

A new future for natural resource management in the Southern Gulf Region

After extensive evaluation and consultation, the Board of Directors of Southern Gulf NRM Ltd has decided to recommend to members that the company merge with NQ Dry Tropics Ltd. There are compelling reasons for the Board's recommendation, outlined below.

A strong and stable platform for the delivery of NRM projects in the Southern Gulf Region

Southern Gulf NRM is among the smallest NRM organisations in Australia and is vulnerable to the ebb and flow of Government funding programs. If our project revenue falls too low, our business may become unviable, forcing closure. Southern Gulf NRM approached that point a couple of years ago, reporting very large trading losses. By merging with NQ Dry Tropics, which has much larger and more diverse revenue streams, we can be confident that NRM project delivery for the Southern Gulf will have a strong and stable foundation.

Funding secured for Southern Gulf NRM projects

Southern Gulf NRM administers a portfolio of projects, funded mostly by various Queensland and Australian Government programs. All of Southern Gulf NRM's project funding is for specified purposes in identified Southern Gulf locations and delivered by staff based in the Southern Gulf region. Under the merger arrangement, these funds and projects are secure. The Board of the merged entity will not be able to divert contracted project funds away from the Southern Gulf region to the NQ Dry Tropics region.

An opportunity for new ideas and new investment

We know that to grow our business, we need to develop new NRM services for our region that attract new sources of revenue. As a small not-for-profit enterprise funded mostly by grants, Southern Gulf NRM capacity to allocate and risk resources to develop new business is very constrained. In contrast, the merged company will have more capacity and flexibility to explore and develop new opportunities. NQ Dry Tropics has already had success in developing an innovative environmental services business. The merged organisation would be strongly placed to grow and diversify NRM services for the Southern Gulf region.

Stronger professional and technical capacity for the Southern Gulf community

Southern Gulf NRM staff will become part of a larger and more capable organisation. They will have better access to the knowledge and expertise in the much larger teams in NQ Dry Tropics. This will build their professional expertise and help to develop and deliver high standard NRM projects that our regional community deserves and our project investors demand.

Better business efficiency

Southern Gulf NRM funds its business overheads (the Board, administrative staff and associated expenses) from project revenue. Because of economies of scale and by avoiding unnecessary administration duplication, the merged company will not need to allocate as much project funding to overheads as Southern Gulf NRM presently does. This means relatively more funding will be available for our primary purpose of on-ground NRM project delivery.

Continuing regional leadership and identity

Southern Gulf NRM and NQ Dry Tropics have agreed that the new Board of the merged entity will comprise four directors nominated by each of the current companies. This ensures a strong continuing voice for Southern Gulf regional interests in the merged company. If you are a member of Southern Gulf NRM at the time of the merger, you will be automatically entitled to membership of the merged company. The existing companies have agreed that the Southern Gulf NRM brand identity will be maintained. Southern Gulf NRM staff, wearing their familiar blue uniforms and Sarus Crane logo will continue to work in the Southern Gulf region on the projects you are familiar with.

A stronger voice for NRM in the Southern Gulf

Everyone in the Southern Gulf region knows that it is hard make our voices heard in Brisbane and Canberra. Merging with NQ Dry Tropics will make us part of a more influential organisation that delivers NRM services across approximately 20% of Queensland. Merging will amplify our voice.