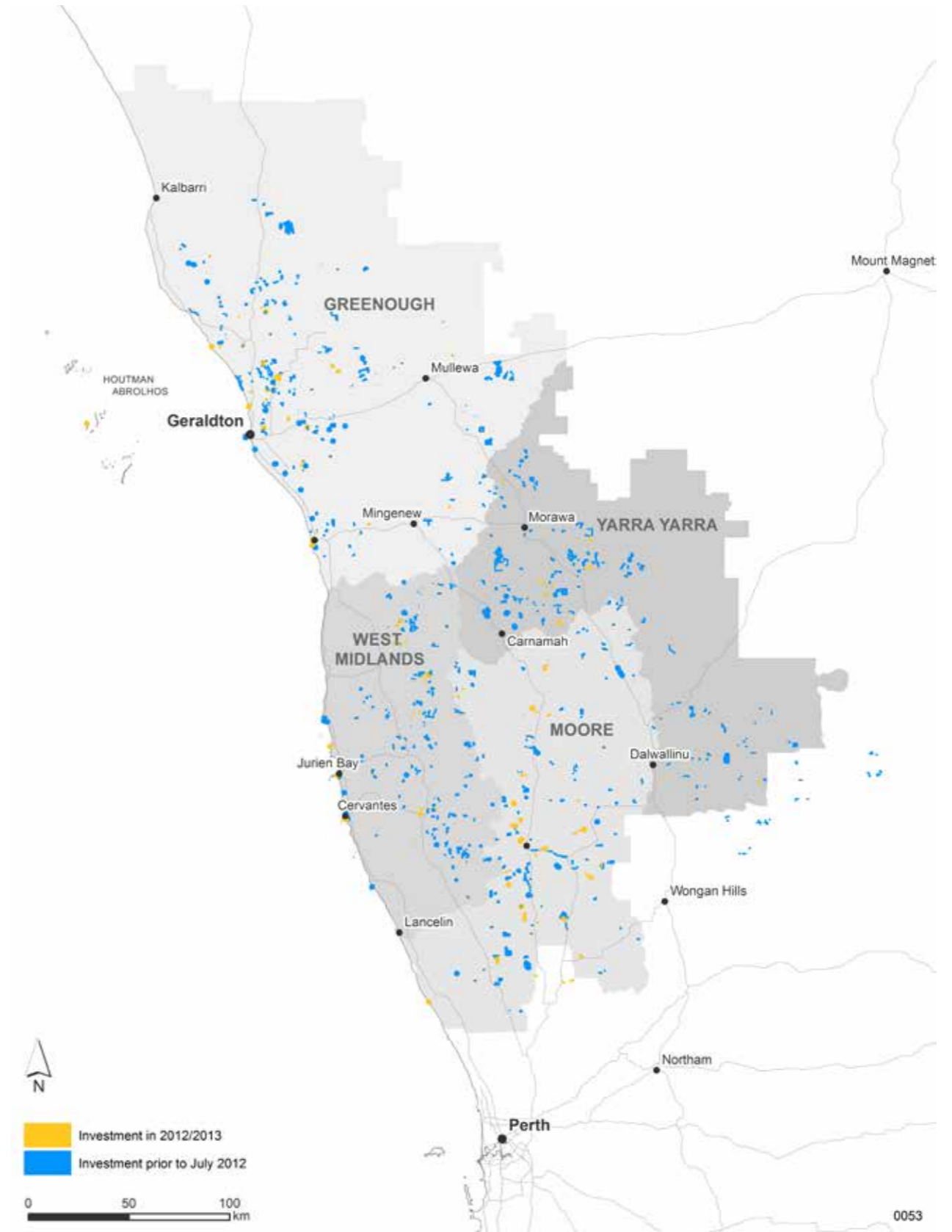
The Northern Agricultural Region (NAR)

NACC's area of operation is the NAR of WA, covering 7.5 million hectares from Kalbarri in the north to Gingin in the south and from the Abrolhos Islands in the west to the clearing line in the east.

The population of the NAR is 62,000 people, including 2,500 farmers. Half of the population is centred in the Geraldton-Greenough area, and, in general, the population of small inland towns in this region is declining, while coastal areas are experiencing rapid growth.

Broadacre agriculture is the second highest contributor to the region's economy after mining. Fishing and tourism also contribute strongly to the economy.

NACC FOOTPRINT MAP 2005-13





CHAIR'S REPORT

The NRM sector is, as with the natural assets it serves to protect, a complex system that at times seem to bely common sense – it certainly does not behave in a roughly linear way. In 2012-13 NACC wrapped up all projects funded under the first round of the Australian Government's Caring for our Country program, NACC's major projects over the past five years. All achieved their outputs, and many exceeded them, and we wait now to see how the system reacts.

The NRM sector as a whole waited throughout the second part of this year to see how the Australian Government would reward the sector for its collective multitude of environmental achievements and, after year's end, received a very non-linear response: projects for the next five years have been reduced and their scope narrowed even further.

The very positive side of this is that the Australian Government has approved funding to NACC for the next five years for innovative projects in each of its programs – Sustainable Farming, Coastal and Marine, Biodiversity, Climate Change and Indigenous NRM.

A very real regret from this narrowing of scope is that many priority NRM issues in the Northern Agricultural Region, indeed Western Australia, cannot be addressed with Australian Government funding. The WA State Government remains unmoved to the condition decline of our

unique natural assets, steadfastly concentrating on funding small projects for volunteers over major rehabilitation works by regional NRM organisations or Government Agencies.

Systems theory holds that a small change in an input can often lead to a dramatic change in the behaviour of a complex system. The change could be negative with unpredictable chaotic behaviour or it can be positive leading to a cascade of effects resulting in a bigger effect on the response. Clearly our governments are banking on the latter result from their increasingly small inputs.

The 'unpredictable chaotic behaviour' of government support for environmental protection and restoration being experienced by the NRM sector has strengthened the resolve of the NACC Board to pursue compatible alternate futures for the organisation, including seeking out charitable and commercial opportunities in order to help fund issues of priority to this region.

A major change already underway at NACC as a result of the funding change is a restructure of the NRM officer network around the region that NACC has historically funded. NACC's new projects from 2013-14 to 2018-19 are a response to the Australian Government's investment priorities, changing the focus and therefore the delivery method of our on-ground works. In the past NACC contracted location-

specific catchment and farm improvement groups to have their NRM officers deliver its projects across the region. In 2013 NACC is employing NRM officers directly to work on both funded projects and, where possible, work with other groups to get NRM priorities in the NAR addressed.

Some may say this is a chaotic response to the 'unpredictable chaotic behaviour' of government. Through the prism of good governance and fiduciary responsibility for NACC, the Board unanimously agreed that, in the context of the reduced funding and the changed investment priorities of governments, this was a necessary change. The NACC-employed field staff will have a focus on supporting smaller NRM groups across the region, including assisting them to secure funding for works relevant to their location through the community grants processes run by both the State and Australian Governments.

I and my fellow NACC Directors are extremely proud of the organisation's achievements over the past year, and particularly of the cumulative results of the first five-year cycle of Caring for our Country which have been wrapped up during 2012-13. The achievements outlined in this report make good reading.

On behalf of the Directors and NACC staff, I sincerely thank the Yarra Yarra Catchment Regional Council, Moore Catchment Council, West Midlands Group, Mingenew Irwin Group and the Shire of Chapman Valley for their long-term close partnership with NACC. Together we have achieved significant results in maintaining and restoring our assets and in bringing the community along to its current state of environmental awareness. The partnership arrangements will be different in the future, but the strong ties will remain to ensure that all people in all areas of the region have an opportunity to be involved in natural resource management work.

Chris King
Chair



NACC CARBON FOOTPRINT REPORT

NACC is consistently working to reduce its carbon footprint and reduce energy costs. We do this by closely monitoring energy use to identify and implement changes to reduce emissions.

As NACC is not required to report its emissions, this 2012-13 assessment has been completed internally by NACC's Climate Change Coordinator. The inventory is prepared using the Greenhouse Gas Protocol as the standard methodology.

NACC's total emissions for the period were 96.75 tonnes of CO₂-e. Purchase of carbon offsets has reduced this to 91.75 tonnes of CO₂-e. Purchased electricity was the largest contributor representing 35 per cent of all emissions, followed by flights at 28 per cent and purchased diesel at 24 per cent.

During this reporting period NACC has worked to reduce emissions in several ways including:

- Using portable computing equipment that requires less energy.
- Coordinating vehicle use for ride sharing, thereby minimising travel to reduce fuel consumption, and using new direct fuel card reporting options.
- Installing dual flush toilet systems in the rented premises.
- Monitoring/limiting use of air-conditioning within the office premises.
- Utilising carbon free copying paper.

Comparison of overall emissions for 2012-13 to the 2011-12 period has shown emissions have increased by 15.5 per cent attributed to an increase in travel from staff servicing the region and working with state and federal partners.

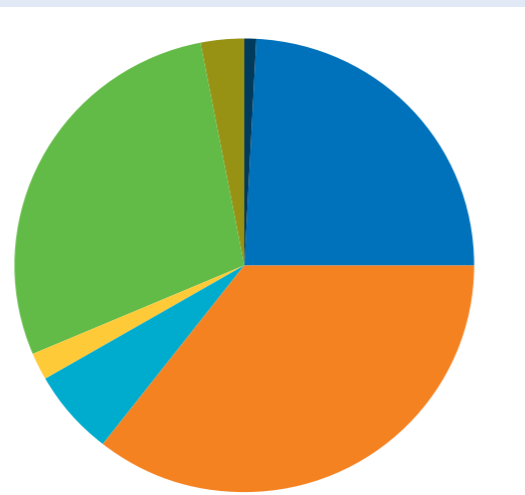
- Diesel fuel increased by 26 per cent.
- Flights increased by 20 per cent.

However in the same period:

- Petrol fuel decreased by 58 per cent.
- Business waste decreased by 20 per cent.

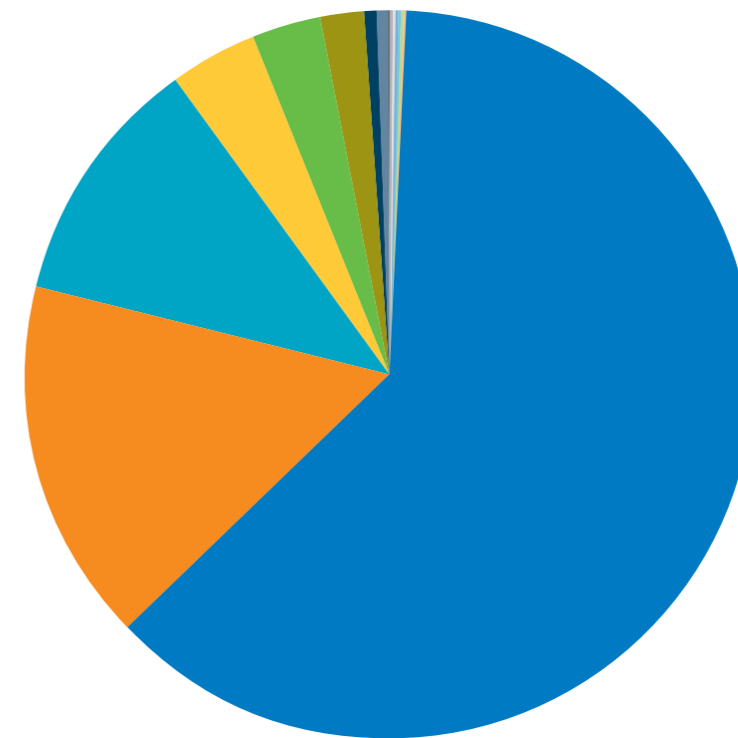
The 2013-14 period will see further initiatives investigated to limit emissions:

- Purchase of further carbon offsets to flights and reduction in travel through use of video conferencing services.
- Reduction of electricity use and fuel through further efficiency measures.



- Purchased Petrol
- Purchased Diesel
- Purchased Electricity
- Consumption of Purchased Electricity by End Users (Losses)
- Fuel Losses
- Flights
- Other

NACC FUNDING BY SOURCE 2012-13



- Caring for our Country Base Level Funding
- Caring for our Country Open Call Funding
- WA State Natural Resource Management Program
- Department of Sustainability, Environment, Water, Population and Communities
- Department of Agriculture, Fisheries and Forestry
- Lotterywest
- City of Greater Geraldton
- WA Planning Commission - Coastwest
- Questacon
- Regional Development Australia
- Shire of Dandaragan
- Shire of Gingin
- Bendigo Bank
- CSIRO
- Durack Institute of Technology



ASSESSING NACC'S ACHIEVEMENTS

Since its founding in 2002, NACC has been involved with programs as diverse as protecting the Carnaby's Cockatoo from extinction to promoting tramlining as a sustainable farming practice.

This year, Drs Ann Larson and Peter Howard of Social Dimensions were contracted to independently assess NACC's achievements, focusing on the past four years. This extensive review, due to be completed in October 2013, will examine the impact NACC's work has had in affecting both changed practices (capacity building) and changed asset condition, and will, among other things, provide an indication of the return on investment for all of the organisation's funding bodies.

As a result of the first phase of the work – sifting through documents, conducting a staff workshop, and interviewing program coordinators – the review team concluded that NACC has made a significant change to the NAR landscape. In particular, NACC has:

- Been a major player in promoting perennial pastures and fodder shrubs as an effective method of improving soil health, increasing biodiversity and growing farm productivity.
- Identified and protected the region's hidden treasures (its remnant native vegetation).
- Increased the resilience of many vulnerable ecosystems along 400 km of coast.
- Enhanced the natural habitat of the NAR's towns and cities.

The tools used by NACC to effect these changes are shown in the illustration on page 11.

The review will examine closely the effectiveness of these tools and will document in which contexts and with which target groups these tools have produced change, and reasons why they were ineffective in other circumstances.

Specifically, the review will undertake five studies, looking at how and under what conditions incentives, education programs, support to community groups and use of scientific input made a difference. Each study will answer a different question.

Study 1

The adoption of perennial pastures has been called the greatest landscape change in the past 150 years. How did NACC's incentives, and related field days and workshops, contribute to the widespread adoption of perennial pastures?

Study 2

Compared to other parts of Australia, much less native remnant vegetation exists in the NAR and what is present is largely undocumented. NACC's incentive programs have been very popular with landholders. What have been the drivers for the success of NACC's incentive programs to protect native remnants on privately owned land?

Study 3

NACC works with many scientists and technical experts to design and implement programs. Scientific information about the environment can change the agenda about how it should be protected. Using the coastal program as a case study, what do scientists think of NACC's use of the information they provide? What are best practices in conveying scientific information for change, and what practices do not work?

Study 4

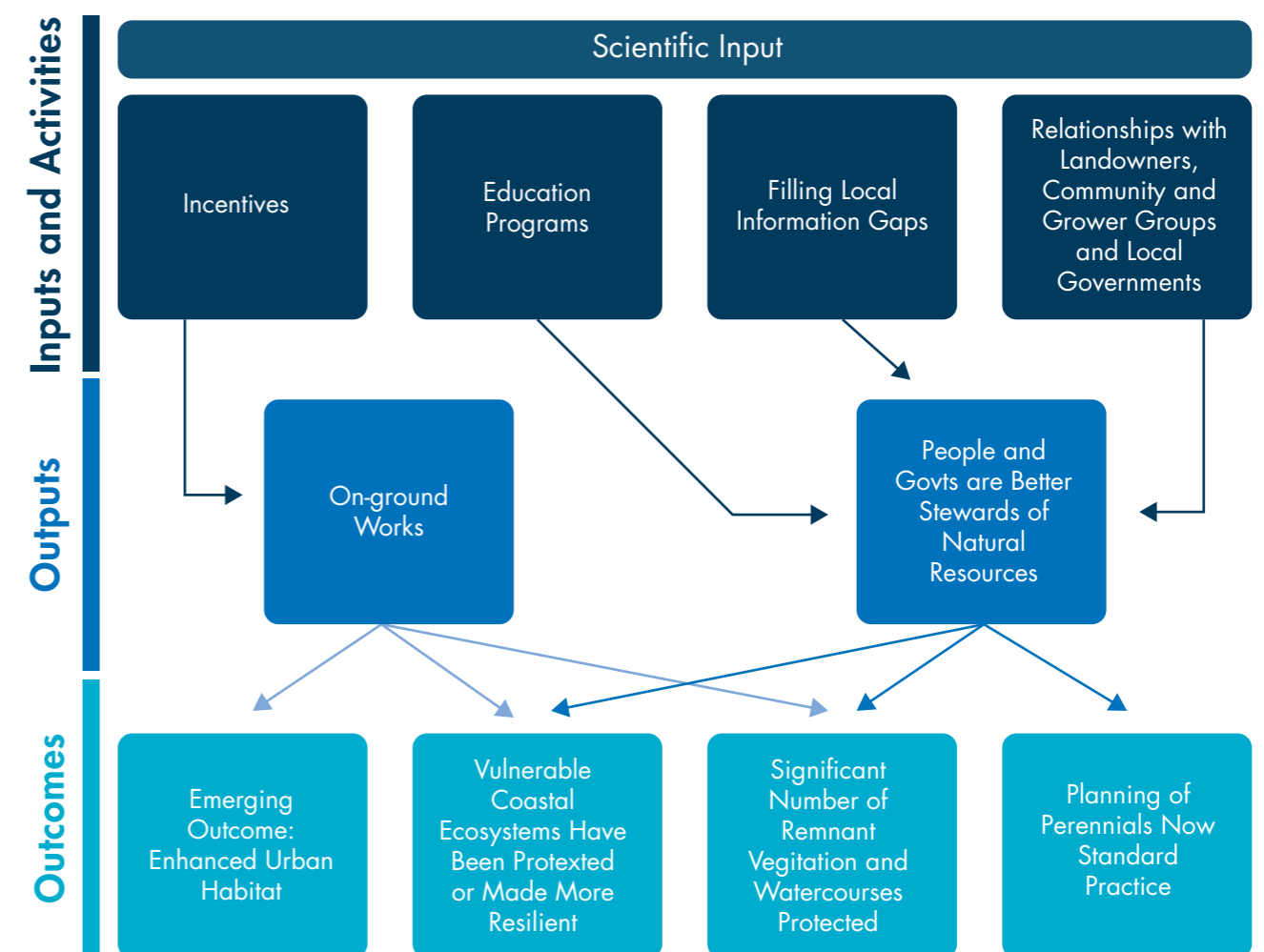
NACC works with many, many partners, from passionate individuals to large local governments. Supporting voluntary community groups committed to protecting the coastal environment can be challenging. By studying a number of community groups NACC has supported through the coastal program, the review will document best practices in increasing the capacity of these groups.

Study 5

A relatively new program for NACC is educating people living in towns and cities about what they can do to protect and maintain urban habitats. The review will examine the impact of public education initiatives such as NACC's *Native Garden Guides*. Are they reaching the intended target audience, and are they changing attitudes, aspirations and skills?

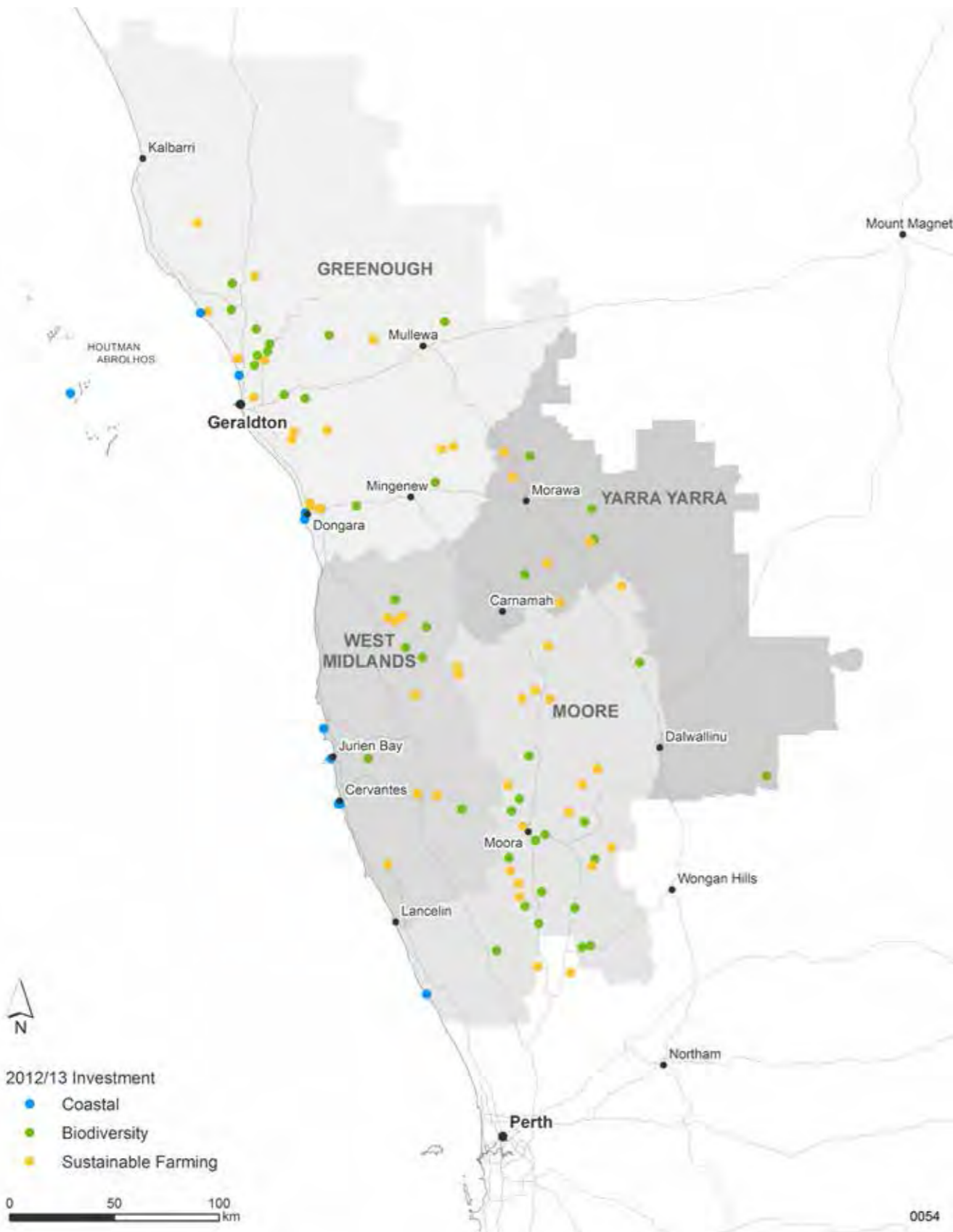
The review, which will continue through August 2013, will use key informant interviews, surveys and geographic information systems. In the face of continued policy change, fluctuating funding and periodic staff turnover, the review will give the evidence base for future work by NACC and its many partner organisations.

Better Protected and Resilient Environments in the Northern Agricultural Region





NACC INVESTMENTS MAP 2012-13



NACC PROGRAMS AND PROJECTS

Sustainable Farming Systems

- Wind Erosion
- Controlled Traffic Farming
- Carbon Farming
- CarbonQuest Australia
- Royalties for Regions Carbon Awareness Project
- State NRM Carbon Driven Solutions to Salinity Project
- Regional Landcare Facilitator

Coastal Systems

- Controlling Priority Weeds
- Using New Technology to Fill Vital Knowledge Gaps
- Facilitating Partnerships to Address Regional Management Challenges
- Supporting Initiatives of Organisations with Important Projects

Biodiversity

- Hidden Treasures
- Teaming up with BirdLife Australia
- Knowledge Building
- Quandong (Warlgu) Walk Trail Stage Two
- Yamaji Site Rehabilitation
- Rivers and Wetlands

Urban and Peri-urban

- Garden Guides
- Small Landholders Guide

Geographic Information Systems

- Regional NRM Strategy
- Environmental Accounting

Climate Change

- Local Government Collaborative Partnerships
- LiDAR and Hyperspectral Imagery

Social Research

- The Human Aspect of What We Do
- Inland to Ocean Education Package
- Monitoring, Evaluating, Reporting and Improving



SUSTAINABLE FARMING SYSTEMS

Agriculture has long been a mainstay of the Mid West economy. The region is home to some of the most productive low rainfall farming in the world. Not surprisingly, around 70 per cent of the NAR has been cleared for broadacre cropping and grazing enterprises. However, the large-scale clearing, cropping and grazing has taken its toll on the environment. Careful land management is needed to achieve short and long-term sustainability of the natural environment, agricultural industries and community as a whole.

NACC's Sustainable Farming Program has provided financial assistance to farmers, supporting their trialling of new practices which ultimately, will lead to a transition into more sustainable and profitable farming into the future as climate conditions change. In 2012-13, the NACC team has targeted wind erosion, grazing management, river system health, landcare and education on carbon farming initiatives.

Wind Erosion

Almost half of the sand plain soils of the NAR are seriously affected by wind erosion and blow at a 70 to 100 per cent rate. In the eastern Wheatbelt, the ancient Yilgarn soil types have a 30 to 50 per cent erosion risk. The key to addressing wind erosion is to increase plant ground cover, which also has the benefit of increasing soil carbon and soil moisture retention.

Through the Sustainable Farming Program, NACC has offered funding support to farmers to establish perennial pastures, native shrubs and fodder plants as well as planting trees to create wind breaks. The process has involved working closely with grower and landcare groups including North East Farming Futures, Perenjori Farming Forward, Morawa Farm Improvement, the Sandalwood Network, Oil Mallee Association and the Waddy Forest LCDC.

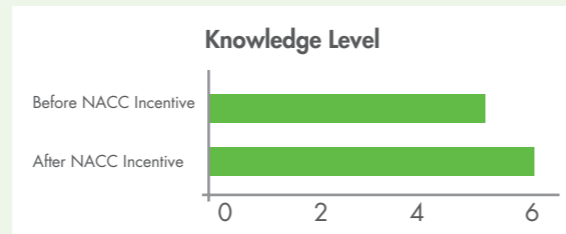
The Australian Government has determined that providing financial support to farmers to test out new practices on their land, which will increase ecosystem services, is a 'private benefit' to the landholder and it has therefore disallowed NACC to continue this approach after June 2013. Over the four-year life of this program, the overall target to work with 440 farmers has been met.

What Did This Program Achieve?

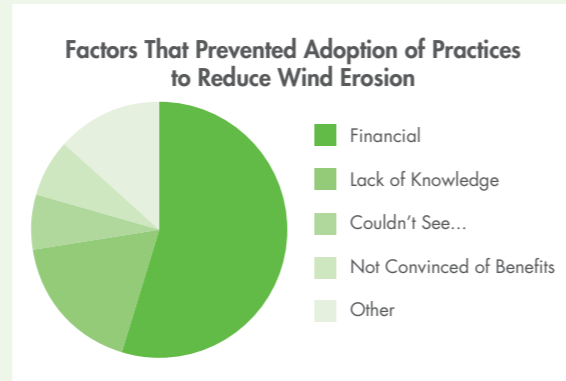
Wind Erosion

All landholders who received funding from NACC to address wind erosion were asked to fill in NACC's structured survey. They reported on their changes in knowledge and what they had learned as a result of their engagement with NACC. Landholders reported:

- An average knowledge increase of 22 per cent as a result of working with the NACC.



- Financial considerations and to a lesser degree gaps in knowledge were the main barriers preventing adoption of practices to reduce the risk of wind erosion on their land.



Other feedback NACC received from landholders on the Wind Erosion program:

- NACC is very approachable and easy to deal with.
- I think NACC offers very good incentives and are always good with advice as to what plants to plant.
- I would not have fenced off or rehabilitated this area without the NACC incentive.



Controlled Traffic Farming

In 2005, the NAR community (via the NRM strategy) identified subsoil compaction due to use of heavy farming machinery as a major threat to the sustainability of the region's cropping soils. Historically, tillage and/or deep ripping have been used to rectify subsoil compaction problems in the region's sandplain soils.

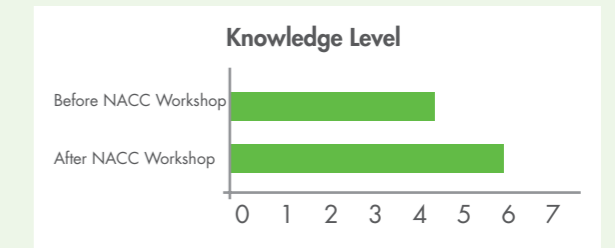
Controlled Traffic Farming (CTF) is a practice whereby crop zone and traffic lanes are distinctly and permanently separated and all wheel tracks are confined to specific traffic lanes. To date, CTF or 'tramline farming' has not been widely adopted by NAR farmers.

NACC, Department of Agriculture and Food Western Australia (DAFWA) and the North Stirlings Pallinup Natural Resources Group worked with a small number of farmers in the NAR and the South Coast NRM region to establish trials to test the efficacy of the practice on different soil types across the wheatbelt. The trials were conducted with support from the Liebe Group, Northern Agri Group, Yuna Farm Improvement Group and the North Stirlings Pallinup Natural Resources Group with technical input from the Victorian-based company, Precision Agriculture.

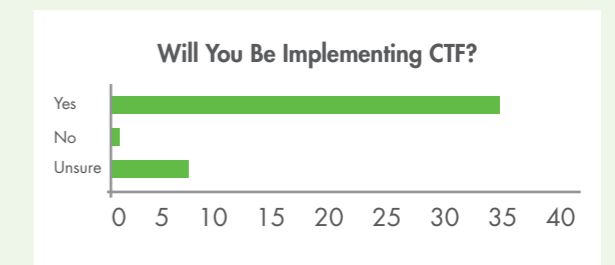
The trial results were extended to the farming community through a series of field days and workshops, extension articles and a YouTube video.

What Did This Project Achieve?

Landholders participating in CTF field days told us that their knowledge and skills on CTF had been increased by 37 per cent as a result of the field day.



When they were asked whether they will convert to CTF practices as a result of the project, 79 per cent indicated they would.



SUSTAINABLE FARMING SYSTEMS

Carbon Farming

Carbon farming and trading is the systematic process of reducing greenhouse gasses > measuring the reduction in a standard unit or credit > selling the credit to a business or person who wants or needs to create greenhouse gasses.

The aim is to achieve a neutral equation where an equivalent amount of greenhouse gasses created by one activity is captured or avoided by another. Carbon might be captured and stored in trees or other permanent vegetation. Alternatively, it could be reduced, for example by capturing and using methane produced by decomposing manure in piggeries.

NACC works at two ends of the spectrum in carbon farming:

- Understanding that Australia's Carbon Farming Initiative may hold opportunities for farmers, NACC is supporting farmers in the NAR to understand the complexities of the carbon farming legislation, methodologies and policy shifts.
- NACC gathers carbon sequestration data from a variety of soils under cultivation and from vegetation grown on different soil types to inform future carbon farming methodologies.

CarbonQuest Australia

NACC established CarbonQuest Australia in 2011 to assist landholders in the NAR in making informed business decisions on how carbon activities can be incorporated into good business planning. In 2012, CarbonQuest Australia was established as a wholly owned subsidiary company of NACC and, in 2013, it was approved an Australian Financial Services Licence (ASFL) from the Australian Securities and Investments Commission (ASIC), allowing it to expand its activities and area of operations independently of NACC. For more information on the services the company offers, visit www.carbonquestaustralia.com.au.

Royalties for Regions Carbon Awareness Project

The Royalties for Regions Carbon Awareness Project aims to improve the understanding of land managers in remote and regional areas of the opportunities and risks that carbon farming may present. This project, funded by Royalties for Regions, and managed by DAFWA, is an awareness-raising program being undertaken by all Regional NRM groups.

DAFWA has, in consultation with the NRM Groups, prepared a series of Carbon Factsheets and tools that are available at www.agric.wa.gov.au/carbonfarming. This material will be presented at a series of field days and information sessions about carbon farming in early 2014.

State NRM Carbon Driven Solutions to Salinity Project

In an innovative project funded by the state NRM program, NACC and DAFWA are investigating the carbon sequestration potential of native salt-tolerant species as an economic driver for salinity management.

In the NAR, secondary salinity has developed due to the clearing of native perennial vegetation that previously utilised excess water before it infiltrated down into the water table.

Traditionally, landholders have revegetated salt-affected areas by planting salt-tolerant fodder shrubs. This meant that the land had grazing potential and added value to the farm business instead of being an unproductive site. Since the reduction in sheep numbers, alternative economic solutions now need to be developed.

The Carbon Driven Solutions to Salinity project is investigating the potential for carbon farming on saline sites. NACC and DAFWA are collecting carbon sequestration data on existing salt-tolerant native trees and shrubs across the NAR that are more than 10 years old to determine allometric (growth potential) equations and assess the economic feasibility.

The results of this project will be presented online, at field days showcasing the demonstration sites and in a final report early in 2014.

Regional Landcare Facilitator

NACC's Regional Landcare Facilitator (RLF) provides a link between the landcare community, NACC and the Australian Government.

The RLF's principal role is to support groups relying on volunteers to affect landscape change. RLF does this by facilitating knowledge and capacity building events including workshops, seminars and networking events. The RLF also matches appropriate expertise to the relevant group or issue and shares new research and innovative practices via a regular newsletter.

The position is overseen by a Steering Committee comprising broad representation from community landcare, coastcare and farm improvement groups, and from the DAFWA and the Department of Environment and Conservation.

Community Support

In 2012, the RLF travelled and held meetings with urban and regional groups to gauge what their needs are and to discuss ways the RLF could support them to achieve their NRM goals and priorities.

As a result of those meetings, the RLF:

- Supported the Waddy Forest LCDC to map biodiversity linkages for at least 30 landholders in the district to increase uptake of activities to improve biodiversity persistence and survival across the district.
- Teamed with the West Midlands Group to organise two bus tours for farmers and industry people to gain understanding of livestock issues and the co-benefits of perennials for feedstock and wind erosion.
- Liaised with the North East Farming Future group to assist in the organisation of a native grass and livestock workshop tailored to farmers, industry people and students from Western Australian College of Agriculture, Morawa.
- Worked with the Mingenew Irwin Group to hold a workshop to build understanding of the extent and severity of soil acidity and actions needed to address subsoil pH in the paddock.
- Organised a seminar for urban and peri-urban people that involved an ornithologist and ecologist to talk about birds that are endemic to the NAR.
- Collaborated with the DAFWA and Perth Region NRM to hold two workshops for small landholders and horse owners to provide information on practices to increase the condition of their block.

Junior Landcare

The RLF also supports schools seeking to develop knowledge and interest of the environment with their students.

In 2012, the RLF provided seed funding to 28 schools across the region to support the implementation of student projects related to conserving natural resources. The implementation of these projects has enabled 840 students and 86 teachers to be engaged in natural resources management.

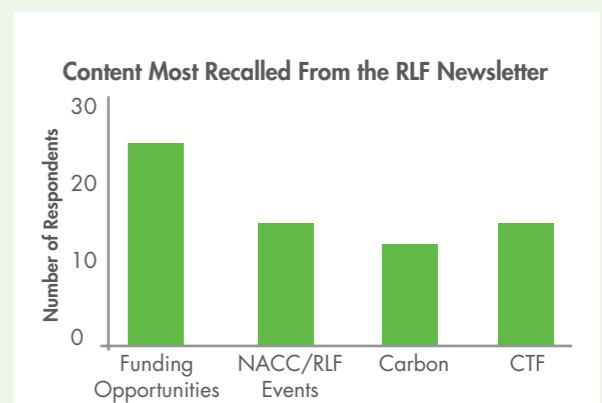


What Did This Program Achieve?

Evaluation of the Effectiveness of the RLF Program

As part of the RLF's Monitoring, Evaluation, Reporting and Improving (MERI) Plan, a survey was conducted to measure the effectiveness of the RLF program and newsletter. The survey data showed that:

- Engaged readers 'drive' people to events where they learn about the economic benefits of sustainable farming practices.
- People who are engaged in the program, either as readers or events' attendees, are more likely to take action as a result of what they learned.
- Farmers are just as engaged as non-farmers in the newsletter and events, and just as likely to recommend the program to others.





COASTAL AND MARINE SYSTEMS

The NAR coastal strip contains a range of unique flora and fauna within its marine and terrestrial ecosystems. It also houses a large proportion of the NAR's population. The pressure of population growth along this vulnerable stretch of WA's coast, coupled with the increasingly visible impact of changing weather conditions, have informed the development and progress of NACC's coastal and marine projects.

In contrast to other NACC programs, which are largely focussed on private landholders, NACC's Coastal and Marine Program's on-ground works are mostly on public land and the team works alongside many dedicated volunteers to achieve outcomes tailored to specific locations. Local governments, upon whose land the works are being undertaken, relevant state agencies and universities are involved in the planning, often providing technical knowledge and expertise to achieve best practice solutions.

These activities include controlling priority weeds, involving the community in the preservation of coastal biodiversity, using new technologies to fill vital knowledge gaps, forging partnerships along the coast to help meet the management challenges that will arise in a changing environment, and assisting other organisations with a range of projects.



Controlling Priority Weeds

Pyp Grass

Pyp Grass (*Ehrharta villosa*) is a fast-growing, aggressive weed (originating from South Africa) that was introduced into coastal vegetation because of its spreading capacity. It now threatens to undermine the biodiversity and stability of dune systems in several locations.

In 2012 NACC worked with the Shire of Dandaragan, West Midlands Group, and the Cervantes Ratepayers and Progress Association to develop a Pyp Grass Management Plan (2012) for the Cervantes area. Information from the Plan, combined with information from a weed management trial, informed an on-ground management program including spraying and hand wiping the Pyp Grass in its most vulnerable phase.

Monitoring of the project has been conducted including the collection of qualitative and quantitative information to provide baseline data and assess the efficacy of this first stage. Initial results are positive and this information will help to plan and implement the next stages.

Management has also commenced in Jurien Bay with detailed mapping of Pyp Grass.

Woody Weeds and Boxthorn

During NACC's region-wide community consultation on priorities to be addressed over the next five years, the Irwin River Estuary in Dongara was identified as an important regional asset, particularly important as habitat for migratory and resident bird species. NACC subsequently facilitated a workshop and field trip on the Estuary with the Department of Water (DoW) and Shire of Irwin to prioritise works. Eradicating aggressive weeds threatening the ecological system was identified as a priority.

With the support of the Shire of Irwin, Dongara Tidy Towns Sustainable Communities Committee, Dongara Historical Society and DoW, NACC engaged a weed management specialist to map woody weeds including African Boxthorn (Weed of National Significance) and Japanese Pepper along the banks of the Estuary and, from that mapping, local volunteers tagged the weeds and the Shire of Irwin implemented a spraying program.

Beach Wrack

Beach wrack consists of material washed up onto beaches including seagrass and seaweed. It plays a vital role in protecting beaches from erosion and provides important nutrients to the near shore environment and coastal food webs, and contributes to recreational fisheries. However, many local governments often receive requests from local residents to remove wrack from beaches because of its seasonal short-term odour and perceived unsightliness.

NACC has been working with Edith Cowan University to deliver 'beach wrack walks' across the region in order to raise the awareness of the value of beach wrack. In addition, upcoming work over the next 12 months will involve the community in data collection and help to further improve our understanding of this often maligned, yet extremely important player in our coastal environment.



Using New Technology to Fill Vital Knowledge Gaps

In 2010 NACC commissioned a data gap analysis to identify information needed by coastal managers to address the risk to infrastructure and natural assets caused by coastal recession (long-term erosion) and inundation.

Volunteer Beach Monitoring Program

In 2010 NACC designed the Geraldton Volunteer Beach Monitoring Program to help land managers and the community improve the understanding of shoreline change in Geraldton. Dedicated coastal volunteers embraced this program and, as a result of their success, NACC was awarded further funding to extend the program along the entire coastal strip from Guilderton to Kalbarri.

Over the past year NACC has been working with volunteers, coastal engineers from the Department of Transport and local governments to identify monitoring sites, develop a smartphone application to improve data collection and set up a database for storing and conveniently accessing photo data sets. The project has received a great deal of recognition at both the state and national levels for its innovative use of technology.

Importantly, data being collected through this project is improving the region's understanding of the changes and underlying causes for those changes, and informing planning for future works.



COASTAL AND MARINE SYSTEMS

Facilitating Partnerships to Address Regional Management Challenges

Off-road Vehicles

Unregulated use of off-road vehicles (ORVs) and illegal coastal camping are causing significant damage to sensitive coastal ecosystems in this region, requiring coastal managers to sink increasing resources into addressing the problem.

With funding from Coastwest, NACC convened a full-day workshop with local governments, community and user groups (including ORV clubs) and state government agencies to discuss options for ORV and coastal camping management.

The outcomes of this workshop have framed grant applications from volunteer groups for resources to reconvene the group at regular intervals and implement a range of initiatives to improve ORV management across the region.

Estuaries

More than 80 per cent of West Australians live adjacent to an estuary, but how well do they really know them? Over the past year NACC organised a series of five workshops that put our local estuaries under the spotlight. Presentations by NACC, DoW, the Department of Transport (DoT) and local Aboriginal representatives have provided up-to-date information on the values, management issues and potential management solutions for these important links between our coastal and marine environments, from Guilderton to Kalbarri.

Feedback from the workshops will assist the development of a strategic approach to managing estuaries in the region.



Coastal Hazard Risk Management

NACC, together with the Shire of Dandaragan and Shire of Gingin, has formed a new partnership that will help communities from Guilderton to Jurien Bay take the first steps in preparing for coastal hazards such as inundation and long-term erosion.

The new partnership demonstrates a commitment from participating organisations to take an integrated, informed and measured approach to better understand appropriate locations for future development and placement of coastal infrastructure.

The partnership has commenced a Data and Information Gap Analysis study, which will be followed by a workshop to improve the understanding of coastal hazard risk management, and a report that will clearly outline the next steps required in the process. The approach is being supported by a range of state government agencies, the Western Australian Local Government Association, similar local government partnerships in WA and Curtin University.

Supporting Initiatives of Organisations with Important Projects

Guilderton

The coastal dunes north of Guilderton are an exceptional example of the rich biodiversity of the Swan Coastal Plain. The proximity of these dunes to Perth means that this important habitat is under threat from increasing four-wheel drive and ORV use.

NACC has been working with the Shire of Gingin, Department of Environment and Conservation, Moore Catchment Council and the Yued people, to support the Guilderton Community Association in the development of site plans that consider a wide variety of values and uses of the area, and that take into consideration a range of land tenures such as Shire Reserve, Unallocated Crown Land and expiring Pastoral Lease. Site plans that formalise tracks and act to protect and restore remnant vegetation are expected to be ready for implementation in late 2013.

Green Head

Green Head's unique limestone cliffs and bays are attracting a growing number of tourists. Lookout areas and a boardwalk have been constructed on Cambewarra Headland, Green Head, to help reduce the growing impacts of this town's increasing popularity.

NACC, together with the Green Head Coastcare Group, Shire of Coorow, West Midlands Group, the Yued people and Coastwest, have developed plans that will allow for the regeneration of vegetation around and underneath raised pathways to reconnect small areas of bushland within the dunes to allow fauna, including reptiles, to move between habitats with minimal disruption.

The plans support the Three Bays Walkway project, which has been planned and implemented by the very dedicated Green Head Coastcare Group.

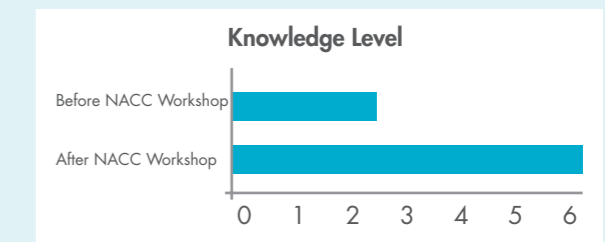
NACC has also supported the following important projects over the past 12 months with funding and technical expertise:

- Cervantes Ratepayers and Progress Association interpretive signage project.
- Rat Island Management Report completed by the WA Conservation Council in consultation with the Department of Fisheries, Department of Environment and Conservation and the Abrolhos Islands Body Corporate.
- Shire of Chapman Valley's South Coronation Beach dune rehabilitation work with the Geraldton Boardriders Club.
- Green Head Coastcare Group's fauna surveys undertaken in partnership with the WA Conservation Council, Shire of Coorow and West Midlands Group.
- Shire of Irwin's coastal restoration works at South Beach.
- Horrocks Beach Progress Association's dune restoration work.
- Shire of Dandaragan's coastal rehabilitation work at Sandy Cape.
- Abrolhos Islands Photovoice project, undertaken by Curtin University's Sustainability Policy Institute (CUSP), WA Marine Science Institute (WAMSI), Department of Fisheries, ABC online and Western Australia Museum.

What Did This Program Achieve?

The beach workshops held in Geraldton and Seabird focussed on the environmental value of beach wrack. The workshop showed the role beach wrack plays in coastal ecosystems and coastal protection. Participants at the workshop used NACC's structured feedback form to tell us:

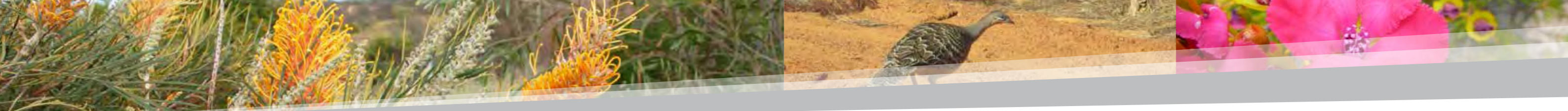
- Across participants, knowledge on the importance of beach wrack to our local environment grew by an average 158 per cent.



Other feedback NACC received about the event:

- The presenter was articulate and informative.
- Mic's patience with the kids was great – great personality.
- I learnt a whole heap and will be able to use this knowledge.





BIODIVERSITY

Some areas of the NAR are as biodiverse as a rain forest. It is hard to imagine when looking at the parched soil in many parts of our region that this particular part of the world contains two of Australia's 15 biodiversity hotspots with plants and animals that are unique to this area.

NACC's biodiversity projects seek to protect and restore the region's unique natural qualities and values in order to preserve them for future generations.

Hidden Treasures

Small areas of remnant bush along a road or on a rocky outcrop can provide an excellent place for native plants and animals to live. Sandy soil types, rocks and other natural features often means the land is not particularly useful for farming. The Hidden Treasures program supports private landholders to protect remnant vegetation on their land by fencing to exclude stock and managing invasive weeds and pests.

To date, this program has protected more than 10,000 hectares of good-quality native vegetation in the NAR.

Teaming up with BirdLife Australia

A successful partnership with BirdLife Australia (BLA) is focussed on the habitat for two bird species: the Carnaby's Cockatoo, listed as endangered under the Environment Protection and Biodiversity Conservation [EPBC] Act (1999); and the Mallee Fowl, listed as vulnerable under the EPBC Act.

The work includes rehabilitation of breeding areas, managing invasive pests, particularly invading birds, and management plans that will include surveys to assess the effectiveness of this conservation work.

Knowledge Building

In 2012-13, the Hidden Treasures program worked with community members on flora identification, seed collection and germination techniques in schools including Latham, Chapman Valley and Dandaragan, as well as the Bundybunna farm in Mingenew.

Demand from farmers for support to participate in this program continues to grow with a waiting list in some sub regions. NACC hopes to secure funding to extend this project for a further two years.

Quandong (Warlgu) Walk Trail Stage Two

An urban stand of Quandong trees on the busy North West Coastal Highway marks an important location in Geraldton's Aboriginal heritage. The project is the city's first Aboriginal walk trail. Completed signage incorporates photographs and artwork to tell the stories of Alice Nannup – an Aboriginal woman and author – and the life cycle of the Quandong trees that populate the area.

Featured on the front cover and inside of this annual report is artwork created by local artist Marion Dingo for the signage of the Alice Nannup Walk Trail.

Yamaji Site Rehabilitation

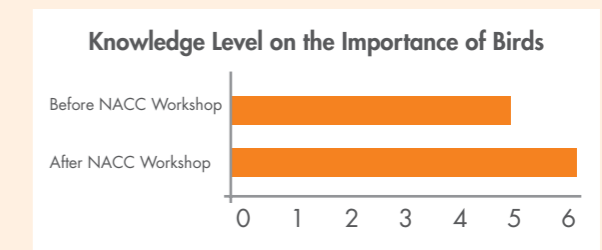
In a former project, NACC worked with the Yamaji Marlpa Land and Sea Council to identify 65 important Aboriginal places and assess the type and priority of restoration works. Of these, five coastal sites in the NAR were prioritised as sites for the first on-ground works in 2012-13. The work encompasses rehabilitation of vegetation, removal of weeds, and protection from feral animals and is being completed by Western Mulga, an Aboriginal-owned and managed contracting company.

Included in the project were coastal and cultural awareness workshops to inform the local residents of the activities and the purpose behind them. As a result of this shared learning, one landholder elected to fence off land to increase the buffer zone for the important site and link it to another area of remnant vegetation.

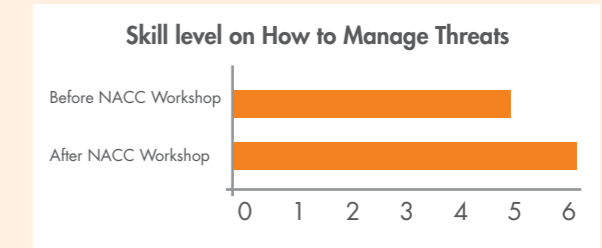
What Did This Program Achieve?

Birds on farm and at home: their future and your future seminar

The Birds on Farm and at Home seminar held in Geraldton focused on the role birds play in the environment. Participants indicated an increase in knowledge on the importance of birds to our local environment by an average of 24 per cent.



The levels of skills to manage threats from pest, habitat loss and fragmentation rose by 21 per cent.



Other feedback NACC received about the event:

- This is so important. We need coverage of bird matters in the local paper. More seminars like tonight.
- Very entertaining. The speaker is passionate about the subject.
- That was so interesting – would have loved more of it. It was too short! Thank you!





BIODIVERSITY

Rivers and Wetlands

The land around rivers and wetlands is not only beautiful but also fragile and valuable. Waterways in the NAR provide important habitat and food sources for native flora and fauna. However, permanent and seasonal water also often supports invasive weeds, attracts pests and can be used as stock watering points causing erosion and water contamination.

NACC's recently commenced Rivers and Wetlands project is supporting private landholders to restore vegetation along rivers, creeks and wetlands. It involves fencing to protect remnant vegetation and exclude stock from sensitive areas, weed control, revegetation and installation of alternative watering points and stock crossings.

Organisations involved in helping NACC to deliver this project include the Department of Water, Shire of Chapman Valley, Yarra Yarra Catchment Regional Council, Moore Catchment Council and the West Midlands Groups.

Through the life of the program, NACC aims to protect 100 ha of riparian land across the NAR.



URBAN AND PERI-URBAN

Garden Guides



NACC's *Inland and Coastal Native Garden Guides* specific to the NAR were released in 2012 and are available at locations throughout the region. To help gardeners design, establish and manage their native gardens, NACC, with support from Coastwest, undertook a series of hugely successful native garden workshops. Workshop participants gained an understanding of the key elements of native gardening, and the role that native plants and animals play in our natural environment.

Workshops in Geraldton, Lancelin, Jurien Bay, Moora and Morawa attracted 114 participants from across the region, all eager to learn about plant identification, water use and reticulation, native plant and animal interactions, mulching, soil types and landscape planning.

As a result of the popularity of the workshops NACC, in partnership with the City of Greater

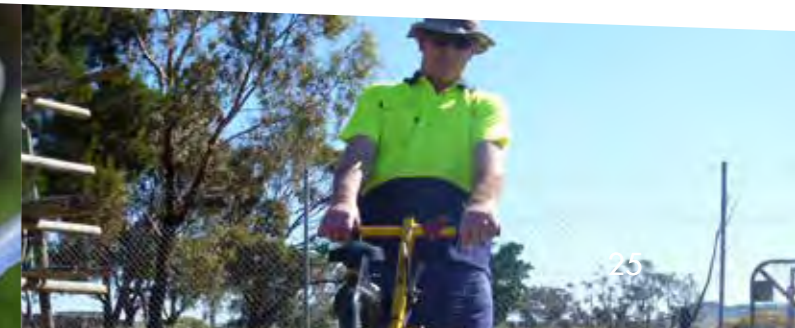
Geraldton and Men of the Trees, hosted a Spring Fling bus tour as part of National Science Week. The tour visited coastal and inland gardens throughout Geraldton.

The popularity also led the Water Corporation to invite NACC to run additional workshops as part of its H2Ome Smart Program in Dongara and Geraldton. These activities have been a catalyst for engaging new communities and residents in NRM across the region and are set to continue in 2013 and 2014.

Small Landholders Guide

A recent trend in the NAR for farms to be sub-divided into lifestyle blocks was the catalyst for NACC developing a *Small Landholder Guide* and workshop program to assist lifestylers to manage their block. Notionally, the *Guide* is for people with blocks ranging in size from 1 hectare (2.5 acres) through to 200 hectares (500 acres), but it provides a wealth of information for people with blocks of any size.

Content and orientation of the *Guide* was informed by focus groups and a survey of small landholders. Feedback from both the survey and focus groups indicated considerable interest from people in the NAR in having access to more information, workshops and field days, and in developing a network of small landholders to facilitate the sharing of information, skills and equipment.



GEOGRAPHIC INFORMATION SYSTEMS (GIS)

In 2013 NACC upgraded its internal GIS capability and centralised its data to provide better support across its programs and to regional officers. With the help of a Lotterywest grant, NACC was able to set up a dedicated GIS server to provide more effective security and reliability of access to accurate data.

Regional NRM Strategy






The Northern Agricultural Region's Natural Resource Management Strategy (2005) is currently being updated and moved from a print document to an electronic, interactive platform called NARvis. It is essentially a user-friendly series of interactive maps that will also display outputs from on-ground works and monitoring projects, scientific reports relevant to a geographic area or asset class, plans for works and the potential impacts of climate change.

To guide the type and extent of the information that sits behind NARvis, NACC has convened a Technical Working Group with expertise from DAFWA, DEC, DoW, DoP and the Department of Indigenous Affairs (DoIA).

The below Native Vegetation Extent maps identify 32 vegetation associations, of which the five most extensive are identified in the legend.

Legend

Vegetation Associations (NVIS III)

-  Acacia mixed open shrubland
-  Acacia shrubland
-  Allocasuarina mixed shrubland
-  Eucalyptus woodland
-  Mosaic: Verticordia heath / Acacia shrubland / Allocasuarina closed shrubland / Acacia isolated trees

Environmental Accounting

NACC is one of ten NRM groups across Australia that participated in the Regional Environmental Accounts Trial led by the Wentworth Group of Concerned Scientists.

An environmental account for an asset gives it a score out of 100 that compares its current condition to what it was in Pre-European times. Quantifying regional assets in this way will aid in the creation of regional targets and setting investment priorities, thus helping to inform the new Regional NRM Strategy.

As part of the trial, accounts were completed for native vegetation and birds in the NAR. These were completed with assistance from DEC and the Wentworth Group.

These shots are part of a series of images captured through the LiDAR and Hyperspectral project and used as a current mapping reference for GIS projects and maps.



Greenhead



Irwin River



Cervanties



Ledge Point



Top Map: Current native vegetation extent, coloured by vegetation association with a faint background of the Pre-European native vegetation extent.



Bottom Map: Pre-European native vegetation extent, coloured by vegetation association.

CLIMATE CHANGE

Earlier this year, an Australian study found more than 97 per cent of peer-reviewed scientific papers created in the past 20 years on the subject of climate change agreed humans are the cause.

In the NAR, as with most other community areas, consensus is not so clear. Research conducted in 2012 by NACC, in partnership with CSIRO and Curtin University, indicated 98 per cent of respondents believe that climate change is happening but only 76 per cent believe the changes are the result of human activity.

NACC's Climate Change program is closely linked with all other programs, integrating climate change knowledge and activities within those activities.

Local Government Collaborative Partnerships

NACC is working with local governments in the NAR to help them plan now for what the region will be like in 20 to 50 years' time. The process involves accessing and collecting information to identify risks to infrastructure and resources and then making plans to mitigate and adapt to climate change.

The City of Greater Geraldton has invested considerable resources in this project and achieved significant outcomes:

- Systematically changing lighting and hot water systems to energy efficient and solar models.
- Installing solar panels at the QE2 centre and Bright Stars Family Day care offices.
- Creating an inspirational plan to use geothermal energy to heat the public swimming pool, which currently uses gas for heating.

Cervanties LiDAR image. This baseline image often likened to an x-ray of the human body will allow precise monitoring of changes in the environment.

LiDAR and Hyperspectral Imagery

NACC is using airborne-collected LiDAR (Light Detection and Ranging) and hyperspectral techniques to obtain a snapshot of the health of our coastal dunes and vegetation. This baseline picture – often likened to an x-ray of the human body – will allow precise monitoring of changes in the coastal environment, such as beach erosion and accretion, surface hydrology for stormwater and catchment management, the impacts of changing land uses and environmental conditions and location and condition of native plants and weeds.

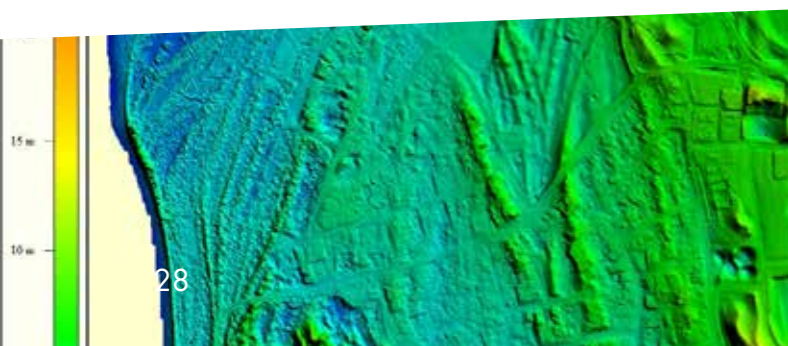
When combined with other data sets, the information will allow coastal managers to improve the management of our coastal ecosystems.

Partners in this project were Curtin University's Department of Imaging and Applied Physics, who carried out a ground-truthing exercise to explore the potential to use collected hyperspectral data to map significant coastal weeds, and DiMap Australia Pty Ltd.



The City of Greater Geraldton investment in a 'dash-board' to continually monitor power usage at the Geraldton Aquarena.

Coastal erosion on Wedge Island



SOCIAL RESEARCH

The Human Aspect of What We Do

NACC's Social Research unit is focussed on measuring changes in knowledge, capacity and changed practices as a result of the organisation's programs.

NACC uses surveys and interviews with participants and stakeholders to measure the direct effect of its projects, to understand what the community thinks about the environment and natural resource management, and to inform future project development.

Examples of this constant monitoring and feedback program are distributed throughout this report.

Inland to Ocean Education Package

NACC helps kids to help the environment. The *Inland to Ocean* education pack uses an inquiry-based approach to encourage primary school students to learn about their own local environment. Designed to fit with the National Curriculum, the activities the students engage in include role playing as a botanist, a farmer, a photographer or a scientist in their inquiries into aspects of their local environmental assets.

Classroom-based activities are coupled with community and environment experiences including dune rehabilitation and opportunities to talk to land management experts and Traditional Owners.

Inland to Ocean has been developed for school children in year's three to six, and was trialled in seven schools across the region. Student and teacher feedback has been used to refine the program for release later in 2013.

Monitoring, Evaluating, Reporting and Improving

As part of Caring for our Country funding requirements, NACC projects use the MERI process to monitor each project. This process standardises much of the social science work undertaken by NACC.



**WESTWOOD
ACCOUNTANTS**

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ABN 87 252 720 464



**AUDITOR'S REPORT
TO
NORTHERN AGRICULTURAL CATCHMENTS COUNCIL INCORPORATED**

To the members of Northern Agricultural Catchments Council

Report on the financial report

We have audited the accompanying financial report of Northern Agricultural Catchments Council, which comprises the statement of financial position as at 30 June 2013, operating statement and detailed income and expenses statement, a summary of significant accounting policies and other explanatory notes and the governing committee's declaration.

The responsibility of the Governing Committee for the financial report

The Governing Committee are responsible for the preparation and fair presentation of the financial report in accordance with Australian accounting standards (including the Australian accounting interpretations). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian auditing standards. These auditing standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance that 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 judgement, 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 the accounting policies used and the reasonableness of accounting estimates made by the governing committee, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of Northern Agricultural Catchments Council for the year ended 30 June 2013 included on Northern Agricultural Catchments Council's website. The association's governing committee are responsible for the integrity of Northern Agricultural Catchments Council's website. We have not been engaged to report on the integrity of Northern Agricultural Catchments Council's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to / from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.

Directors
Andrew Ford (CRS)
Kevin Cassidy

Liability limited by a scheme approved under
Professional Standards Legislation

Auditor's opinion

In our opinion, the financial report gives a true and fair view of the financial position of Northern Agricultural Catchments Council as of 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian accounting standards (including the Australian accounting interpretations).

Andrew Ford CPA
Certified Practising Accountant

Dated this 4th day of September 2013

**WESTWOOD
ACCOUNTANTS**

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL

FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

STATEMENT BY RESPONSIBLE EMPLOYEE

The attached financial report of the Northern Agricultural Catchments Council being the audited financial report and supporting notes and other information for the financial year ended 30 June 2013 are in my opinion properly drawn up to present fairly the position of the Northern Agricultural Catchments Council at 30 June 2013 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards (except to the extent that these have been varied in the statement of Accounting Policies required by Australian Accounting Standard AASB108 "Accounting Policies" and the accompanying notes to the annual report)

Signed on the 17th day of September 2013



Shelley Spriggs
Chief Executive Officer

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30TH JUNE 2013

| | NOTE | 2013 \$ | 2012 \$ |
|---------------------------------|------|------------------|------------------|
| CURRENT ASSETS | | | |
| Cash Assets | | 1,760,031 | 3,173,771 |
| Receivables | 3 | 296,668 | 29,688 |
| TOTAL CURRENT ASSETS | | 2,056,699 | 3,203,456 |
| NON CURRENT ASSETS | | | |
| Property Plant and Equipment | 4 | 100,555 | 23,472 |
| Furniture and Fixtures | 4 | - | - |
| TOTAL NON CURRENT ASSETS | | 100,555 | 23,472 |
| TOTAL ASSETS | | 2,157,254 | 3,226,928 |
| CURRENT LIABILITIES | | | |
| Payables | 5 | 806,811 | 1,570,516 |
| Provisions | 6 | 183,418 | 95,088 |
| Unexpended Grants | 7 | 826,111 | 1,312,621 |
| TOTAL LIABILITIES | | 1,816,339 | 2,978,224 |
| NET ASSETS | | 340,914 | 248,704 |
| EQUITY | | | |
| Retained Surplus | | 340,914 | 248,704 |
| TOTAL EQUITY | | 340,914 | 248,704 |

This statement is to be read in conjunction with the accompanying notes

**WESTWOOD
ACCOUNTANTS**

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL

OPERATING STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2013

| | NOTE | 2013 \$ | 2012 \$ |
|------------------------------|------|------------------|------------------|
| OPERATING REVENUES | | | |
| Operating Income | | 7,051,529 | 4,800,413 |
| | | <u>7,051,529</u> | <u>4,800,413</u> |
| OPERATING EXPENSES | | | |
| Operating Expenses | | 6,959,318 | 4,777,420 |
| | | <u>6,959,318</u> | <u>4,777,420</u> |
| NET SURPLUS (DEFICIT) | | <u>92,211</u> | <u>22,994</u> |

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE 2013

| | NOTE | 2013 \$ | 2012 \$ |
|----------------------------|------|----------------|----------------|
| RETAINED SURPLUS | | | |
| Balance as at 1 July 2012 | | 248,704 | 225,710 |
| Net Surplus (Deficit) | | 92,211 | 22,994 |
| Balance as at 30 June 2013 | | <u>340,914</u> | <u>248,704</u> |
| TOTAL EQUITY | | <u>340,914</u> | <u>248,704</u> |

This statement is to be read in conjunction with the accompanying notes

**WESTWOOD
ACCOUNTANTS**

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements. The report has also been prepared on the accrual basis under the convention of historical cost accounting.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

(b) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

(c) Fixed Assets

Property, plant & equipment and other non current assets are brought to account at cost or at independent or management valuation less, where applicable, any accumulated depreciation, amortisation or impairment losses.

(d) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation rates are:

| | |
|--------------------|-----|
| Office Equipment | 20% |
| Computer Equipment | 40% |

(e) Impairment

In accordance with Australian Accounting Standards the NACC's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB136 "Impairment of Assets" and appropriate adjustments are made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

(f) Investments

All investments are valued at cost and interest on those investments is recognised when accrued.

**WESTWOOD
ACCOUNTANTS**

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries and Annual Leave

The provision for employees' benefits to wages, salaries and annual leave represents the amount that NACC has a present obligation to pay resulting from employees services to balance date. The provision has been calculated at nominal amounts based on remuneration rates that NACC expects to pay and includes related on-costs.

(ii) Long Service Leave

The provision for employees' benefits for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees' service to balance date.

(h) Interest Rate Risk

NACC's exposure to interest rate risk, which is risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates, is considered negligible for all financial instruments other than borrowings.

(i) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statement. NACC does not have material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by NACC.

(j) Fair Value

The fair value of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds fair value have not been written down as NACC intends to hold these assets to maturity.

The aggregate fair value and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the accounts.

(k) Rounding Off Figures

All figures shown in this financial report are rounded to the nearest dollar.

(l) Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30TH JUNE 2013

| | 2013 | 2012 |
|-------------------------------|------------------|------------------|
| | \$ | \$ |
| Income | | |
| Unexpended Grants b/f | 1,312,621 | 414,943 |
| Project Grants | 3,915,000 | 4,065,000 |
| Operating Grants | 2,347,770 | 790,110 |
| Reallocated Grants | 153,300 | 719,856 |
| Interest Income | 133,615 | 111,438 |
| Donations | 1,290 | 317 |
| Miscellaneous | 14,043 | 11,370 |
| Unexpended Grants c/f | (826,111) | (1,312,621) |
| Total Income | 7,051,529 | 4,800,413 |
| Expenses | | |
| Accommodation Expenses | 3,924 | 1,045 |
| Audit Fees | 25,355 | 23,100 |
| Bank Fees | 1,286 | 643 |
| Catering | 11,148 | 5,709 |
| Cleaning | 7,892 | 8,515 |
| Communications | 29,351 | 30,173 |
| Consultants Fees | 145,058 | 14,799 |
| Depreciation | 23,696 | 29,092 |
| Electricity | 10,771 | 7,825 |
| General Admin Costs | 23,576 | 8,336 |
| Housing Assistance | 1,000 | - |
| Insurance | 20,066 | 14,778 |
| Internet Expense | 3,240 | 3,318 |
| Merchandise | 7,723 | - |
| Miscellaneous Expenses | 3,665 | 3,192 |
| NACC Chairman Sitting Fees | 13,330 | 14,830 |
| NACC Committee Sitting Fees | 13,150 | 13,270 |
| NACC Committee Travel Expense | 17,226 | 21,037 |
| NACC Committee Expenses | 26,113 | 14,975 |
| NACC Meeting Expenses | 25,343 | 21,963 |
| Office Equipment | 7,004 | 12,992 |
| Office Rent | 67,787 | 74,837 |
| Petty Cash | 370 | 355 |
| Photocopying | 8,645 | 9,905 |
| Postage | 4,115 | 2,642 |
| Printing Costs | 11,454 | 2,427 |
| Resources | 1,064 | 358 |

(This statement is to be read in conjunction with the accompanying notes)

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30TH JUNE 2013

| | 2013 | 2012 |
|-----------------------------|------------------|------------------|
| | \$ | \$ |
| Repairs & Maintenance | 1,850 | 8,496 |
| Seminar/Display Held Exp | 1,118 | 1,838 |
| Seminar Attended Expenses | 4,645 | 807 |
| Sponsorship | 291 | 5,150 |
| Staff Uniforms | 188 | - |
| Stationary/Office Exp | 17,060 | 17,860 |
| Subscriptions | 13,496 | 6,920 |
| Technical Data Support | 68,906 | 34,558 |
| Telephone | 22,529 | 24,302 |
| Training Costs | 34,105 | 27,944 |
| Travel Costs - Other | 7,230 | 5,420 |
| Travel Costs - Staff | 68,253 | 46,832 |
| Venue Hire | 4,588 | 1,766 |
| Wages & Salaries | 1,449,951 | 1,253,491 |
| Superannuation | 138,539 | 108,401 |
| Employee Leave Entitlements | 30,509 | 3,850 |
| Employee LSI | 54,321 | - |
| Fringe Benefits tax | 3,243 | 4,440 |
| Motor Vehicle Allowance | 17,472 | 17,472 |
| Uniforms | 1,100 | 522 |
| Total Motor Vehicle Expense | 94,796 | 85,197 |
| Incentive Payments | 1,476,021 | 816,313 |
| Project Expense | 2,190,529 | 1,526,093 |
| Project Payments | 745,125 | 640,000 |
| Total Expenses | 8,959,318 | 4,777,420 |
| Net Profit / (Loss) | 92,211 | 22,994 |

This statement is to be read in conjunction with the accompanying notes

**WESTWOOD
ACCOUNTANTS**

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 30TH JUNE 2013

| | 2013 | 2012 |
|--|--------------------|------------------|
| Cash at Beginning of Year | 3,173,771 | 2,885,763 |
| Operations | | |
| Cash receipts from customers | 6,784,547 | 4,885,482 |
| Cash paid for | | |
| General operating and administrative expenses | (6,847,556) | (3,227,114) |
| Wage expenses | (1,449,951) | (1,370,181) |
| Net Cash Flow from Operations | (1,312,960) | 288,187 |
| Investing Activities | | |
| Cash paid for | | |
| Purchase of property and equipment | (100,779) | (179) |
| Net Cash Flow from Investing Activities | (100,779) | (179) |
| Net Increase in Cash | (1,413,740) | 288,008 |
| Cash at End of Year | 1,760,031 | 3,173,771 |

This statement is to be read in conjunction with the accompanying notes.

**WESTWOOD
ACCOUNTANTS**

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2013

| | 2013 | 2012 |
|--|------------------|------------------|
| | \$ | \$ |
| 2. NET CURRENT ASSETS | | |
| <i>Composition of Net Current Asset Position</i> | | |
| CURRENT ASSETS | | |
| Cash | 1,760,031 | 3,173,771 |
| Receivables | 296,668 | 29,686 |
| | <u>2,056,699</u> | <u>3,203,456</u> |
| LESS: CURRENT LIABILITIES | | |
| Payables and Provisions | 990,228 | 1,665,603 |
| Unexpended Grants | 826,111 | 1,312,621 |
| | <u>1,816,339</u> | <u>2,978,224</u> |
| NET CURRENT ASSET POSITION | 240,359 | 225,232 |
| SURPLUS C/FWD | <u>240,359</u> | <u>225,232</u> |
| 3. RECEIVABLES | | |
| Debtors | 121,220 | 15,500 |
| Prepaid Expenses | 74,852 | 14,186 |
| Accrued Income | 100,596 | - |
| | <u>296,668</u> | <u>29,686</u> |

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2013

| | 2013 | 2012 |
|--------------------------------------|----------------|------------------|
| | \$ | \$ |
| 4. NON CURRENT ASSETS | | |
| <i>Property, plant and equipment</i> | | |
| Plant and Equipment | 190,962 | 211,127 |
| Less: Accumulated Depreciation | (90,407) | (187,655) |
| | <u>100,555</u> | <u>23,472</u> |
| Furniture and Fixtures | 4,555 | 26,333 |
| Less: Accumulated Depreciation | (4,555) | (26,333) |
| | <u>-</u> | <u>-</u> |
| TOTAL NON CURRENT ASSETS | <u>100,555</u> | <u>23,472</u> |
| 5. PAYABLES | | |
| Trade Creditors | 522,400 | 186,876 |
| GST | (250,542) | 112,835 |
| PAYG | 32,772 | 21,486 |
| Superannuation | 4,907 | - |
| Business Credit Cards | 16,869 | 1,508 |
| Accrued Expenses | 52,437 | 47,406 |
| Committed Funds | 427,968 | 1,200,404 |
| | <u>806,811</u> | <u>1,570,516</u> |
| 6. PROVISIONS | | |
| Provision for Employee Entitlements | 104,297 | 73,788 |
| Provision for Long Service Leave | 54,321 | - |
| Provision for Audit Fees | 24,800 | 21,300 |
| | <u>183,418</u> | <u>95,088</u> |

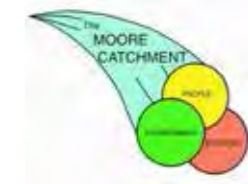
NORTHERN AGRICULTURAL CATCHMENTS COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2013

| | 2013 \$ | 2012 \$ |
|---|----------------|------------------|
| 7. UNEXPENDED GRANTS | | |
| 08N-10 Wind Erosion Project | - | 252,237 |
| 12028 Carbon Driven Solutions | 56,612 | - |
| 12036 Biodiversity Corridors State | 43,096 | - |
| 12N-01 NACC Climate Change Program | 13,385 | 1,765 |
| 12N-03 Water Monitoring Activities | 10,369 | 10,369 |
| 12N-04 Regional Sch Education Project | 32,163 | 88,702 |
| 12N-05 NACC Sustainability Expo | - | 42,473 |
| 12N-06 LIDAR Project | 48 | 160,800 |
| 12N-07 Rivers & Wetlands | 239,940 | 300,000 |
| 12N-08 Youth Projects | - | 20,000 |
| 12N-09 INFFER/Landview Project | 145 | 86,111 |
| 12N-10 CarbonQuest BP | - | 17,176 |
| 12N-11 CMS/Projects Management Project | - | 35,535 |
| 12N-12 EDRMS/ TRIM Project | 20,583 | 127,202 |
| 12N-13 Regional IT Strategy Project | - | 30,000 |
| 12N-15 NACC Communications Project | - | 30,000 |
| 13N-03 GIS/MER) Expenses | 15,095 | - |
| 201334 Plan for Climate Change | 89,054 | - |
| 201359 Coast West Beach Monitoring | 8,069 | - |
| 39N-01 CFOC Core Base Funding | - | 3,863 |
| 48N-13 Coastal E & CAH Project | 1,646 | - |
| 48N-14 Hidden Treasures Project | 62,578 | - |
| 500 Centre for Regional Climate Change | - | 14,529 |
| AA Operating | 169,827 | - |
| CRM13002 Coastal Hazard Risk Management | 10,000 | - |
| CWCC02 Coast/West/CoastCare 2011/12 | - | 36,871 |
| NOR1 Grain & Graze | - | 35,941 |
| NRMCONFERENCE | - | 3,646 |
| RGS-09 Turtle Bay Royalties for Regions | - | 15,400 |
| SIE13003 Sustainability & Innov Expo | 43,500 | - |
| TAS13001 Target Audience Survey | 10,000 | - |
| | <u>828,111</u> | <u>1,312,621</u> |

**WESTWOOD
ACCOUNTANTS**

NACC's work and achievements would not be possible without the continued support from the community and local organisations. Thank you!

- | | |
|---|--|
| Shire of Chapman Valley | North Stirlings Pallinup |
| Mingenew Irwin Group | Liebe Group |
| Yarra Yarra Catchment Regional Council | Precision Agriculture |
| Moore Catchment Council | Guilderton Community Association |
| West Midlands Group | Ledge Point Coastcare Group |
| Lotterywest | Ledge Point Community Association |
| Bendigo Bank | Friends of Lancelin Coast |
| The City of Greater Geraldton | Lancelin Ratepayers Association |
| Government of Western Australia Department of Agricultural and Food | Cervantes Progress Association |
| Government of Western Australia Department of Water | Green Head Coastcare Group |
| Government of Western Australia Department of Transport | Irwin Progress Association |
| Government of Western Australia Department of Fisheries Government of Western Australia Department of Environment and Conservation | Dongara Tidy Towns Sustainable Committee |
| Conservation Council of Western Australia | Irwin District Historical Society |
| Esri | Off Road Vehicle User Group |
| North East Farming Futures | Friends of Sunset Beach |
| Waddy Forest LCDC | Drummonds Cove Coastcare |
| | Horrocks Beach Progress Association |
| | Geraldton Historical Society |
| | BirdLife Australia – Midwest |
| | Marion Dingo |
| | Bush Heritage |



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Cover artwork: Beach and Sand Hills Landscape, by Marion Dingo.
This art piece is part of a series of artwork displayed along the Alice Nannup Walk Trail, Geraldton.



CARING
FOR
OUR
COUNTRY

