

ANNUAL REPORT

2019/2020



Regional
Development
Australia

ADELAIDE HILLS
FLEURIEU &
KANGAROO ISLAND





An Australian Government Initiative



An Initiative of
**Government
of South Australia**



**Regional
Development**
Australia

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Key Stakeholders



An Australian Government Initiative



An Initiative of
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of South Australia**





Chairman's Report

The past year has been a test of fortitude, survival, resilience, and adaptability.

In late 2019, a large part of our area was ravaged by catastrophic bushfires. On the worst day for extreme heat with 43°C and strong winds following below average rainfall, we had major bushfires breakout at Cudlee Creek and on Kangaroo Island.

Kangaroo Island was hit with unprecedented fires which were uncontrollable, travelling at high speed and tragically two lives were lost. Many houses and properties destroyed including the iconic Southern Ocean Lodge and Flinders Chase National Park. The fire devastated approximately 50% (211,000 hectares) of the island. Recovery will be a major effort and our RDA has been helping on all fronts.

The Cudlee Creek fire starting from a falling branch hitting electrical wires to a pump shed, was ferocious and it's a credit to the CFS, farm units and water bombers that despite 25,000 hectares burnt, only 86 homes were destroyed and one life lost. At one point the water bomber aerodrome was closed when fire over ran it. The destruction to wineries, vineyards, businesses, and stock was horrendous.

The cooperation of the councils to assist each other in the major clean-up was exemplary. The day after the fire the roads were being cleared and dangerous trees removed.

As we entered 2020 and the bushfire recovery was underway COVID-19 hit and every business and person in our area were affected. Tourism stopped dead in its tracks, communities had to batten the hatches and the world faced a potential disaster. The government both at Federal and State levels responded quickly and cleverly.

JobKeeper was an exceptional saviour to jobs and businesses. The RDA constantly updated all businesses with the rapidly changing government help and assistance packages. The cooperation between Local, State, and Federal government was the thing that saved so many businesses.

Businesses which were suddenly closed quickly diversified with home deliveries of fruit, vegetables, groceries and restaurants adapted to takeaway to keep cashflow going.

We all learnt how to hold Zoom and Microsoft Team meetings, to social distance and to not handshake! Damien Cooke and I met all the Mayors and CEO's of the councils in our area. The confidence and bounce back of business was good across the board.

It was pleasing to see some of the projects our RDA had been strongly supporting, receive funding. The Kangaroo Island desalination plant will really allow the island to make future plans with confidence. The Goolwa Wharf precinct development will be an excellent boost for tourism.

The future of our region and South Australia is looking very strong as local tourism has flooded into our regions giving a major boost. The recovery is well on the way and the strong interest from interstate companies to invest in South Australia has been encouraging.

Despite two major disasters, our region has come out of it with its head held high and our resilience strong. Our RDA will continue to support and drive initiatives to assist throughout the region.

JAMES SEXTON
CHAIR



Chief Executive Officer and Director Report



The 2019/20 year was very much a year of two distinctive parts.

The first half of the year saw RDA AHFKI embark on the rolling out of our three-year plans with the planning of a continuation of our activities in the Middle East, Public Transport initiatives and Infrastructure project identification and prioritising.

During 2019/20, 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. Late December saw catastrophic bushfires severely impact three of our Council regions in Mount Barker, Adelaide Hills and Kangaroo Island. We immediately sought a redirection of project funding from Regions SA to go into bushfire recovery, which was granted, and we worked with impacted regions to identify and advocate for key recovery and rebuild projects across the regions. We have worked closely with the State and National Bushfire Recovery Agencies and Department of Premier and Cabinet on recovery priorities.

Soon after the bushfires, we were impacted by COVID-19. This had a devastating impact on our region due to the dependence of our regional economy on tourism and hospitality. We focused our efforts on identifying projects and initiatives across the entirety of the region that could ensure the local economy was as well placed as possible once we came out of the other side of this global pandemic. Assistance from all levels of Government during the height of the pandemic has been critical in ensuring we have a core of sustainable businesses to keep our economies alive. We will focus on working with local businesses to assist them prepare for business in recovery.

The Federal Government called on the RDA network to provide on the ground intelligence during the pandemic. This

information has been used to guide the decision-making processes in ensuring assistance packages are appropriately targeted.

RDA AHFKI 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. The regional bushfires have seen us focus more heavily on infrastructure needs that help mitigate bushfire risks in the future.

We continue to work closely with the State Government and the Department of Primary Industries and Regions. The State Government gave us allowance to redirect much of our project funding to bushfire recovery in the first instance then COVID-19 recovery.

Our peak body in South Australia, Regional Development South Australia, have been working closely with the State Government in promoting key infrastructure priorities across the State.

I am excited about the future for this RDA and I look forward to the outcomes we can deliver over 2020/21. We will continue to work with all of our 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 what has been an extraordinary 2019/20 and I look forward to their continued support into 2020/21.

DAMIEN COOKE
CHIEF EXECUTIVE OFFICER AND DIRECTOR



Board Members and Staff



James Sexton
Chairman



Victoria MacKirdy
Deputy Chair



Glenn Rappensberg
Treasurer



Lorraine Rosenberg
Secretary

Board Members



Peter Wadewitz



Nigel Morris



John Ashcroft



James Walters



Luke Gray



Susie Green

Staff

Damien Cooke	Chief Executive Officer and Director
Stephen Shotton	Regional Development Manager
Sara Cross	Executive Assistant to Chief Executive Officer and Director
Leanne Li	Finance Officer
Dilrini Pathirana	Administration Support Officer and Project Officer
Nicki Taylor	Administration Assistant

FAREWELL TO
Amanda Schaper *IT and Systems Manager*



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 8,754 square kilometres and a population of 129,995.

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 responses 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





Regional Snapshot

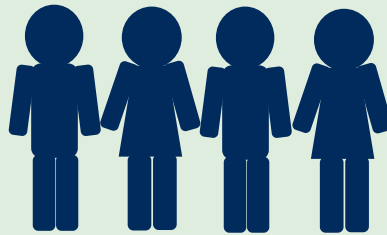
8,754 km²

TOTAL SIZE OF RDA ADELAIDE HILLS,
FLEURIEU AND KANGAROO ISLAND
REGION

Region's Population

129,995

ABS ERP 2019

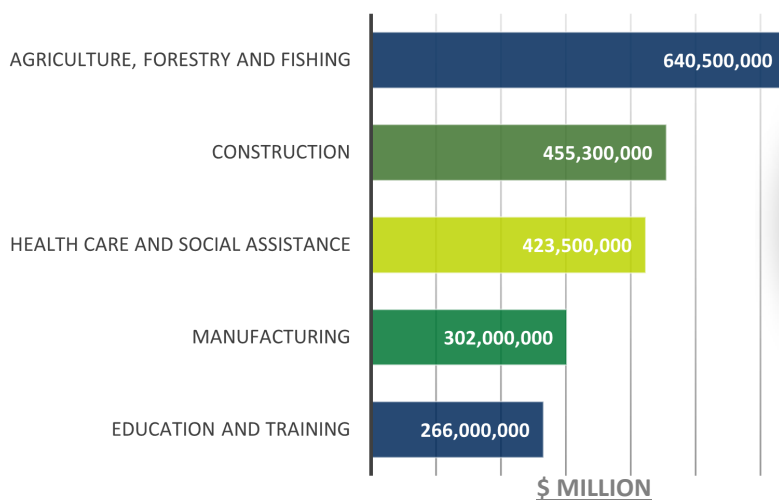


\$5.41 Billion

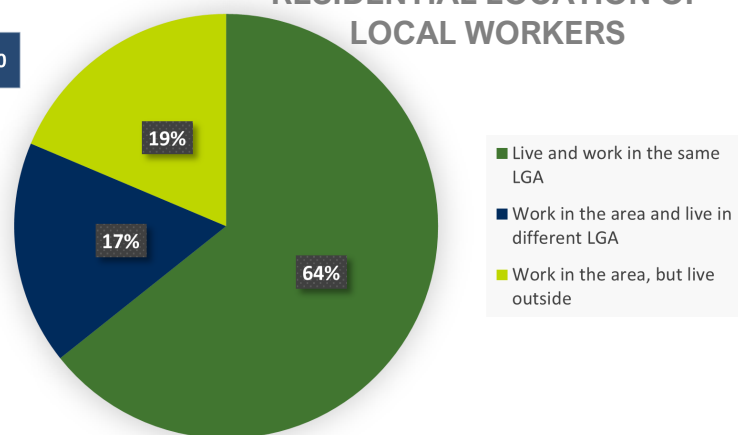
GRP

NIEIR 2019

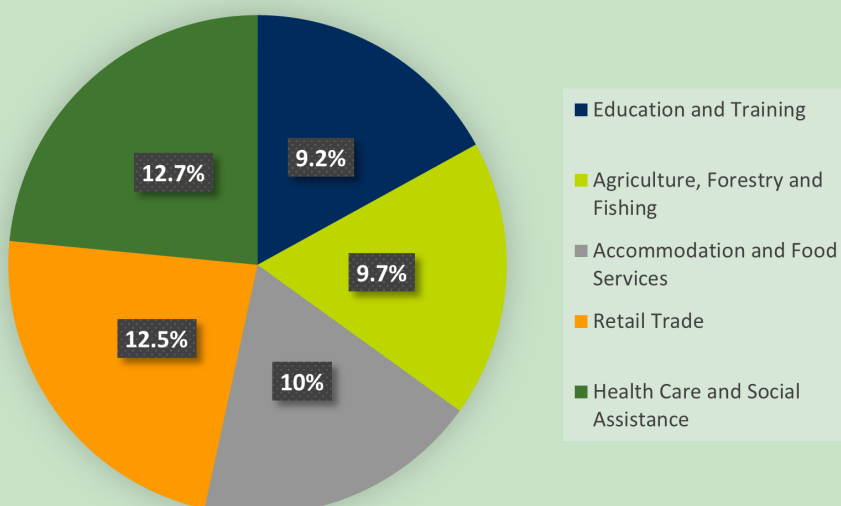
TOP 5 VALUE ADDED INDUSTRIES



RESIDENTIAL LOCATION OF LOCAL WORKERS



TOP 5 AREA'S OF EMPLOYMENT



ABN's Registered

11,468

ABS 2019

62,681 Employed Residents

NIEIR 2019

48% FULL TIME
50% PART TIME

What We Do

RDA Adelaide Hills, Fleurieu and Kangaroo Island is focused on delivering its vision through four key themes of activity.

IDENTIFY OPPORTUNITIES

RDA Adelaide Hills, Fleurieu and Kangaroo Island believes the identification of opportunities is a key priority for regional development.

For that reason, we actively identify the regions competitive advantages, embrace ingenuity and innovation, explore new opportunities, and connect minds and resources. Specifically, we:

- Connect regional businesses, councils and industry sectors with international trade partners, financial markets and potential investors
- Engage with regional entrepreneurs and emerging business leaders to explore new opportunities to grow local jobs in our region
- Facilitate public and private sector decentralisation



ACCESS TO FUNDING

One of the biggest hindrances to economic growth in the regions is the shortage of access to capital for private and public projects. Funding delays result in lost growth and employment.

For this reason, access to funding is a core component of the work of RDA Adelaide Hills, Fleurieu and Kangaroo Island. This includes:

- Collaborating with relevant stakeholders to identify economic opportunities and leverage private and public-sector investment to our region
- Supporting community stakeholders to develop project proposals to access funding



PROGRAM PROMOTION AND DELIVERY

RDA Adelaide Hills, Fleurieu and Kangaroo Island play an active role for the Australian Government as a channel through which policy and grant information is distributed to our regional communities.

Specifically, we:

- Promote and disseminate information on Australian Government policies and grant programs to state and local governments and industry, business and community sectors
- Assist in the delivery of Australian Government programs, where relevant and where requested by the Minister



REGIONAL DEVELOPMENT ADVICE

There isn't much we don't know about our region but when our knowledge is lacking, we'll consult with our extensive networks to get the detail.

To do so relies on great working relationships with all of the regions stakeholders. We use our own regional intel along with details from our networks to provide regional advice to all levels of government as well as to industry, business and community sectors.

RDA Adelaide Hills, Fleurieu and Kangaroo Island:

- Develops and maintains positive working relationships with the local government bodies in our region
- Provides information on our region's activities and competitive advantages to all levels of government, industry, business and community sectors
- Provides evidence-based advice to the Australian Government on critical regional development issues positively and negatively affecting our region





A Year of Challenges

Bushfire and Pandemic

During December 2019 and January 2020, our region experienced catastrophic bushfires that resulted in the unfortunate loss of three lives and along with extensive fires in Victoria and New South Wales, became known as the Black Summer Bushfires. Two separate bushfires, in the Adelaide Hills and on Kangaroo Island, destroyed property, impacted the natural environment, killed livestock, changed many people's lives, and had a critical impact on the economy.

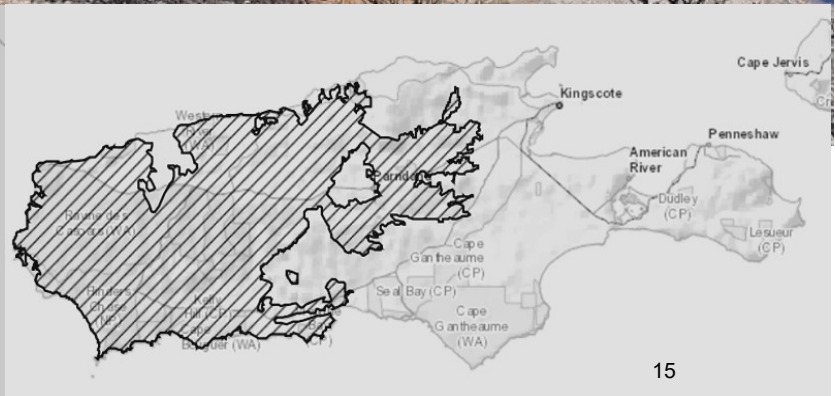
The Adelaide Hills fire started in Cudlee Creek and threatened hills towns including Lobethal and Lenswood. One life was lost, more than 70 houses were destroyed, as well as over 400 outbuildings and 200 cars, and significant orchard and vineyard assets were impacted.

The Kangaroo Island fire started in the Flinders Chase National Park and burnt in excess of 211,000 hectares or 49% of the island. The bushfires were the largest in the island's recorded history. Townships including Parndana and Vivonne Bay were evacuated and the island's main water treatment plant was damaged, impacting water supplies. Two lives were lost, more than 60,000 livestock killed (70% of livestock lost across Australia), 89 homes destroyed, and 95% of the island timber plantations burnt.

RDA AHFKI released a Media Statement on the 10th of January to outline our organisations response which was that RDA's role across our communities will continue albeit with emphasis on bushfire impacted areas. Our role is not in the early crisis management but in the promotion of programs and response initiatives from all levels of government, providing local intelligence to government, and actively pursuing the medium and long-term rebuilding of the region's economy and liveability. RDA's focus is squarely on redevelopment initiatives and infrastructure that supports our economy's key sectors including tourism and agriculture.

Without a break in recovery, the world was consumed by the COVID-19 pandemic. RDA AHFKI focus was not just on bushfire recovery alone. The economic impacts experienced in the region from the Black Summer bushfires, were now being replicated on a grander scale with 100% of the region now impacted. On the 8th of April we released a Media Statement to outline our role.

Across both the bushfire and pandemic disasters, RDA AHFKI worked tirelessly to coordinate, promote, hear, collaborate, avoid duplication and be productive with the aim to maximise resilience and recovery for our communities.





Project Highlight

Wastewater Options

Mount Barker District Council (MBDC) owns and operates wastewater treatment facilities that service the majority of the Mount Barker township. Due to fast population growth, the volume of waste water it treats is expected to rise from around 1GL per annum to nearly 4GL per annum by 2050.

Historically, Council has been overly reliant on a small number of wastewater users which has resulted in limited long-term planning for the ever-growing volume of wastewater. In addition, the lack of customer base has been further exaggerated by the rapid reduction in wastewater demand from its most significant user due to mine closure.



RDA AHFKI was engaged by Mount Barker District Council to undertake research into potential users of treated wastewater, determine appropriate treated wastewater pricing, and key considerations for private sector involvement.

The investigation resulted in the following recommendations

1. Treated wastewater be priced at or below \$100/ML ex-works;
2. Council to focus its initial resources on the Callington region as the short-term solution, and the Langhorne Creek region as a long-term solution;
3. Council to engage further with the larger water users from the Langhorne Creek region to determine detailed wastewater demand appetite and financial capacity to deliver the Project;
4. Council to engage further with the private sector to understand potential commercial structures, benefits delivered to Council and financial capacity to deliver the Project;
5. Council to commence high level discussions with relevant authorities to determine if an environmental release solution is practically possible and acceptable based on current legislation

The recommendations aim to cater for the short and long-term requirements of Council incorporating flexibility, low cost, short and long-term water take, storage, proximity, and economic development.

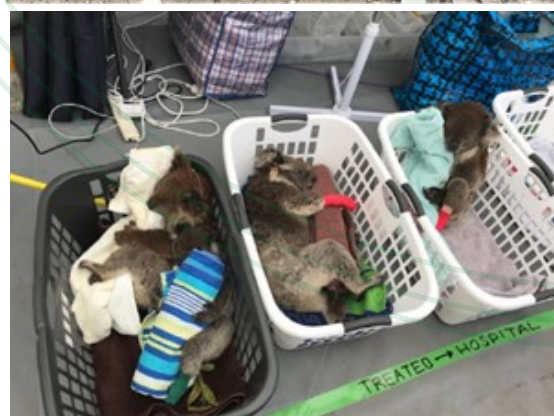
RDA AHFKI proposed the establishment of a working group within Council to evaluate the identified recommendations and determine the appropriate structure through which to progress the project and incorporate the involvement of the private sector where appropriate and beneficial.

Project Highlight

Business Mentoring for Bushfire Recovery

Between 20th December 2019 and the 6th January 2020, 49% of Kangaroo Island was decimated by devastating bushfires. This included the entire Flinders Chase National Park, Kangaroo Island Wilderness Trail, 100 homes and some 80 businesses inclusive of many farms, 60,000 head of livestock, majority of Kangaroo Island Plantation Timbers forests and many independent forests. The majority or all of infrastructure at Southern Ocean Lodge, KI Wilderness Retreat, Hanson Bay Wildlife Sanctuary & Cabins, Western KI Caravan Park & Wildlife Reserve and SeaLink Vivonne Bay Lodge were also destroyed.

This Business Mentoring for Bushfire Recovery project was initially funded as a pilot program through Building Better Regions Funding, managed through the Kangaroo Island Business and Brand Alliance in consultation with the Commissioner for Kangaroo Island. The pilot which worked with ten businesses demonstrated enormous value in providing one-on-one mentoring with businesses directly and indirectly impacted by the fires. RDA AHFKI funded the program by employing a project officer to offer full-time mentoring to the end of June 2020.



The project provided:

- Needs Analysis - 221 businesses were engaged in the program and 182 needs analyses were conducted onsite and over the phone to identify support, information and resources required by each business.
- Support to access funding - grants, loans and other assistance programs were researched. A resource containing briefs, web-links and documentation required to complete applications was developed to provide direct access to recovery resources, grants, loans and other financial assistance. Assistance was provided to secure over \$4.0 million in grant funds.
- Ongoing assistance - grant applications were prepared for some whereas others were provided with assistance as required. Other issues arising were managed throughout the program. These included immediate and urgent clean-up and waste removal.



Project Highlight

COVID-19 Business Support

RDA AHFKI played a significant regional leadership role during the COVID-19 pandemic through:

Understanding the situation:

RDA AHFKI took an early step to understand impacts on our region's businesses. Survey results were shared with our communities, Local, State and Federal Governments:

RDA AHFKI worked with local governments and other stakeholders to identify and prioritise key recovery projects, a folio of which was presented to State Government for recovery funding consideration.

Sharing information:

June Quarter economic forecast (NIEIR) demonstrating GRP and employment impacts were shared to inform our communities.

A dedicated and regionally updated COVID-19 Business Supports page was placed on our website and a COVID-19 programs page was established on the Hills & Coast Grant Finder portal.

RDA AHFKI also provided local regional intel to the Federal Government via Assistant Minister Nola Marino's national RDA calls.

Promotion of government programs into our communities including:

- ⇒ COVID-19 response package including JobKeeper and JobSeeker
- ⇒ Local Road and Community Infrastructure Program
- ⇒ COVID-Safe App

Promotion of workshops aimed at assisting our regional businesses survive the pandemic, including:

- ⇒ Rural Business Support (RBS) financial counselling program
- ⇒ National Farmers Federation Recovery Plan
- ⇒ Navigating Your Business Through The COVID-19 Pandemic
- ⇒ COVID cleaning training
- ⇒ COVID Cash Chest – Digital Solutions workshop
- ⇒ COVID re-opening plan guide
- ⇒ Providing mentoring to businesses and key employers through the recovery of the pandemic

Our communities provided positive feedback on RDA AHFKI's response and leadership.

BUSINESS AND EMPLOYMENT IMPACTS OF COVID-19

(ADELAIDE HILLS, FLEURIEU AND KANGAROO ISLAND)

REGIONAL FORECAST FOR JUNE 2020



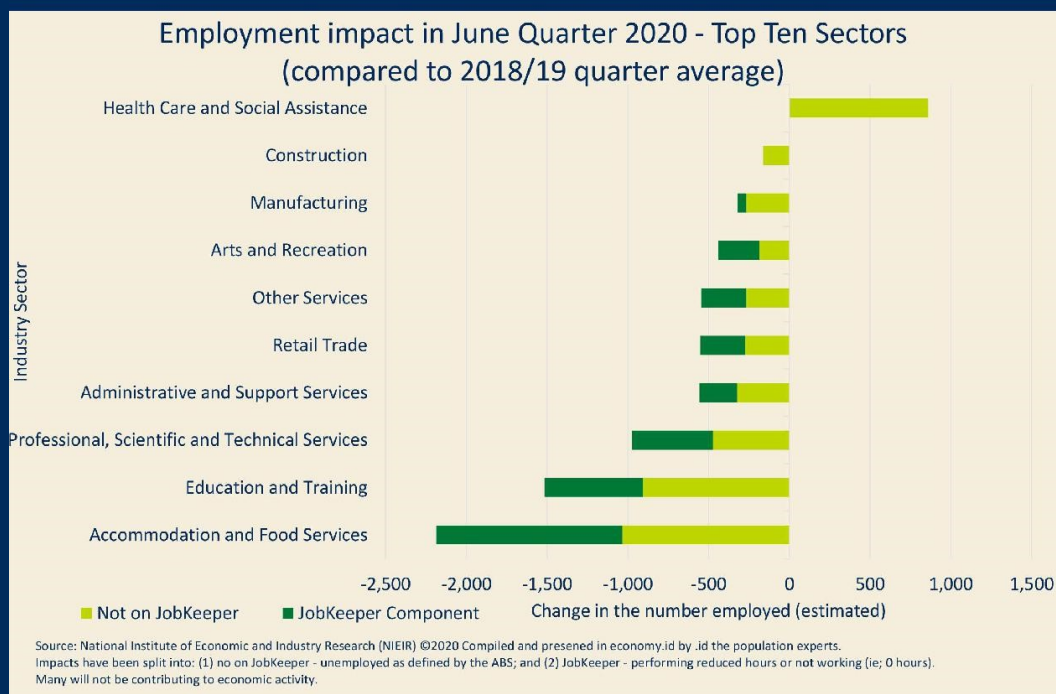
TOP 3 SECTOR IMPACTS

(NOT INCLUDING JOBKEEPER) ARE FORECAST TO BE:

ACCOMMODATION
AND FOOD SERVICES

EDUCATION AND
TRAINING

PROFESSIONAL,
SCIENTIFIC AND
TECHNICAL SERVICES

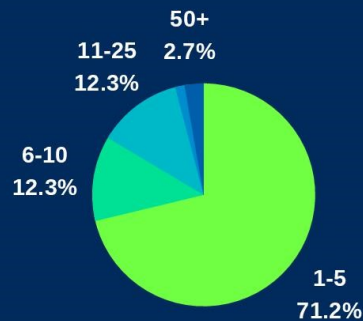


RDA SURVEY

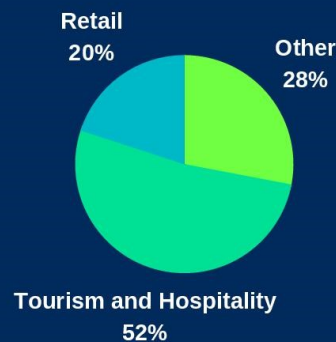


RDA AHFKI conducted a business and NFP survey seeking answers to owners and managers experiences and thoughts on the COVID-19 pandemic as it relates to their operations for the month of March. A total 73 responses delivered many insights which have been utilised to inform RDA AHFKI feedback to governments and a range of stakeholders. Additional surveys will be conducted during the pandemic and during the recovery.

Number of Employees



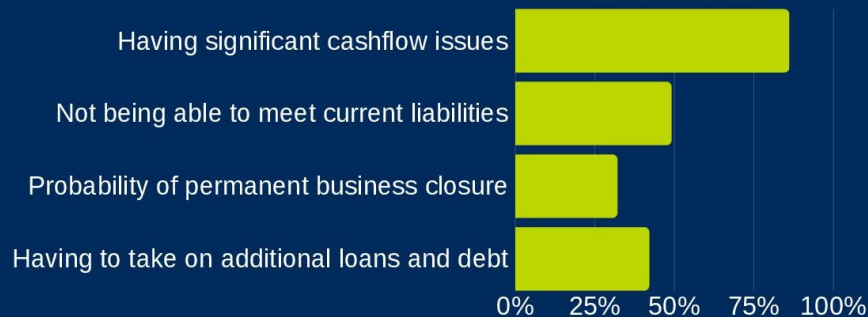
Top 3 Industries Responding



AVERAGE ACROSS ALL RESPONDENTS



HIGH TO VERY HIGH PROBABILITY OF:



When asked what one assistance measure people would request, "Assistance" and "Time" were the most common answers - something people typically need to digest their situation in a constantly evolving environment.

Project Highlight

Regional Infrastructure Priorities

There are many projects across the region in various stages of development across public and private sectors. Until recently there was no database of projects and organisations like RDA AHFKI had no way to assess which projects would benefit most from proactive support.

RDA AHFKI established a centralised projects database for the region, drawing project intelligence through:

- Council economic development staff who are part of the region's Economic Development Network (EDN)
- Direct contact with project proponents and their advisors
- Government agencies

The project database offers many advantages including:

1. Informing RDA AHFKI reporting to State and Federal Government
2. Informing advocacy work
3. Identifying projects for allocation of RDA AHFKI resources
4. Maintaining uniform messaging amongst stakeholders
5. Identifying opportunities for collaboration including across council and RDA borders
6. Enabling identification of regional trends

A project scoring system takes into account social, environmental, economic, trade and innovation and capability aspects of each project to enable comparison of projects and ranking. By ranking projects, RDA AHFKI is able to prioritise scarce resources to assist projects and have greatest impact. RDA AHFKI assistance can include:

- Economic modelling
- General project advice
- Grant applications
- Advocacy
- Introductions
- Commercial advice through third party advisors on structuring and finance options

In 2019-20 the projects database provided quick and easy production of project folios for the region's economic recovery (shared with State and Federal Governments) after the Black Summer Bushfires and also COVID-19.

AUDITED FINANCIAL STATEMENTS

2019/2020



BOARD'S REPORT

The Board members submit the financial report of Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Inc. for the financial year ended 30 June 2020.

Board Members

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

James Sexton

Glenn Rappensberg

John Ashcroft

Peter Wadewitz

Susie Green

Victoria MacKirdy

Luke Gray

Nigel Morris

James Walters

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

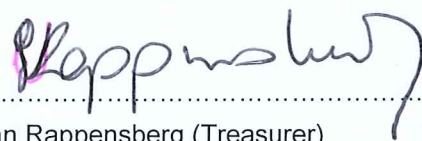
Significant Changes

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

Operating Result

The operating surplus/(deficit) for the year amounted to **(\$57,789)** (2019: \$30,561).

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


James Sexton (Chair)
Glenn Rappensberg (Treasurer)

Dated 15th of October 2020

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 2020 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 15th of October 2020

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

STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Income			
Funding	2	476,951	522,483
Bank Interest		2,519	4,735
General Project Income		571,853	681,077
Sundry Income	3	87,889	100,959
Gain on Disposal of Assets		-	8,158
Total Income		1,139,212	1,317,412
Expenditure			
Audit fees		6,346	6,245
Board Expenses		28,796	26,562
Depreciation Expense		18,975	31,301
Employment Expenses	4	432,469	387,371
Other Operational Expenses	5	93,368	125,331
Project Expenses		571,853	681,077
Rent & Rates		31,105	28,964
Loss on Disposal of Assets		14,088	-
		1,197,001	1,286,851
Surplus/ Deficit for the year		(57,789)	30,561

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
Current Assets			
Cash & Cash Equivalents	6	393,562	475,516
Trade & Other Receivables	7	139,015	39,579
Total Current Assets		<u>532,577</u>	<u>515,095</u>
Non-Current Assets			
Property Plant & Equipment	8	45,818	92,226
Total Non-Current Assets		<u>45,818</u>	<u>92,226</u>
Total Assets		<u>578,394</u>	<u>607,321</u>
Current Liabilities			
Trade & Other Payables	9	186,135	122,414
Total Current Liabilities		<u>186,135</u>	<u>122,414</u>
Non-Current Liabilities			
Provision for Long Service Leave		-	34,858
Total Non-Current Liabilities		<u>-</u>	<u>34,858</u>
Total Liabilities		<u>186,135</u>	<u>157,272</u>
Net Assets		<u>392,260</u>	<u>450,049</u>
Equity – Retained Earnings		<u>392,260</u>	<u>450,049</u>

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

Notes to the Financial Statements for the period ended 30 June 2020

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
- AASB 1058: Income of Not-for-Profit Entities

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

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

Notes to the Financial Statements for the period ended 30 June 2020

Association.

Note 1: Statement of Significant Accounting Policies (Cont.)

(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 recognised 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 recognised 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 recognised 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

Project revenues are only recognised when either services rendered have been completed or where expenditures relating to the project have been incurred.

(i) Motor Vehicles

Motor vehicles are measured at their original cost less accumulated 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 2020, or earlier by agreement with the financier.

(j) New Accounting Standards

In the current year, the Association adopted all of the new and revised Standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to the Association's accounting policies.

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

Notes to the Financial Statements for the period ended 30 June 2020

Note 1: Statement of Significant Accounting Policies (Cont.)

(j) New Accounting Standards (Cont.)

The Association is required to implement AASB 15 Revenue from Contracts, AASB 16 Leases and AASB 1058 Income for Not-for-profit Entities as from 1 July 2019. An assessment had been completed to quantify whether the introduction of the new accounting standards will have a material impact on the Association's accounting policies and future reported financial performance and position. The Association assessed the impact as immaterial and will assess this annually to ensure any future material amounts are recorded.

(k) Economic Dependency

The Association is dependent on Grants Revenue received from the Department of Infrastructure & Regional Development (Commonwealth 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 2020 financial year amounted to \$476,951 (2018/19: \$522,483).

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) funding for Regional Economic Development agreement expires 30/06/2022.

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.

(L) Comparative Information

During the financial year, the Association has reviewed the allocation and classification of some transactions which have been updated in comparative information presented. Changes in classifications has resulted in no change to the previously reported financial performance and position of the Association.

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

**Notes to the Financial Statements
for the period ended 30 June 2020**

	Notes	2020 \$	2019 \$
Note 2: Funding			
Core Funding Government			
DITRDLC – Core Funding		226,095	222,345
Core funds – Local Government			
Alexandrina Council		57,400	56,000
City of Victor Harbor		36,593	35,700
District Council of Yankalilla		13,940	13,600
Kangaroo Island Council		13,940	7,500
Adelaide Hills Council		64,613	63,038
Mount Barker District Council		64,370	62,800
Onkaparinga Rural		-	61,500
Total Funding		476,951	522,483
Note 3: Sundry Income			
Sundry Income		65,051	13,117
Project Expense Recoveries		22,838	87,843
Total Sundry Income		87,889	100,959
Note 4: Employment Expenses			
Gross Wages (net of recoveries)		373,045	328,096
Fringe Benefits Tax		12,660	12,663
Superannuation (net of recoveries)		35,426	39,881
Motor Vehicle Allowance		1,593	-
Annual Leave		4,930	3,369
Long Service Leave Provision		4,815	3,361
Total Employment Expenses		432,469	387,371

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

**Notes to the Financial Statements
for the period ended 30 June 2020**

	Notes	2020 \$	2019 \$
Note 5: Other Operational Expenses			
Advertising, Marketing & Promotion		-	9,340
Bank Fees		208	351
Bad Debt		-	-
HP Borrowing Fees		-	515
HP M/V Interest Paid		-	117
Cleaning & Hygiene		2,998	2,821
Consultancy Fees		4,080	1,789
Electricity		4,316	4,808
Information Technology		12,744	13,184
Insurance		8,767	9,956
Meetings, Seminars, Workshops & Conferences		8,946	16,273
Membership & Subscriptions		8,677	7,853
Motor Vehicles		9,479	16,253
Office Equipment Rental & Maintenance		2,398	2,405
Office Supplies, Stationery & Printing		2,996	1,608
Postage & Freight		398	643
Repairs & Maintenance		943	1,095
Sponsorship		-	10,000
Staff & Visitor Amenities		1,714	3,546
Storage (Archive)		3,134	2,734
Sundry		3,238	1,112
Telephones & Communications		8,029	9,980
Training & Staff Development		2,615	1,217
Travel & Accommodation		7,688	7,733
Total Other Operational Expenses		93,368	125,331
Note 6: Cash & Cash Equivalents			
Bank Cheque Account		43,891	59,326
Express Save Account		220,122	288,818
Term Deposit Account		132,320	130,233
Cash on Hand		200	39
Visa Account		(2,971)	(2,900)
Total Cash & Cash Equivalents		393,562	475,516

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

**Notes to the Financial Statements
for the period ended 30 June 2020**

	Notes	2020 \$	2019 \$
Note 7: Trade & Other Receivables			
Account Receivable		71,854	12,698
Prepayments		4,662	4,330
Other Debtors		62,500	-
Projects Receivables	9.1	22,800	22,550
Total Trade & Other Receivables		161,816	39,578

Note 8: Property, Plant & Equipment

Office Furniture & Equipment	68,151	68,151
Less Accumulated Depreciation	(59,272)	(55,328)
	<u>8,879</u>	<u>12,823</u>
 Motor Vehicles	 38,567	 103,561
Less Accumulated Depreciation	(1,628)	(24,158)
	<u>36,939</u>	<u>79,403</u>
Total Property, Plant & Equipment	45,818	92,226

Note 9: Trade & Other Payables

Creditors & Accrued Expenses	23,974	42,380
Funding Grants in Advance	57,792	-
Provision for LSL	58,002	18,329
Accrued Wages & Superannuation	27,081	20,209
Annual Leave Provision	30,705	25,775
GST Payable	1,973	6,993
PAYG Withholding	9,408	8,728
Total Trade & Other Payables	208,935	122,414

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

**Notes to the Financial Statements
for the period ended 30 June 2020**

Note 9.1: Project Unspent

	Opening Balance	Monies Received	Monies Expended	Closing Balance
Bushfire & COVID Recovery KI	-	90,097	100,575	(10,478)
Bushfire & COVID Recovery AH	-	93,909	106,231	(12,322)
FPT Review	-	14,900	14,900	-
ID Economic and Community Pft	-	33,500	33,500	-
Industry Association Supports	-	31,472	31,472	-
Grant Funding Sources	-	26,655	26,655	-
Project Promotion/Infrastructure	-	7,232	7,232	-
Project Eco Modelling/Case	-	94,121	94,121	-
Operation of the Economic Dev	-	564	564	-
Invest Attraction 18-19	(22,550)	22,550	-	-
Prospectus Publications	-	5,504	5,504	-
Gulfoods Attendance/Promotions	-	66,286	66,286	-
Outbounds Delegation	-	50,029	50,029	-
Inbounds Delegation	-	34,784	24,784	-
	(22,550)	571,603	571,853	(22,800)

Note 10: Events occurring after reporting date

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

INDEPENDENT AUDITOR'S REPORT

To the members of the Regional Development Australia, Adelaide Hills Fleurieu and 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 and Kangaroo Island Inc. (the entity), which comprises the Board's Report, the Statement by Members of the Board, the Profit & Loss Statement for the period ended 30 June 2020, the Statement of Financial Position, the Statement of Cash Flows 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 entity as at 30 June 2020, 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 entity 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 entity and should not be distributed to or used by parties other than the entity. 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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity'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 entity'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 entity'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 entity 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



JIM KEOGH
PARTNER

Signed on the 15th day of October 2020,
at 214 Melbourne Street, North Adelaide



**Regional
Development**
Australia

ADELAIDE HILLS
FLEURIEU &
KANGAROO ISLAND