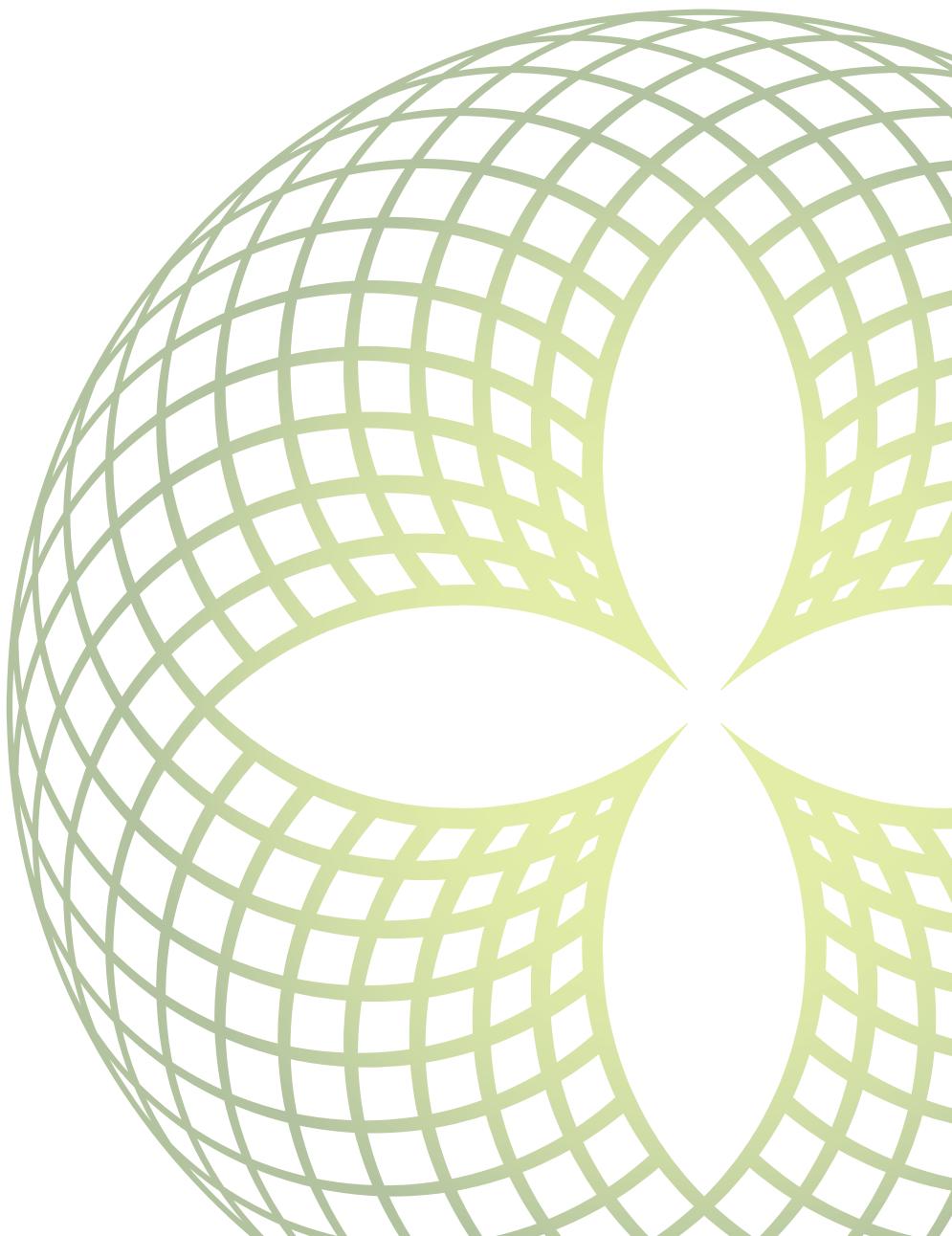




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## NOOSA BIOSPHERE RESERVE FOUNDATION

### ANNUAL REPORT 2017/2018



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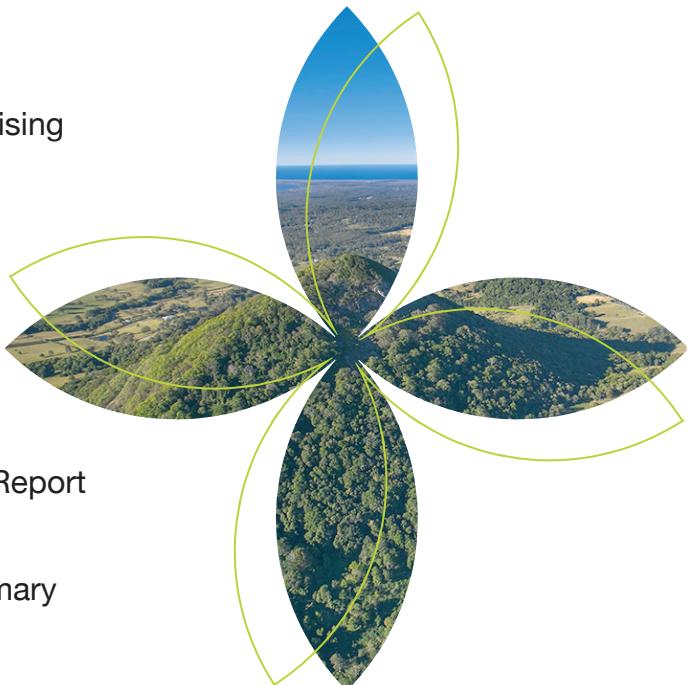
For ease of reading, this Annual report has been written at three levels. For those wishing to get the key messages, the Report from the Chair highlights these. Reading the whole report will cover all activities. For those wanting detailed points on specific issues, extensive appendices are included.

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## 1. REPORT FROM THE CHAIR (Dick Barnes)

I am pleased to present our Annual Report for Fiscal 2017/18 to the Noosa Shire Council (Council) and hence to the community in general. I would like to set in context here the key activities undertaken in 2017/18 that are covered in more detail in subsequent sections. In particular, highlight important initiatives for the future.

I apologise for the lateness of this report. This was due to a series of serious medical events that led to a number of false starts on my part. This will not happen in future as we have now a more robust structure.

### Financials

Once again we have a clean audit report. The financials are highlighted here and the full reports are in Appendix A. The fiscal accounts are assembled to appropriate accounting standards and, as a result, are quite complicated. To help with this, we have developed a set of management accounts for the ongoing day to day control of the Foundation. We are pleased with this and a copy of the year-end report is included in Appendix B. The reports show the NBRF meeting its commitments and in good shape. The Board has significant expertise in the area and is assured that any governance issues and financial controls are well managed.

### “Back to Basics” Program

At the end of 2016/17 we recognised that it had been a year of consolidation and that we wanted to “accelerate our game” in 2017/18. To achieve this, we developed our “Back to Basics” program. These issues are now embedded in our psyche and the program was concluded this year. The headings of the program are shown in Appendix E and our work has progressed in all areas.

### Second Grants Round

The outstanding performance of 2017/18 was undoubtedly the second grants round. We were able to award a total of \$330,000 to 6 small (less than \$20,000) and 3 large projects. We were staggered that we had 54 applicants reflecting the community’s interest in our work. As you will see later, the projects selected are going well as are the large projects remaining from the first grants round in 2015/16.

### Financial Leverage

Perhaps we have not stressed enough the leverage we have obtained for the money funded by the Council. So far, in round terms, we have funded projects worth \$2.9 million of which NBRF, through Council, have provided \$950,000. A leverage of 3 to 1 which is exceptional and one of the purposes for setting up NBRF.

Of the balance, \$600,000 has come from cash provided by other organisations and \$1.35 million from “in-kind” activities. The “in-kind” activities contain a significant amount of community volunteer time and show a significant engagement with what we are doing. I would like to thank the “grants committee” of four Directors (Clare Cartwright – Deputy Chair, Frank Wilkie, Karen Hussey and David Dique) for the exceptional hard work that went into awarding the projects. With 54 applicants it was a much bigger task than expected.

As part of our governance processes, Michael Gloster and Dick Barnes took no part in the decision making to avoid any potential conflicts of interest with organisations making submissions.

## Reporting Checklist

Last year, we wrote a short simple annual report that focused on achievements rather than factual reporting. A very useful checklist of further requirements was developed by the NSC CEO and NBRF Chair from questions posed by Councillor Jackson. We have used the checklist throughout this report and hope any gaps have been adequately covered.

## Board of Directors / Members

Michael Gloster retired from the Board in May and we thank him greatly for his input to NBRF. Scott Williams, a past Chair, stepped in as a casual Director and has given a major contribution to our work. The decision was taken to advertise publicly for 3 new Directors which was implemented in 2018/19 and was very successful. I would like to take the opportunity to thank all the Directors for their hard work, expertise and team working throughout the year.

In addition, I would like to thank our Members for their help and advice during the year and attendance at the AGM looking back at 2016/17.

## NBRF Strategy and Project Funding

A large amount of time was spent in the last part of the year discussing with Council the next Funding Agreement and the strategy for NBRF. It was agreed that Noosa Shire Council are responsible for the overall management of the Biosphere and the "Mab" UNESCO program. The majority of the levers are under Council control.

The role of the NBRF has always been to bring forward "big ideas" and to get them implemented. Previously, we have got the ideas and projects via community grants rounds. Under the new three year agreement, the NBRF itself is charged to research and identify the big ideas and then action them. Undoubtedly, there will be significant community engagement in these projects both in their identification and implementation. On this new basis, a three year funding agreement was signed. Specific needs will be reviewed each year. There will be increasing fundraising activity to continue the excellent leverage we have been achieving and reduce the proportion of Council funding.

## Operational Funding

We are particularly grateful that Council have agreed to continue our operational funding. This allows us to really leverage the expertise and limited resources of the volunteer Board. Rather than use the budget to fund a single executive, we have chosen to acquire smaller amounts of time from specific experts. This is working very well for us. We have many opportunities to get project funding from grants, philanthropists etcetera but it is very difficult to find funds for core support. This support allows NBRF to concentrate on delivering "big ideas" projects.

## Communication

In 2017/18 we have dramatically increased our communication program particularly around our grants program, our projects in hand and our approach. We have enlisted the services of a Communications expert on a part time basis and this is proving very successful.

## In Summary

2017/18 has been a challenging year for NBRF on many fronts but it is clear that we have raised our game, actioned some great community projects, communicated better with all parties, and risen to the challenge from Council to generate big ideas ourselves and make them happen.

I would like to take this opportunity to thank the Councillors and staff of Noosa Shire Council for the support they have given NBRF in 2017/18 and, in particular, for the help and encouragement they have given me in my first full year as Chair.

## 2. FISCAL ACCOUNTS HEADLINES

The Auditors report and the statutory accounts are included in detail at Appendix A.

We are required to report against relevant accounting standards. This complicates the presentation as grants can only be counted as income as they are paid out and not when received. The balance of the grant is held on the balance sheet as an asset with an offsetting liability.

Also, the fiscal accounts consolidate the financials into one P&L. On an operational management basis, we measure financials by project and use cash based accounting to give a simpler set of management accounts (see next section).

Using the Auditors fiscal figures:-

### INCOME

In summary, NBRF had a total income of \$374,979.

\$187,979 was provided by Council from the Environmental Levy in line with the second round of projects.

\$187,000 was used in operational expenses with \$140,000 provided by Council and \$47,000 from reserves. The figure from reserves allowed a large expenditure to be funded for the UNESCO 10 year Periodic Review production.

\$1,618 interest was received from deposits.

### EXPENDITURE

The Auditor shows expenses as \$405,486 giving a relatively small reduction in Net Equity of \$28,889. This reflects a significant increase in activity during the year. Such as the new grants round and the Periodic Review.

Of the total of \$405,486, payments to project grants totalled \$214,980.

This leaves operational costs of \$190,506.

Of this \$168,266 are people and consultancy costs, and \$22,240 are other expenses.

During 2017/18, we finished off the 10 year Periodic Review, planned new strategic initiatives and actioned a substantially increased media and communication approach. In presentations to Council we highlighted that we were able to cover this expenditure above the \$140,000 provided through reserves from prior year savings. The Periodic Review required \$80,000 in contract research and management given its scale.

As previously noted, we do not have any employees but hire expert help from consultants as required. In this way, we believe we can be more effective using a small part of a specific expert rather than employing one generalist.

Of the other expenses, the principal items are accounting/bookkeeping, audit fees, and insurance. Total expenses has remained relatively level at around \$22,000 per annum.

The full detail of the operational expenses is shown on page 14 of the Auditors Report.

### BALANCE SHEET

NBRF has no significant capital assets.

Our total assets are \$773,025 of which \$715,383 are the Foundation's deposits reflecting grants not yet paid out or allocated.

Total liabilities are \$723,146 and liabilities for planned grants rounds are \$699,576.

This figure includes remaining funding for the large projects of 2015/16, the new projects of the 2017/18 round plus monies not allocated at present.

The difference between assets and liabilities is a surplus on operational expenditure of \$52,467 carried forward to 2018/19.

We would be happy to answer any more detailed questions but hope this gives an easily digested picture of Fiscal 2017/18.

### 3. MANAGEMENT ACCOUNTS

Given the complexity of the Fiscal Accounts, we have developed a set of monthly accounts that show the month and year to date on a project by project basis and under operational headings.

This is completed on a cash basis and, therefore, shows items on a simpler “as they happen” basis.

We now review this regularly at Board Meetings and use it to both control activities and forecast our future position.

An example for the complete year 2017/18 is available in Appendix B.

### 4. UNESCO 10 YEAR PERIODIC REVIEW

Ten years on from its approval in 2007, the Noosa Biosphere Reserve is required to complete a document called the Periodic Review that looks back 10 years and forwards 10 years.

An extensive questionnaire was provided by UNESCO and formed the basis of the report. A team was formed between NBRF, Council staff and Noosa Landcare to tackle this. During this time, it was agreed that it is Council’s responsibility to manage the Biosphere as a whole aided by the Noosa Biosphere Reserve Foundation and the Noosa Community Biosphere Association. This is reflected in the document.

This has now been submitted by Council to UNESCO and comments from them on the report are awaited.

It is a very weighty document which can be supplied as required. The executive summary is included as Appendix C.

**The key achievements in the last 10 years are seen as:-**

1. An increase in the amount of land protected for environmental purposes.
2. The early stages of “decoupling” population growth from economic growth.
3. Formal engagement between the NSC and the Kabi Kabi First Nation Traditional Owners.
4. Continued recognition.
5. An increase in the area of scientific research.

**The likely challenges ahead for the Noosa Biosphere Reserve in the next decade are:**

1. Climate change - the greatest threat to people and nature.
2. Pressure from coastal population growth and increased visitation.
3. Growing Noosa’s sustainable economy.
4. Marketing, communications and building a ‘whole of Biosphere’ brand.

## 5. GRANTS ROUNDS & SUMMARY OF PROJECTS

In this section, we highlight and summarise the grant programs in hand. In Appendix F the reader can find photos and summary financials on each of the individual projects.

In 2015/16, the NBRF ran a grants round that approved 6 projects. Three projects under the program name of Bring Back the Fish were approved covering oyster reefs, encouraging prawns and preventing erosion in Kin Kin bringing sediment into the river (Keeping it in Kin Kin).

Three other projects were approved - Mapping Koala Health, a book on local sedges and the production of an educational video on the Noosa Biosphere Reserve.

Work is still ongoing on the Oyster Reefs and the Prawn study.

Therefore, at the end of 2017/18 4 projects are finished and 2 are still underway.

Four of these projects are large fundamental research projects.

However, all projects are achieving great results and we aim to come in on plan despite some delays and difficulties. In summary, the NBRF has funded \$616,600 to these projects and other contributors have added \$1,481,600 to this amount in both cash contributions and "in kind" activities. This means that we have managed to leverage the money funded by Council to run projects costing \$2,053,400 or a leverage of 3.33.

In 2017/18, the NBRF ran a most successful grants round that committed \$330,000 to 6 small (under \$20,000) and 3 large projects.

There were 54 applications submitted and interest was high. A grants committee consisting of 4 Directors without conflicting interests was formed and approved the 9 projects.



Project summaries are on the following page.

The 6 small projects are summarised in this table:-

Small Grants (NBRF \$101.3k Total \$248.8k = 2.5)					
PROJECT	PROPOONENT	WORKING WITH...	FUNDED AMOUNT	CASH & IN-KIND	PROJECT VALUE
Developing a Cultural Learning Trail in Noosa	Marine Ecology Indigenous Corporation	Ecological Service Professionals, Dr Simon Walker, Dr Ben Diggles, Dwayne Eggmolese, Bree Pinner	\$19,500	\$11,000	\$30,500
Pandanus Preservation	Peregian Beach Community Association	QPWS, USC, Queensland Museum, Queensland Biosecurity, CSIRO, Noosa Council, Noosa Parks Association, DAF mycologists (Growhelp) Bush Care and indigenous conservation groups.	\$20,000	\$54,000	\$74,000
Bush Tucker Garden and Outdoor Classroom	Sunshine Beach State School P&C Association	Sunshine Beach State School, Di Seels, Bob Carey, Annika Patrick, Stefan Toth	\$2,500	\$1,680	\$4,180
Noosa Trail Master Plan	Tourism Noosa	Noosa & District Landcare, Noosa Council (Economic Development Department)	\$19,500	\$32,220	\$51,720
Roadmap to 100% Renewable Energy	ZEN Inc.	NCBA, Sunshine Coast Environment Council, Tourism Noosa, Noosa Chamber of Commerce, Innovate Noosa, Noosa Shire Residents and Ratepayers Association, CQU, Cleantech Sunshine Coast, Enviro Projects, Ecotekk, SPS Energy, Smart Grid Energy, Our Power	\$19,800	\$18,600	\$38,400
Winning World Heritage Recognition		[now a longer term project]	\$20,000	\$30,000	\$50,000

The 3 large projects are summarised in this table:-

Large Grants (NBRF \$228.7k Total \$541.03k = 2.4)					
PROJECT	PROPOONENT	WORKING WITH...	FUNDED AMOUNT	CASH & IN-KIND	PROJECT VALUE
Koala Forever Noosa	University of the Sunshine Coast	World Wildlife Fund, Noosa Parks Association	\$40,000	\$90,000	\$130,000
Keeping On Keeping It In Kin Kin	Noosa and District Landcare Group Inc.	Healthy Land & Water, Noosa Council, Noosa Integrated Catchment Association, Country Noosa, Noosa Parks Association, Kin Kin Community Group	\$123,700	\$148,330	\$272,030
Noosa Hinterland Rural Enterprise Opportunities and Strategy	Country Noosa Inc.	University of the Sunshine Coast, Landcare, Healthy Land & Water, MRCCC, BMRG, ZEN Noosa, Noosa Council	\$65,000	\$74,000	\$139,000

All projects were well underway in 2017/18 and results are looking good.

Once again more information can be found in Appendix F.

Adding all projects together, we achieve the leverage of 3 we are aiming at.

## 6. FUNDING AGREEMENT & THE NEW INITIATIVE

Towards the end of the fiscal year, there were heavy discussions on the role and funding arrangements for NBRF. Many parties were involved in this.

Significantly, as a result of the UNESCO Periodic Review and a look at the NBRF constitution, it was agreed that Noosa Shire Council is the overall manager of the Noosa Biosphere Reserve.

It was then agreed that NBRF will concentrate on making big ideas work in NBR in line with the MaB program i.e. linking environmental protection and initiatives with socio-economic progress.

Up until now the NBRF has operated through a series of community grant rounds to identify and action projects.

The NBRF has been asked to be much more like a “think tank” in coming up with “big ideas” through its own research. It will then undertake to find ways to action, fund, and implement these projects. This process will undoubtedly involve the community in many aspects but will be more directed.

The new three year agreement sets out a process whereby the operational budget will be reviewed each year and that some project money will be earmarked for NBRF to apply for.

The NBRF is happy to take on the challenge of finding money to action projects and reducing the funds provided from the environment levy.

We would point out that, in fact, other contributors are already providing cash and in kind to our projects which should be viewed as fund raising.

Funding the operation of NBRF by the Council is much appreciated and is a key factor for success. Other funders do not generally cover operations and administration so this money is hard to find. In the initial setup, the budget was set for a small office and one full time employee. Although we manage the operations differently, this is still the logic behind the operations funding. This gives good resources to leverage the expertise and time of the volunteer Directors.

As well as the cost of running a small office at around \$20,000 p.a. we utilise the balance of the \$140,000 grant to cover secretariat/administration, communications advice, project assurance, and project research.

**To meet the new challenge, we have developed a four stage approach to big ideas.**

- 1. Develop a hypothesis on what a big idea would be.**
- 2. Challenge that with group and scientific discussions to refine the hypothesis.**
- 3. Action a pilot to prove the hypothesis.**
- 4. Develop and implement a full program.**

The development of our oyster reef project followed exactly this process.

The initial hypothesis was to increase fish stocks by increasing sea grass and mangroves. A major conference of scientists debated this and the conclusion was not sea grass and mangroves but the lack of river bed structure and sediment from erosion. A pilot of oyster reefs is underway to provide structure and a full implementation plan is under discussion.

Getting these plans together is the major challenge for 2018/19.

## 7. COMMUNICATION & COMMUNITY INVOLVEMENT

During 2017/18 NBRF dramatically increased its presence through media releases, Facebook and our website. We contracted the part time services of a communications expert, Alison Cooper, who has been very effective for us. A lot of our publicity has been around our project initiatives which have been well received.

We gained significant community engagement through our grants programs.

This is an area we will keep developing in the future.

## 8. LINKS TO COUNCIL

We are grateful for the access we have to Councillors and Council staff which we use frequently. On average we give an informal update to Councillors each quarter and formally report twice a year.

## 9. WORKING WITH THE NOOSA COMMUNITY BIOSPHERE ASSOCIATION

Unfortunately the NCBA has been through a management crisis and is working hard to re-establish itself.

NBRF funded a Biosphere Day for NCBA which was initially rained off in October 2017 but was successfully implemented in November 2018.

We are committed to helping NCBA however we can as an important community part of the NBR.

## 10. RESOURCING

The value of our operational support grant has already been elaborated. It is much appreciated.

It was decided that we should increase our formal Board to eight Directors from the prevailing six. We have an approach to delegate areas of interest to specific Directors who will bring the issues to the Board Room. This has allowed a major increase in what we can cover.

A public advertising campaign was run for three Directors as Michael Gloster retired during the year. This asked for general Board experience including governance. We asked particularly for fundraising and communication experience. We are very pleased to say that in 2018/19 three exceptional Directors joined the Board with those skills.

From a diversity point of view, taking our Directors as 8 and 3 regular support “staff” totalling a team of 11, we have a split of 5 females and 6 males which we are pleased to be able to say.

Also as one of the oldest Directors, I can safely say that the average age of the team has also dropped significantly.

On that basis, I think we can safely refute any suggestion of a club of old men!!

## 10. LEVERAGING THE FUNDS AND FUND RAISING

Several times we have stressed how much leverage Council has obtained from our work. In round terms, projects totalling \$2.9m have been and are being actioned for an investment of \$0.949m – a leverage over our target of 3:1. To make that clear, for every \$100 Council have invested in us, we have been able to generate \$300 of activity.

It will be interesting to see what leverage alternative investments give to Council in the future.

Of the leverage gained, approximately \$0.7m have been cash contributions from a wide range of organisations. In that sense, it can be seen that the NBRF is already heavily engaged in fundraising.

Having said that, we have accepted that Council wishes to limit funds “automatically” provided to NBRF and accept that all future project expenditure will be signed off in advance and compete with other suggested projects.

Importantly, as previously stated, we are very grateful and appreciative of the operational funding which enables us to provide the leverage and project results being achieved.

As we research and propose our “big ideas” we are simultaneously investigating alternative funding sources. We are looking at State and Federal grant programs, at philanthropic institutes, private individuals and corporate funds.

As an example, we have helped Country Noosa submit a large Hinterland research project to the QLD Land Restoration Fund. We look forward to hearing the decision on this.

Our Directors now have connections to such organisations which we will be developing further in 2018/2019 as our priority projects become clear.

There are many wealthy people in Noosa who get great benefit from living here but who, in our opinion, could do more to help fund activities that preserve and enhance our environment and our socio-economic climate. One idea could be our own fund using DGR status to encourage participation from such families.

## 12. KEY BUSINESS PARAMETERS

The new funding agreement, contains a new set of Performance Parameters as shown below.

FINANCIAL		
<b>1. Project Funding</b>	<i>Leveraging achieved from Council Funding to NBRF</i>  Calculated as total value of funded projects : Council approved project funding	3:1 per year
<b>2. Fundraising</b>	<i>Growth in Donations (Deductible Gift Recipient)</i>  Increase in value of donations annually	20% per year increase or a minimum of \$50,000 per year.
EFFECTIVENESS		
<b>3. Operations</b>	<i>Percentage of projects completed within target timeframe</i>  No. of projects delivered on time / total no. of projects	75% per year
<b>4. Improvement in NBR protection</b>	<i>Percentage of funded projects with positive results for the natural ecosystem, biodiversity and sustainable development</i>  No. of projects with positive results / total no. of projects	75% per year
<b>5. Communication of information</b>	<i>Range of methods of communication utilised and estimated audience reach</i>  Description of all communications / information used + results	Multiple methods & audiences

The results achieved are shown below and are encouraging with still work to do in the area of benefit quantification.

FINANCIAL		
<b>1. Project Funding</b>	<i>Leveraging achieved from Council Funding to NBRF</i>  Total expenditure across 2 rounds \$0.95m project expenditure \$2.85m = 3:1	3:1 per year
<b>2. Fundraising</b>	<i>Growth in Donations (Deductible Gift Recipient)</i>  \$50,000 from The Thomas Foundation	20% per year increase or a minimum of \$50,000 per year.
EFFECTIVENESS		
<b>3. Operations</b>	<i>Percentage of projects completed within target timeframe</i>  Of the 15 projects actioned, 12 on target = 80%	75% per year
<b>4. Improvement in NBR protection</b>	<i>Percentage of funded projects with positive results for the natural ecosystem, biodiversity and sustainable development</i>  Projects only started that have such benefits. All projects are doing so! These are not presently quantified and a method is needed.	75% per year Better method needed
<b>5. Communication of information</b>	<i>Range of methods of communication utilised and estimated audience reach</i>  Wide range of media events used across print, radio, TV - approx 50 events per year. Website and Facebook in hand. 15% of population at least one or two interactions in the year.	Multiple methods & audiences

## 13. CONCLUSION

NBRF is a lively and maturing organisation that has been and is delivering significant benefits to the environmental and socio-economic structure of the Noosa Biosphere Reserve.

It is developing positively along the lines agreed with Council in the new funding round and continues to give great leverage on any funds provided.

The Board of NBRF expresses its thanks to the Mayor, Deputy Mayor, Councillors and staff for the support it receives.