



Annual Report 2018

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Role of RDA



Who we are?

Regional Development Australia (RDA) is a partnership between the Australian, State and Local Governments to support the growth and development of Australia's regions.

The Adelaide Hills, Fleurieu and Kangaroo Island region covers a total land area of 8.663 square kilometres and a population of 128,713.

RDA committees are non-profit, community based organisations that build partnerships between governments, regional development organisations, local businesses, community groups and key regional stakeholders to provide strategic and targeted response to economic, environmental and social issues affecting the regions of Australia.

Our vision

RDA Adelaide Hills, Fleurieu and Kangaroo Island region is an economically prosperous region made up of resilient local communities providing homes and jobs for healthy, engaged populations who are well connected to each other, to services and economic opportunities.



Our Purpose

Our committee of local people with diverse skills and broad networks, is committed to developing and growing the region's economy and liveability by:

- Consulting and engaging with the community on economic, social and environmental issues, competitive advantages, solutions and priorities
- Exploring and promoting economic and employment growth including contributing to business development, trade, funding access and investment attraction
- Being a first point of contact for government agencies, providing advice on local issues, competitive advantages, solutions and priorities
- Promoting government policies, programs, services, grants and initiatives to the regional community



Funding Partners



An Australian Government Initiative



An Initiative of
**Government of
South Australia**



Partners





Chairs Report



Our region is one of the strengths of South Australia and our RDA. Under the excellent chairing of Ann Ferguson and CEO Damien Cooke has really helped this area grow stronger and more diverse while acknowledging and protecting our heritage and history.

Their commitment and professionalism is to be applauded and they have our RDA in a strong, stable and healthy financial and cultural position, well done.

With my appointment as Chair I've recognised following in Ann's footsteps are big shoes to fill, but I am committed to serving our region and use my strengths to boost our areas.

The strength of our towns, tourism numbers and investment recognise that Mt Barker, Goolwa and Victor Harbor are designated growth areas. Utilising these growth centres to boost our smaller regional towns and tourist trails and create strong clearly defined transport links is important. The meetings I had with all Mayors and CEO's was enlightening and the support and enthusiasm I received was appreciated and allowed them to bring me up to date on their priorities. Teamwork is the real strength and with our seven councils working with us as a collective we will really achieve some terrific benefits for our region.

We have strengthened our board with new members who bring skill sets in Agriculture, Architecture, Planning and Local Government. Our area has some very specialised horticulture with cherries, berries, apples, pears, and vineyards so now we have strong representation on our board from two key people in this area.

We work closely with all levels of government and appreciate their commitment to our region.

It is important we maintain and encourage this relationship and Damien and I are meeting all local state members every two months to keep our region top of mind with them.

The growing better regions Federal funding has been very beneficial to the Mt Barker Aquatic Centre and the new sports hub both receiving major grants to assist this rapidly growing area. With a population increase forecast of 30,000 in the next 15 years these developments required some help and we actively supported the councils grant applications.

The State Government Globelink plan to improve transport corridors [road and rail] and reduce heavy vehicles off the freeway is a project which affects our area and we were pleased to see \$20million committed to a proper scoping study of this.

We are a very hands on operation and will facilitate meetings and try and secure outcomes for our area, these have included the Granite Island restaurant complex, a strawberry grower weather protection systems and council regulations, assist with major equipment funding for horticulture, Hahndorf main street heavy vehicle bypass traffic study, increased tourism projects and many more.

Some interesting projects we are also assisting with in conjunction with other councils includes a feasibility plan on future first rail commuter service from Mt Barker to the city and eventually including Victor Harbor and Murray Bridge. Utilising Mt Barker city recycled storm water to create a major horticultural precinct near Callington and Monarto to create major jobs area.

Damien Cooke and I attended the official opening by the Prime Minister and Premier of the new \$21 million Kangaroo Island Airport which will be a major boost for tourism for the island and showcases the state so well. This project highlights the benefit of the cooperation between the local council, RDA, State and Federal government to achieving some major goals for our region.

I am looking forward to helping this strong picturesque area develop further and we have a very exciting future in front of us. Thank you to Damien, our hard-working board and all our excellent office team who work tirelessly behind the scenes for our region.



CEO Report



The 2017/18 year was the third year of our funding agreement with Regions SA and the South Australian Government.

During 2017/18, we continued to deliver on the five key projects. We also began examining opportunities for autonomous or self-drive vehicles in the region. This is a progression on our work in delivering electric vehicle charge points across the region.

The Federal Government undertook a comprehensive review of the RDA network and findings were delivered during the year. Essentially, the Federal Government has committed to continue supporting the RDA network nationally and a new charter was developed which outlines the expectations of the Federal Government. There have been some changes within the Federal Department but generally the direction and focus are unchanged.

The Mayo by-election in May saw a number of Ministerial visits to the region, including two visits by the Prime Minister Malcolm Turnbull. There were also several funding commitments to projects in the region from the Federal Government which are welcomed.

RDA AH, FL & KI have continued to work with Councils and businesses in the region to develop investment proposals for infrastructure projects. These proposals are being used to attract investment into the region now and in coming years. We have expanded our target markets to include the Middle East region and will commission an initial study into these markets early in the new year. We are also expanding the focus to explore trade opportunities for businesses in these markets.

A State Government was formed in March 2018 and we have met with the Minister for Regional Development, Tim Whetstone, as well as several other Ministers of the new Government. The new State Government has committed to continue to support the RDA network in South Australia and have extended the current funding agreements from three years to five years.

Our peak body in South Australia, Regional Development South Australia, have been working closely with the new State Government in promoting key infrastructure priorities across the State. They also lobbied hard for a continuation of the employment and training programs run by the State Government but unfortunately these are scheduled to be ceased early in the new year.

I am excited about the future for this RDA and I look forward to the outcomes we can deliver over 2019. We will continue to work with all of funding partners so that together, we can deliver strong and sustainable positive economic growth for our region. The certainty provided by longer term funding agreements ensures we can continue to work on longer term plans and projects that continue to deliver growth and prosperity to our region.

I would like to thank the staff and the Board for their commitment and efforts over 2017/18 and I look forward to their continued support into 2019.

Regional Profile

AREA

9,149

7 Council LGA's

POPULATION

128,713

2015-16 (ABS, 2017)

ECONOMY

\$4.83 billion

2015-16 (EconSearch, 17)

JOBS

41,800

2015/16 (EconSearch, 2017)

LOCAL EMPLOYMENT

70,953

(EconSearch, Labour force March 2017)

WELL-BEING

-0.68 to +1.97

Community Adaptive Capacity Index

BUSINESSES

5,994

June 2016 (ABS, 2017)



RDA AH FL & KI region is extraordinarily diverse. It ranges from the lush Adelaide Hills with its wineries and picturesque valleys and Mount Barker at its center; one of the fastest growing communities in Australia. To the Fleurieu Peninsula capturing McLaren Vale and Langhorne Creek, two of Australia's premium wine districts and the beautiful beach resorts along the coast. The pristine environment of Kangaroo Island that makes up our community.

Regional Priorities

1. Economic Development

Strong economic growth in the region driven by servicing the growing population and leveraging off comparative advantage with a special focus on industries and businesses with the potential to increase investment

- Growth of profitable service industries and wealth generating industries including the attraction of investment in major enterprises and the development of regional value chains and supply chains located strategically around hubs where there is critical mass.
- Recognition of the region's ageing population as a comparative advantage rather than a challenge, offering strong consumer base for new business development and a source of potential new business operators and mature aged employees as part of region's economic development.
- Investment and export growth is successful and established regional industries like food and wine, tourism, horticulture, mineral resources, new industries like those driven by technology such as the Knowledge Intensive Service Sector and Industries related to emerging regional strengths like healthy ageing services.



2. Population growth

Well planned and managed regional population growth with well serviced communities

- Regional collaboration and appropriate regional governance leading regional strategic planning and infrastructure development based on commonly held place-based planning principles
- Timely provision of essential public infrastructure and utilities for fast growing urban communities along with commercial services driven by market forces and community and government services

3. Health and Wellbeing

Healthy regional communities enjoying a safe and active lifestyle with high levels of amenity

- A range of affordable housing matched to the needs of the demographic within the population and well connected to appropriate services
- High levels of community participation in a range of options including social activity like recreation and sport, community benefit activity like volunteering and commercial activity like paid work

4. Access

Well-connected regional communities freely accessing services, social opportunities, jobs and commercial markets

Effective transport and communications infrastructure to facilitate:

- Good access to appropriate community, commercial and government services and facilities for residents and businesses
- Good access to and from isolated parts of the region with special emphasis on gateways like ports and transport interconnectors that encourage access to markets and supply centres for key industries

5. Skills

Highly skilled, highly participatory regional labour force matched to the needs of regional industry and business.

- A regional labour force with skills that align with the current and foreshadowed skills needs of the region's industries and businesses including new skills in response to the opportunities presented by new technologies particularly in information and communication technology



6. Regional jobs

More regional jobs for regional residents with less commuting leading to a greater contribution of the region's labour force to the regional economy

- Business growth in the region, recognising opportunities in micro and small business in particular, supported by effective regional employment land (use) planning and coupled with growth in the proportion of regional jobs filled by the region's resident labour force.



7. Innovation

Strong foundation of connected, innovative small business taking advantage of an early mover status in the NBN roll out and populations of highly skilled professionals in the region

- More small, nimble and innovative businesses across a range of existing and new industries responding to new technologies, emerging market opportunities and changes to customer preferences

8. Natural Environment

Well managed unique natural environment, valued as an asset in the social and economic development of the region and protected for future generations

- Proactive response to climate change aimed at optimizing benefits and minimizing risks
- Strong biosecurity maintained as a comparative advantage for the region's primary industries along with the protection
- Enhancement of natural assets like high yielding primary production land and landmark tourism assets



Highlights

RDA National Forum

Collaborating and networking to grow regional economies

On Thursday 16-17th of August 2018, RDA delegates were welcomed to Canberra for the 2018 RDA National Forum. The theme of the Forum was 'Collaborating and networking to grow regional economies' and included sessions on the future trends of regions and how to leverage off this to grow regional economies. The key sessions were: Regional Australia: 2030; Australian Government Investment; Facilitating Innovation and Entrepreneurship; and Building a Stronger RDA Network. There were around 170 attendees across the two days, with representation from RDA Chairs, Deputy Chairs, Executive Officers and Directors of Regional Development. A number of staff from other Australian Government

and state and territory agencies also attended. Five booths representing Austrade, AusIndustry, National Disability Insurance Scheme, Inland Rail and the RDA Program Management Section provided information and advice to delegates.



Regional Infrastructure Development Forum

Efficient Infrastructure is essential to driving sustainable economic development and growth, lifting levels of productivity and boosting employment, the aims of the forum;

1. Share and increase awareness of our infrastructure development priorities with our neighbours across our RDA region
2. Gain insights from topic experts to help us maximise our project business cases
3. Prioritise projects for RDA Adelaide Hills, Fleurieu and Kangaroo Island attention which includes economic modelling and collation into a document to inform RDA's advocacy with departments, ministers and funding bodies

Key Guest Speakers

Rod Hook; Rod Hook & Associates

- Lobbying your project

Julian Morrison; EconSearch

- Optimising Grant Applications



South Australia Regional Development Conference

The RDSA Conference focused on population Growth is the Holy Grail for Regional Australia – but not just population growth – we want growing vibrant communities and jobs in places where people live work and play, with facilities, services and spaces for an enhanced quality of life.



Places that people are connected to and settle – places where people invest in the community, and business, to create futures we want for our families and their families. There needs to be jobs, which means both infrastructure and people to fill those jobs. Regional communities can do much to attract talent and create vibrancy to keep it. A vibrant community with “buzz” attracts not only workers for rural businesses but also the professionals to support those communities, teachers, doctors, dentists, health care workers, sporting coaches, music and dance teachers – those things that we want for growing families.

There are several things we need to partner with state and federal government to achieve. There are also things we can do right now to increase community vibrancy and appeal for new residents and investors. This conference focused on what has worked elsewhere in the world and the best examples in Australia. We then heard about research and strategy for South Australia, priority infrastructure projects, and local procurement by government to support local businesses having a share of infrastructure investment and maintenance; data that gives us the signposts and an awareness of trends in job creation and thus skills demanded.

Youth2Work Case Study

We have a unique region which is not supported by an abundance of large industry and as a result apprentice and trainee positions have been consistently difficult to achieve. The youth we have engaged with are often early school leavers who have little to no skill base and are reliant on our project to provide them with the skills required to obtain their first entry level employment position.

Departmental targets for this project included 100 participants and 70 employment outcomes. Due to the current high youth unemployment rate across the region and the lack of employment opportunities, the project has experienced unprecedented additional demand which has resulted in more than 137 participants engaged into the project with 67 employment outcomes on date of completion.

This project also has successfully established a significant network of local Job Actives across the region through the provision of a value-added training to the predominately Stream A clients who do not have access to funding. The project has supported approximately 30 participants who are ineligible for Centrelink funding.



Key Projects

Northern Rail Bypass

The Adelaide Hills, Fleurieu and Kangaroo Island along with the RDA Murraylands & Riverland and several individual councils from both regions have been revisiting an earlier report commissioned in 2010 into the feasibility for a Northern Freight Bypass. That report concluded the capacity of the existing freight line would not be a factor until at least 2025 and a bypass was too costly. The report failed to properly consider the rapid increase in population in the hills amongst other issues. In addition, a key objective of the 2020 S&HLGA Regional Transport Plan is to strongly advocate to improved public transport within the region and is recommending a direct passenger rail from Mt Barker to Adelaide.

We have completed the Scoping Study Report along with the support/funding contribution of councils from both Regional and Metropolitan, Murray Bridge, Mount Barker, Adelaide Hills, Mitcham and Unley Council. RDA Murraylands has also contributed funds, Graeme Martin (SHLGA) is the Chair of the steering committee, Rob Kerin has been heavily involved. We have received peer reviews from both Mr John Olson (HDS Australia) and Mr Andrew Kitto (Responsive Rail).



The Steering committee adopted and accepted the final DRAFT report on 1st August 2018, RDA AH, FL & KI board on recommendation accepts and receives the report from the steering committee.

The study highlights the economic and social benefits of this potential initiative. The Project will also drive new opportunities to the Adelaide Hills. This study requires further investigations to consider questions still not answered including;

- Consideration of the growing population in Adelaide Hills
- Wider social and environmental consequences of the existing system
- The potential of a new corridor on Eastern States freight strategy
- The existing and growing constraints from commuter traffic of the city
- The potential of establishing freight transport hubs to the North in the City
- Potential opportunities for the existing rail corridor
- The impacts and consequences if a new rail line is not considered feasible
- The potential for possible future Emissions Trading Scheme applied to the transport sector and the resultant charge in competitiveness of rail over road transport.

The proposal identifies the cost of the scheme between 3 and 4 billion dollars. Initial assessment of the benefits are approaching 3 billion dollars.

Our study aligns with South Australian GlobeLink proposals, which promotes the modernisation of the railway transport network for expected growth in national land freight. This new corridor will have a central role in interstate freight movements by addressing the existing limitations. It will reduce congestion and open new opportunities.



Investment Attraction

This project engages and welcomes investors to participate in the economic development of our region and in SA by continuing to assist in the development of these proposals and extending our reach in attracting potential investors.



After discussions with several industry groups we determined that we should review opportunities for trade and investment in the Middle East. Following on from a similar report produced on South East Asia by Asia Australis we commissioned them to undertake a high-level study into this area.

The objectives of the study are to;

- Identify priority markets for RDA stakeholders in the Middle East and North Africa (MENA)
- Inform RDA stakeholders about the priorities and risks associated with these markets
- Inform the RDA regarding an implementation strategy for these markets

A Report which identifies the following priority markets, these countries provide opportunities for Vegetables, Fruit and Dairy

- United Arab Emirates
- Saudi Arabia
- Qatar

The report's recommendations are;

- Identify companies and markets by category for market entry strategy development
- Detailed country market research
- Regulatory and market access requirements
- Local industry support program

To carry out this study we employed the services of a PhD intern under a Government Sponsored program called APR Intern. A full report has been completed and is available from our website;

"Middle East Market Opportunities Report"

<https://rdahc.com.au/projects/investment-attraction-middle-east/>



Youth2Work

The Youth2Work project was initiated by RDA to assist young people aged 17-24 across the Adelaide Hills and Fleurieu region to gain employment and commenced in July 2017 and will finish on 30th June 2018. Departmental targets for this project included 100 participants and 70 employment outcomes. Due to the current high youth unemployment rate across the region and the lack of employment opportunities, the project has experienced unprecedented additional demand resulting in almost 140 participants engaging into the current project.

The project was completed on 30th June 2018. Targets for this project were 100 participants and 70 employment outcomes. With the high youth unemployment rate and the lack of employment opportunities, the project has experienced additional demand which has resulted in more than 137 participants engaged into the project with 67 employment outcomes on date of completion.

Of these employed participants in excess of 80% are underemployed with less than 17 hours paid income per week and require additional accredited training i.e. RSA, Forklift, White card to achieve a level of multi skilling to increase their employment. The key to the success of the project has been reliant on accredited training supported with one on one mentoring and case managing the participants.

Furthermore, more than 30 of the participants have been referred to Career Services and 9 have engaged into Cert II, III, IV or University studies, including Construction, Library Studies, Hospitality, Aged and Community Care.

This project has successfully established a significant network of local Job Actives across the region through the provision of a value-added training to the predominately Stream A clients who do not have access to funding. The project also has supported approximately 30 participants who are ineligible for Centrelink funding.

Unfortunately, with the change of State Government direction there is no funding available to carry this valuable project forward into the future.

Realise the Demographic Dividend

The increasing number of older Australian's moving to the Fleurieu has created an economic and social opportunity. This project aimed to understand this dynamic within the Fleurieu region through research and consultation to identify opportunities for economic growth and implement activities in these areas. Research, data analysis and consultation were completed over 2015-16 and identified the following areas of action, outcomes and outputs for 2016-17 and 2017-18.

The areas of activity identified were summarised below.

- Utilising the latent talent in or region for both social and economic benefit including
 - Innovation and entrepreneurship
 - Mentoring and skill matching of business and community needs
- Awareness and promotion of changing needs and customer dynamics of the senior population across commercial and community sectors by:
 - Innovation and business growth opportunities for local businesses and the region
 - Realign commercial services to be industry leaders in this segment
- Further support for the above two areas of action will be provided by:
 - Promotion and awareness raising of age friendly communities
 - Encourage intergenerational activities and lifelong learning
 - Support the Southern Fleurieu Positive Ageing Taskforce

The Project also supported Investment attraction and opportunity identification for current and new businesses that relate to the older cohort including realignment of commercial activities in the region. Participated in outbound investment delegations in China and participated in Austrade Health and Aged Care conference in China.

As a direct result of the Skilled Volunteering initiative through the Demographic Dividend Project, Southern Volunteering has received funding from 2019 for the next two years from the Office for Ageing to continue skilled volunteering

Two reports are available for this project during 2018-19:

- Food & Healthy Ageing Market Segmentation June 2018
- Food and Healthy Ageing Market Segmentation Data Tables
- The publication was released by PIRSA and has been made available to the public through the RDA website.

Industry Futures



RDABC is conducting a study across selected business sectors in the region to build on a drill down into results from other surveys including those conducted by the City of Victor Harbor as well as other like MYOB Business Monitor, BDO SA Business Survey and Business SA Regional Voice. The sectors being targeted are Agriculture, Tourism attraction/ trade and hospitality.

The purpose is to drill further down in order to:

- Develop an understanding of issues that affect the growth of businesses and industries
- Expand our understanding of the advantages of the region and how we can build upon them
- Identify business opportunities for the region
- Inform and support our regional growth plane and help prioritise our advocacy work

The study started interviewing businesses in August and over 50 businesses in total have been interviewed so far. Interesting and useful insights are already being seen which will inform our day to day working with businesses, industries, related stakeholders and all levels of government.



Board Members

James Sexton (Chair)

James Sexton is a prominent businessman and business leader from Mount Barker. He is also leading the campaign to establish The Cedars as the premier gallery and studio showcasing the work of Hans Heysen. James is active in ensuring that the rapid development of the region meets the needs of the community.



Victoria MacKirdy (Deputy Chair)

Victoria MacKirdy is the Chief Executive of the City of Victor Harbor. Victoria has worked at senior levels with local government as well as a board member of Arts SA.



Glenn Rappensberg (Treasurer)

Glenn Rappensberg is the Chief Executive of Alexandrina Council and a former senior executive with a number of community organisations.



Lorraine Rosenberg (Secretary)

Lorraine Rosenberg is the former Mayor of Onkaparinga Council, president of the South Australian Local Government Association and a former member of the South Australian Parliament.



Greg Waller (Committee Member)

Greg Waller is the General Manager of the District Council of Mount Barker. Greg has worked at senior levels with local government for some years.





James Walters (Committee Member)

James Walters manages a number of Horticulture enterprises in the Adelaide Hills

Nigel Morris (Committee Member)

Nigel Morris is the Chief Executive of Yankalilla Council, Nigel has been an executive at a number of councils in SA.



Peter Wadewitz (Committee Member)

Peter Wadewitz runs a green recycling business and is an industry leader in environmental management.

Susie Green (Committee Member)

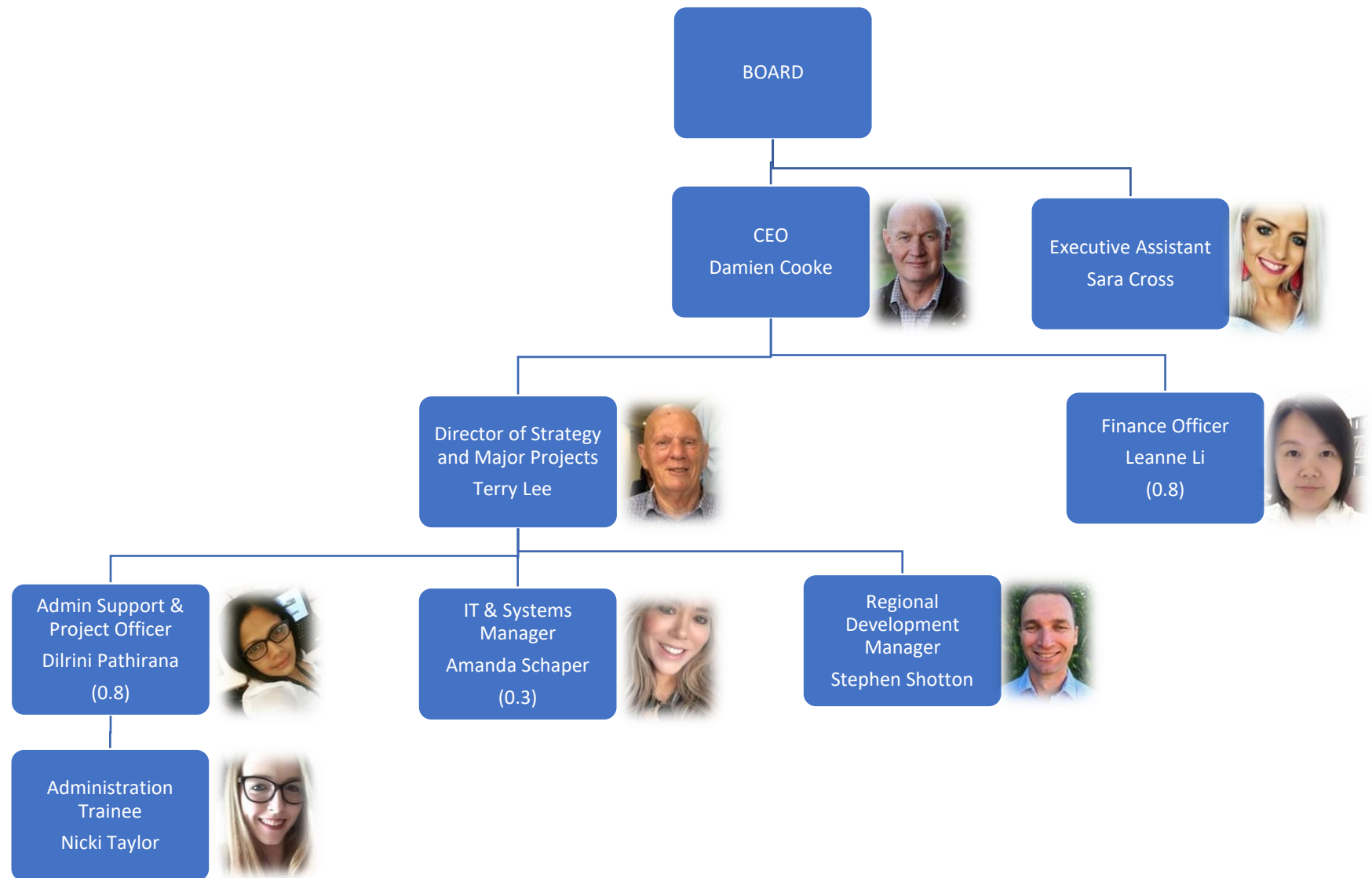
Susie Green is a prominent horticulture industry leader in the Adelaide Hills



John Ashcroft (Committee Member)

John Ashcroft is a leading Adelaide Hills businessman, having been involved with the design and construction of many significant Adelaide Hills and city projects. He is also past chairperson of the Hahndorf Business and Tourism Association.

Organisational Chart



Publications

- Regional Roadmap Vol. 1 2016-19
- Regional Roadmap Vol. 2 & Appendices 2016-19
- Northern Freight Bypass Scoping Study
- RDSA Regional Infrastructure Projects Prioritisation Report 2018
- Middle East Market Opportunities
- Shaping SA; Ageing Well Report
- Food and Healthy Ageing



Audited Financial Statements 2018

INDEPENDENT AUDITOR'S REPORT

To the members of the Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of the Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc (the Association), which comprises the Board's Report, the Statement by Members of the Board, the Statement of Income & Expenditure for the period ended 30 June 2018, the Statement of Financial Position for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2018, and of its financial performance for the year then ended in accordance with the accounting policies used and described in Note 1 to the financial statements and the *Associations Incorporation Act (SA) 1985*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is a special purpose financial report that has been prepared for the purpose of fulfilling the Board's financial report responsibilities under the *Associations Incorporation Act (SA) 1985*. As a result the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the need of the Board. Management's responsibility also includes such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The management of the Association are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS



JOHN JOVICEVIC
PARTNER

Signed on the 19th day of October 2018,
at 214 Melbourne Street, North Adelaide

Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc.

BOARD'S REPORT

Your committee members submit the financial report of Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc. for the financial year ended 30 June 2018.

Board Members

The names of Board members at the date of this report are:

James Sexton	Victoria MacKirdy
Glenn Rappensberg	Greg Waller
John Ashcroft	Nigel Morris
Peter Wadewitz	James Walters
Susie Green	Lorraine Rosenberg

Principal Activities

The principal activities of the Incorporated Body during the financial year were to assist in securing a strong and sustainable economic, social and environmental future for the region by:

- Economic Development
- Community Engagement
- Regional Planning
- Whole Government Approach
- Government Programs

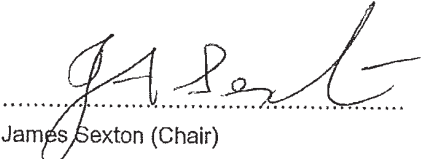
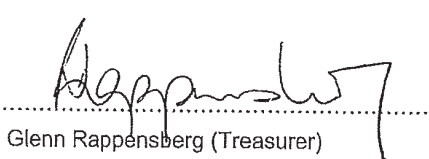
Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The operating surplus for the year amounted to \$32,940.

Signed in accordance with a resolution of the members of the Board.

	
James Sexton (Chair)	Glenn Rappensberg (Treasurer)

Dated 17 of OCTOBER 2018

Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc.

STATEMENT BY MEMBERS OF THE BOARD

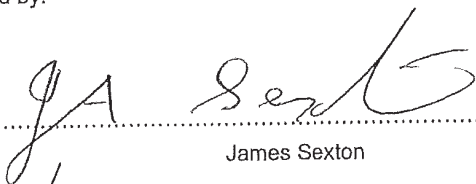
The Board has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board the Financial Report as set out on pages 3 to 11:

1. Presents a true and fair view of the financial position of Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc. as at 30 June 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc. will be able to pay its debts as and when they fall due.

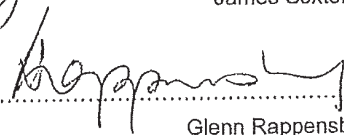
This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Chair



James Sexton

Treasurer



Glenn Rappensberg

Dated 17 of October 2018

Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc.

STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Income			
Funding	2	511,383	469,283
Bank Interest		6,301	6,422
General Project Income		930,719	901,873
Sundry Income	3	231,196	330,579
Total Income		<u>1,575,626</u>	<u>1,708,157</u>
Expenditure			
Audit fees		6,000	5,850
Board Expenses		23,740	19,949
Depreciation Expense		45,263	33,483
Employment Expenses	4	480,029	416,260
Other Operational Expenses	5	128,730	147,822
Project Expenses		930,719	901,873
Rent & Rates		32,178	33,933
		<u>1,542,686</u>	<u>1,559,170</u>
Surplus/ Deficit for the year		<u><u>32,940</u></u>	<u><u>148,987</u></u>

Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash & Cash Equivalents	6	545,036	634,454
Trade & Other Receivables	7	21,929	380,015
Total Current Assets		<u>566,965</u>	<u>1,014,469</u>
Non Current Assets			
Property Plant & Equipment	8	149,834	61,517
Total Non Current Assets		<u>149,834</u>	<u>61,517</u>
Total Assets		<u>716,799</u>	<u>1,075,987</u>
Current Liabilities			
Trade & Other Payables	9	264,426	672,575
Total Current Liabilities		<u>264,426</u>	<u>672,575</u>
Non Current Liabilities			
Provision for Long Service Leave		32,785	16,864
Total Non Current Liabilities		<u>32,785</u>	<u>16,864</u>
Total Liabilities		<u>297,312</u>	<u>689,439</u>
Net Assets		<u>419,488</u>	<u>386,548</u>
Equity – Retained Earnings		<u>419,488</u>	<u>386,548</u>

Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc.

Notes to the Financial Statements for the period ended 30 June 2018

Note 1: Statement of Significant Accounting Policies

The financial report is a special purpose financial report for distribution to the members to fulfill the Board's the financial reporting requirements under the Association's constitution and the Associations Incorporation Act (SA) 1985. The Board has determined that the Association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act (SA) 1985 and the following Australian Accounting Standards:

- AASB 101: Presentation of Financial Statements
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 110: Events after the Balance Sheet Date
- AASB 1048: Interpretation of Standards
- AASB 1053: Application of tiers of Australian Accounting Standards
- AASB 1054: Australian Additional Disclosures

No other applicable Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial statements have been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

(a) Presentation of the Financial Report

Funds received in relation to the programmes administered on behalf of funding partners are not available for the benefit of the association. A liability is recorded for all unspent funds at each reporting date.

An income and expenditure statement is presented for the Association's own separate operations. This statement includes transactions between the Association and the programmes administered by the Association on behalf of its funding partners. Income and expenditure statements are not prepared for each of the programmes as it is considered that the association is incurring the income and expenditure as agent for the funding partner.

(b) Impairment of Assets

At each reporting date the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

(c) Property, Plant & Equipment

Plant and Equipment is measured on the cost basis less depreciation.

All assets, excluding freehold land and buildings, are depreciated over their useful lives to the Association.

Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc.

(d) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Provision for entitlement arising from long service leave has been recognized for all employees with 5 or more years of service.

(e) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

(f) Income Tax

No provision has been made for income tax as the Association is exempt under the Income Tax Assessment Act 1936 as amended and Income Tax Assessment Act 1997.

(g) Goods and Services Tax (GST)

Revenue, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances GST is recognized as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(h) Projects and Liabilities

The Association has amended its accounting practices relating to the treatment and disclosure of project revenue and liabilities which has been effective as from 1 July 2011. The Association now records a liability for all unspent project funds received as at reporting date which are required to be repaid to funding bodies should works not be completed or all monies spent. Project revenues are now only recognized when either services rendered have been completed or where expenditures relating to the project have been incurred.

(i) Motor Vehicles

New motor vehicles for the use of executive staff have been acquired by the Association under mortgage facility agreements with St George Finance Limited.

Each of these motor vehicles is measured on original cost less depreciation. Depreciation has been calculated using a prime cost method over the useful life of the asset being the period from the acquisition date to 30 June 2018, or earlier by agreement with the financier.

The 30 June 2018 represents both the usual termination of the loan agreement and the end of the Association's Funding Agreement.

The recoverable amount for each vehicle at termination date is calculated using a recognised

Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc.

independent valuation service and approved by the financier.

(j) Economic Dependency

The Association is dependent on Grants Revenue received from the Department of Infrastructure & Regional Development (Commonwealth Federal Government) and contributions from local councils to fund the ongoing operations of the Association. Total Grant Revenue received from government agencies in the 30 June 2018 financial year amounted to \$511,384 (2016/17: \$469,283).

Department of Infrastructure and Regional Development funding for Regional Economic Development agreement expires 31/12/2020.

Local Government (Alexandrina Council, City of Victor Harbor, District Council of Yankalilla, Kangaroo Island Council, Adelaide Hills Council, Mount Barker District Council, and Onkaparinga Council) funding for Regional Economic Development agreement expires 30/06/2019.

Should the Association not secure funding or a reduced level of funding in future years, it may impact on the ability of the Association to continue operating as a going concern.

Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc.

**Notes to the Financial Statements
for the period ended 30 June 2018**

	Notes	2018 \$	2017 \$
Note 2: Funding			
Core Funding Government			
DITRDLC – Core Funding		218,433	218,433
Core funds – Local Government			
Alexandrina Council		54,600	53,300
City of Victor Harbor		34,800	33,900
District Council of Yankalilla		13,250	12,900
Kangaroo Island Council		7,500	7,500
Adelaide Hills Council		61,500	60,000
Mount Barker District Council		61,300	59,750
Onkaparinga Rural		60,000	23,500
		511,383	469,283
Note 3: Sundry Income			
Gain on Disposal of Assets		8,122	3,802
Sundry Income		9,345	101,487
Project Expense Recoveries		202,562	223,932
Fleurieu Peninsula Tourism Expense Recoveries		-	1,358
Trainee Grant		11,167	-
		231,196	330,579
Note 4: Employment Expenses			
Gross Wages (net of recoveries)		425,359	338,858
Fringe Benefits Tax		12,815	14,023
Superannuation (net of recoveries)		47,332	40,029
Payroll Tax		-	7,198
Annual Leave		(16,314)	10,356
Long Service Leave Provision		10,837	5,796
		480,029	416,260

Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc.

Notes	2018 \$	2017 \$
Note 5: Other Operational Expenses		
Advertising, Marketing & Promotion	2,899	378
Bank Fees	1,334	893
Bad Debt (liquidation of Hindmarsh Island Ltd.)	1,381	0
HP Borrowing Fees	804	1,201
HP M/V Interest Paid	2,083	4,739
Cleaning & Hygiene	2,842	2,802
Consultancy Fees	2,345	1,091
Electricity	5,473	5,479
Information Technology	17,650	13,277
Insurance	11,728	11,188
Legal Fees	0	16,906
Meetings, Seminars, Workshops & Conferences	7,778	11,006
Membership & Subscriptions	8,407	3,935
Motor Vehicles	18,758	16,554
Office Equipment Rental & Maintenance	840	2,462
Office Supplies, Stationery & Printing	4,720	3,108
Postage & Freight	589	1,413
Repairs & Maintenance	1,135	1,645
Sponsorship	5,000	2,500
Staff & Visitor Amenities	1,887	1,177
Storage (Archive)	2,868	3,647
Sundry	2,273	860
Telephones & Communications	14,345	13,712
Training & Staff Development	2,225	1,908
Travel & Accommodation	9,366	9,226
RDA Strategic Planning	-	16,715
	128,730	147,822

Note 6: Cash & Cash Equivalents

Bank Cheque Account	158,937	193,952
Express Save Account	262,163	318,627
Term Deposit Account	127,628	125,014
Cash on Hand	200	76
Visa Account	(3,892)	(3,214)
	545,036	634,454

Note 7: Trade & Other Receivables

Account Receivable	15,356	370,082
Prepayments	6,573	9,933
	21,929	380,015

Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc.

	Notes	2018 \$	2017 \$
Note 8: Property, Plant & Equipment			
Office Furniture & Equipment		68,151	74,974
Less Accumulated Depreciation		(46,570)	(65,611)
		<u>21,581</u>	<u>9,363</u>
Motor Vehicles		167,908	81,224
Less Accumulated Depreciation		(39,654)	(29,070)
		<u>128,254</u>	<u>52,154</u>
		<u>149,834</u>	<u>61,517</u>

Note 9: Trade & Other Payables

Creditors & Accrued Expenses		97,944	12,414
Funding Grants in Advance		-	113,762
Projects Unspent	9.1	14,442	293,421
Provision for LSL		58,616	63,701
Accrued Wages & Superannuation		28,696	28,239
Annual Leave Provision		52,086	68,400
GST Payable		(15,738)	29,941
PAYG Withholding		14,816	11,802
Motor Vehicles HP		14,092	51,323
Less Unexpired Charges Bank SA		(429)	(428)
		<u>264,426</u>	<u>672,575</u>

Note 9.1: Project Unspent

	Opening Balance	Monies Received	Monies Expended	Closing Balance
Skills & Emplmnt Network	-	11,000	2,966	8,034
Practical App to Region17-18	-	69,366	91,610	(22,244)
Regionl Digital Ent 17-18	-	28,980	37,762	(8,782)
Electrical Highway 17-18	-	28,980	48,516	(19,536)
Tapping Demo Divid 17-18	-	155,898	115,682	40,216
Invest attraction 17-18	-	160,898	171,801	(10,903)
Indust Leader Group 17-18	9,000	9,750	683	18,067
Work Indivi Assist17-18	10,000	-	409	9,591
Youth2 work 17-18	102,223	73,587	175,810	-
Northern Freight Bypass	58,620	27,695	86,315	-
Investment Attraction 16-17	(21,250)	21,250	-	-
17-18 Brokerage Project	63,000	27,000	90,000	-
16-17 Broker Project	63,972	-	63,972	-
16-17 CEO Connect	(466)	34,836	34,370	-
STEM-Inspiring SA Science	8,322	2,500	10,822	-
	<u>293,421</u>	<u>651,740</u>	<u>930,719</u>	<u>14,442</u>

Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc.

Note 10: Events occurring after reporting date

The Members are not aware of any significant events since the end of the reporting period.