

# Natural Resources Management Plan 2015–2025

## Have Your Say

### *Discussion paper No 11: Funding and Finance*



This discussion paper is part of a series covering all of the 'Big Issues' raised by the community during meetings and workshops about the new Kangaroo Island NRM Plan. It provides a summary of the current state of knowledge about the issue, suggests courses of action and identifies who might work together with us in addressing it.

*We now invite your comments, suggestions, criticisms and ideas.*

*Please note: This discussion focuses on funding raised and received by the KI NRM Board and Natural Resources Kangaroo Island. It does not include funds that may be raised or spent on delivering NRM outcomes on KI by other agencies, non-government organisations, community groups and landholders, all of which make an invaluable contribution to achieving NRM outcomes.*

### Introduction

The Kangaroo Island Natural Resources Management Board was established on 9 December 2004 under the *Natural Resources Management Act 2004*, which sets a framework for the integrated use and management of South Australia's natural resources. The NRM-related activities of all stakeholders in the regions are guided by the objects of this Act. These include the responsibility to assist in the achievement of ecologically sustainable development in the state by establishing an integrated scheme to promote the use and management of natural resources in a manner that:

- a. recognises and protects the intrinsic values of natural resources; and
- b. seeks to protect biological diversity and, insofar as is reasonably practicable, to support and encourage the restoration or rehabilitation of ecological systems and processes that have been lost or degraded; and



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- c. provides for the protection and management of catchments and the sustainable use of land and water resources and, insofar as is reasonably practicable, seeks to enhance and restore or rehabilitate land and water resources that have been degraded; and
- d. seeks to support sustainable primary and other economic production systems with particular reference to the value of agriculture and mining activities to the economy of the State; and
- e. provides for the prevention or control of impacts caused by pest species of animals and plants that may have an adverse effect on the environment, primary production or the community; and
- f. promotes educational initiatives and provides support mechanisms to increase the capacity of people to be involved in the management of natural resources.

A key function of the Board is to prepare a comprehensive regional natural resources management plan which contains, among other things, information on the state and condition of the natural resources within its region, and identifies goals for managing those natural resources.

Since its inception the Board has worked closely with the Department of Environment, Water and Natural Resources (DEWNR) (and previous incarnations). In July 2012 the Kangaroo Island natural resources centre was opened in Dauncey Street to provide a one-stop-shop for all matters relating to parks, land management, coast and marine environments, water resources, pest plants and animals, native wildlife and vegetation.

## Current NRM funding model

### Funding sources

Income to support KI NRM Board and NRKI programs includes:

- » NRM levy — The Board is required to set out the amount to be collected by the regional NRM levy in the investment program for the region. In setting this amount the Board's investigations and consultations determine an appropriate basis for the collection of the levy and assess its social and economic impact. The Board adheres to the following principles when setting the levy:
  - shared responsibility: the responsibility to achieve ecologically sustainable development is a shared responsibility between the public sector, the private sector and community groups
  - administrative efficiency: regional NRM levy collection and management procedures should operate at minimum cost
  - accountability: the Board should be publicly accountable for its use of the levy funds
  - transparency: the process for calculating the levy and the amount paid by users should be readily observable, subject to individual user confidentiality constraints.

The levy is collected from KI ratepayers by the KI Council on the KI NRM Board's behalf. The levy is used by the Animal and Plant Control (APC) Team to deliver regional pest plant control and management activities, in accordance with the Board's statutory obligations. As the levy is inadequate for this purpose, additional funding is sought to undertake these activities. Due to decreasing funding opportunities the Board sought to increase the levy over the next four years to bring Kangaroo Island in line with other regions around the State. It is anticipated that this will enable the Board to perform the functions outlined in the NRM Act. CPI increases will apply after this period.



- » State funds — as the NRM levy collected on KI is so small, the Government of South Australia also contributes NRM funding to the KI NRM Board. This is not available to all regions as most collect higher levies. Over the last few years, State funding to the Board has decreased and was not available for community grants in 2014, whilst State Government funding for 2015–2016, 2016–2017 and 2017–2018 is confirmed on an annual basis.
- » Australian Government funds — this includes funding from the Biodiversity Fund, Clean Energy Futures Fund and a regional allocation from the National Landcare Program. This regional allocation has recently been cut by 20% for the next three years and the Commonwealth Government no longer offers funding for community group projects. The regional allocation honours a commitment the Commonwealth Government has made to provide natural resource management organisations in Australia with secure base level funding until 2017–2018 to deliver national targets identified in the Australian Government '*One Land — Many Stories: Prospectus of Investment*'. The Biodiversity and Clean Energy Futures Funds no longer offer new funding but are supporting land managers to undertake projects that establish, restore, protect or manage biodiverse carbon stores until 2016.

## Guiding principles for investment

The three-year Business Plan sets out how the Board will seek to achieve its goals through investment over any three year period. It identifies regional priorities for investment in that period, identifies the expected sources of investment and details an implementation plan. The Board has determined a number of general criteria to be reflected in investment arrangements:

- » feasible — able to be implemented within the existing legal, policy and resource constraints
- » transparent — clear, predictable and open to understanding and scrutiny
- » effective — help achieve the objectives of a program
- » cost-effective — achieve the greatest natural resources management outcome for the total investment (considers all administration, transaction, information and compliance costs)
- » equitable — how benefits–costs will be distributed between people in same circumstance (horizontal equity) and in unequal circumstances (vertical equity).

Due to the limited funding available, only those programs considered to be 'core' to delivering effective NRM on Kangaroo Island are included in the business plan. These activities generally build on and continue the main programs implemented by the Board in recent years.

## Challenges

Given the relatively low amount that is collected through the NRM levy and its allocation to meeting the Board's statutory obligations around pest plant and animal control (especially weeds of national significance), there is limited opportunity for discretionary spending on KI. The decrease in the regional allocation offered by the Australian Government has further decreased the funding available for KI projects. Neither the State nor Australian Government are offering open funding for NRM projects any more, further reducing the funding available. Any funding sought from these bodies must meet the priorities of the funder which means that work considered a local priority on KI cannot always be funded. Furthermore, where funds are raised on a project basis, the project cycle is usually only three or four years long, not always adequate to achieve and sustain the desired NRM outcomes.



## Climate Change

This presents both an opportunity and a challenge. It may mean access to new sources of funding in the short to medium term if we are suitably prepared and proactive, most likely in the spheres of research and development, innovation, transformation, planning and preparing. However, as time moves on and the impacts of climate change are more broadly experienced with attendant economic impacts (nationally and globally), funding and finance may become significantly more difficult to obtain.

## Strategies and priorities

*It is important to note that the NRM plan is intended to guide and coordinate the efforts of all stakeholders in the region and responsibility for its implementation is a joint one.*

- » Use KI's iconic 'nature' status to leverage funds and promote ourselves nationally and globally as a model community, showcasing any noteworthy transformation and innovation.
- » Develop an NRKI conservation investment prospectus that identifies suitable opportunities for corporate social responsibility investment, research and development investment (packaging research opportunities and partnerships), and big NGO investment.
- » Investigate the possibility of introducing a visitor fee or levy (KI passport) that could be invested primarily into tourism infrastructure on the island. This has previously been mooted but issues arising include concerns about imposing further costs on visitors who are already paying significant amounts to get to KI and options around how best to collect such a fee. Despite these challenges it would seem that there is still significant interest in the idea amongst the community and that it warrants further investigation.
- » Establish a KI Conservation Trust that could receive donations from visitors, interested individuals, corporations and other agencies. Issues to be addressed would include how such funds would be allocated and managed, delivery mechanisms, partners, governance arrangements and other necessary details.
- » Investigate opportunities for community-public-private partnerships around particular NRM challenges, improving collaboration between agencies to leverage support from different funding sources for mutually desirable outcomes and/or to address different aspects of common challenges.
- » Investigate opportunities for [crowd-funding](http://dailycrowdsource.com/training/crowdfunding/what-is-crowdfunding)<sup>1</sup> of suitable projects (e.g. that try novel approaches or are quirky and innovative), which involves asking a crowd of people to donate money to a project. A crowd-funding platform is established, the goal amount and deadline are set, and rewards may be offered to donors. 100% of the goal must be raised before the deadline or all the donations are returned to the donors. Deadlines are typically less than 60 days. Crowd-funding is currently mostly used by artists, charities, and start-ups to raise money for projects such as filming a documentary, manufacturing, research or seed money.
- » Contract professional fundraisers (usually commission based) or employ a dedicated grants officer.



<sup>1</sup> <http://dailycrowdsource.com/training/crowdfunding/what-is-crowdfunding>

## Partners

- » Department of Environment, Water and Natural Resources
- » Primary Industries and Regions SA
- » SA Health
- » Kangaroo Island Council
- » Industry
- » Research agencies and academic institutions
- » Non-government organisations
- » Community

## *What are your thoughts?*

1. Have all the key issues relating to this **big issue** been adequately captured and understood?
2. Are there any gaps or misinterpretations?
3. What is the overall trend in relation to this issue — are matters improving or deteriorating, how fast and why?
4. In order to address this challenge, will the 'business as usual' approach work, or is adaptation (substantial change) or transformation (complete rethink of how we do business and how we tackle this issue) needed?
5. Do you agree with the strategies and priorities listed and/or do any need adding?
6. Who are the partners that need to collaborate to address this challenge?



### FOR MORE INFORMATION

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