



Regional
Development
Australia

ADELAIDE HILLS
FLEURIEU &
KANGAROO ISLAND



ANNUAL REPORT

2020—2021

Hi!

Regional Development Australia (RDA) is an Australian Government initiative. It brings all levels of Government together to support development throughout Australia's regions.

The main focus for our region; Adelaide Hills, Fleurieu and Kangaroo Island, is to deliver our vision through four key themes of activity: Identify Opportunities, Access to Funding, Program Promotion and Delivery, and Regional Development Advice.



Key Stakeholders

Regional Development Australia Adelaide Hills, Fleurieu and Kangaroo Island Inc. would like to acknowledge the support of our key stakeholders.



An Australian Government Initiative



An Initiative of
**Government
of South Australia**





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A black and white portrait of James Sexton, a man with white hair, wearing a dark jacket over a checkered shirt. The portrait is set within a white circular frame on a teal background.

CHAIRMAN'S REPORT

James Sexton

Throughout 2020 and 2021, the resilience of the Adelaide Hills Fleurieu and Kangaroo Island areas has continued to be extraordinary. As communities and businesses rebuilt after the 2019 bushfires, most sectors bounced back incredibly well.

While the last round of COVID-19 lockdowns is still having an impact on tourism, local visitors have been an exceptional driving force in this sector. Tourism in some areas is very buoyant with demand for weekend activities, meals and local travel across our region.

The new causeway at Victor Harbor has progressed rapidly and will be an excellent boost to supporting Granite Island tourism. In Hahndorf, The Heysen Foundation's contract with CABN will bring a new level of luxury, eco-friendly cabin accommodation to the town.

Development is being driven by strong interest in SA by interstate groups, low interest rates and high levels of confidence. The new \$20 million hotel development proposed by the Matthews Hotel Group in Mt Barker, along with the announcement of the Mt Barker CBD city catalyst development, shows the strength of this rapidly growing region.

Business activity overall has been very strong with a real estate market that cannot keep up with demand. Rental accommodation shortages have been creating huge problems for major employers, some of whom have resorted to building their own housing for staff. The retail sector is also very strong with most shops saying they have unprecedented demand, including the automotive sector. In the education sector, university study hubs are attracting a promising level of interest.

Rural prices and a high rainfall year have resulted in farm optimism at an all-time high, and we expect to see this sector continue to perform well. In Strathalbyn we have worked hard on an outcome for the local meat works and are continuing discussions with all relevant parties.

This year our board has welcomed new members who bring a wealth of skills and experience that will further assist our region. They have joined us in adapting to Zoom meetings and our new policy of visiting each region for our board meetings.

As we look towards 2022 we are seeing signs of interstate travel restrictions easing and a very positive future.

A black and white portrait of Damien Cooke, an older man with a balding head and a slight smile, wearing a checkered shirt under a dark jacket. The portrait is set within a white circular frame on a teal background.

CHIEF EXECUTIVE OFFICER AND DIRECTOR REPORT

Damien Cooke

2020/21 saw the first year of our new projects being rolled out. It was a welcome change to be working proactively with our funding partners, local businesses and community groups, as opposed to the very reactionary work we undertook during the previous year due to bushfire and COVID-19.

Our projects were set out in four key areas:

1. Investment Attraction *where we provided industry-based services to support growth*
2. Catalytic Public Infrastructure *where we identified, prioritised, and advocated for infrastructure development*
3. Business Futures *where we provided resources and support for SME's*
4. Living Better *where we delivered programs that helped provide an enhanced quality of life for residents and economic prosperity for businesses.*

Towards the end of 2020, we were granted funding to deliver Workforce Development services to the region where we provide industry-responsive workforce planning.

We continued to work with businesses as they dealt with the uncertainty of an ever-changing landscape due to COVID-19. This had a devastating impact on our region, as it highly dependent on hospitality and tourism. The Federal Government support packages were critical for businesses to navigate through the restrictions that were put in place, but as this support is being withdrawn, businesses have been attempting to re-invent themselves to adjust to the new norm of an economy impacted by COVID-19.

We were pleased to hear that David Basham, Member for Finnis, was appointed Minister for Primary Industries and Regional Development.

Our peak body in South Australia, Regional Development South Australia, have worked closely with State Government in developing a Regional Blueprint to help guide priorities for Regional South Australia. This was well received by State Government.

I'm excited about the future for this RDA and look forward to the outcomes we can deliver over 2021/22. 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 deliver ongoing 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 2020/21, and I look forward to their continued support into 2021/2022.



BOARD MEMBERS AND STAFF



James Sexton
Chairman



Victoria MacKirdy
Deputy Chair



Glenn Rappensberg
Treasurer



Arabella Branson
Secretary

Board Members



Peter Wadewitz



Peter Buik



John Ashcroft



Stephanie Wurst



Luke Gray



Alex Reid

Staff

Damien Cooke
Stephen Shotton
Sue Arlidge
Richard Scollin
Oliver Walton
Sara Cross
Leanne Li
Nicki Taylor

FAREWELL TO
Nigel Morris
Susie Green
James Walters
Lorraine Rosenberg
Dilrini Pathirana

Chief Executive Officer and Director
Regional Development Manager
Regional Development Manager
Regional Workforce Program Manager
Regional Workforce Coordinator
Executive Assistant to Chief Executive Officer and Director
Finance Officer
Administration Assistant

Board Member
Board Member
Board Member
Board Member
Administration Support Officer and Project Officer

Role of Regional Development Australia



OUR PURPOSE

Our committee, comprised 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.



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.



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 sustains a population of 132,206.

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.



Regional Snapshot

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

8,754 km²

5,539

Kilometres
OF LOCAL ROADS



OCEAN COASTLINE OF

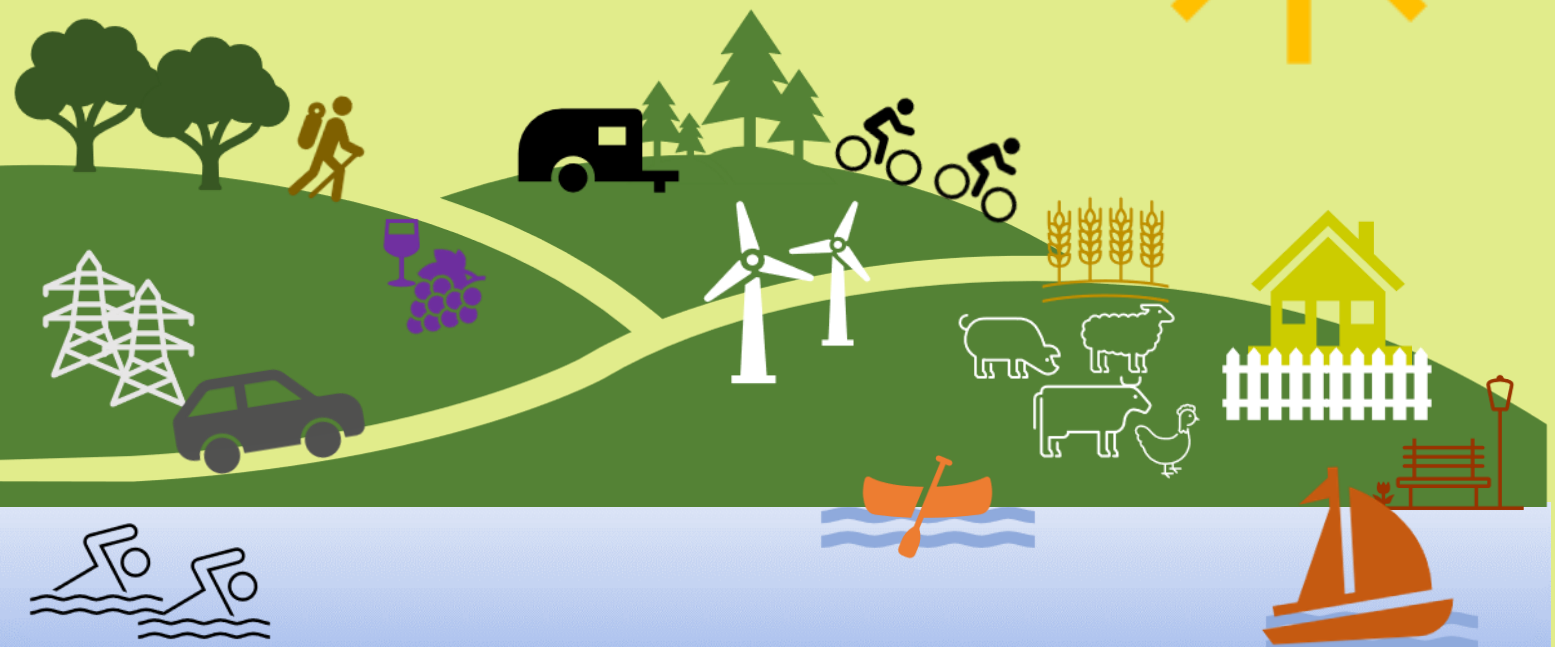
652

Kilometres



Top 5 Largest Industry Employers (*total*)

1. Health Care and Social Assistance
2. Retail Trade
3. Manufacturing
4. Agriculture, Forestry and Fishing
5. Accommodation and Food Services





\$5.36 Billion

GRP

NIEIR 2020

132,206

Region's
Population

ABS ERP 2020

11,636

ABNs Registered

ABS ERP 2020

63,519

Employed Residents

NIEIR 2020

What We Do

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



PROGRAM PROMOTION AND DELIVERY

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

Specifically, we:

- Program promotion and delivery of information on Australian Government policies and grant programs to state and local governments, as well as industry, business and community sectors.
- Assist 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 should knowledge be lacking, we consult with our extensive networks to get the details.

This relies on great working relationships with all of the region's 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.



ACCESS TO FUNDING

One of the biggest hurdles 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 performed by 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 in developing project proposals to access funding.



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 region's 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.

victorharbortimes.com.au

Thursday July 08, 2021 THE TIMES 3

NEWS

Meatworks set to revive?

BY DANI BROWN

A SURVEY has been opened by Regional Development Australia (RDA) to help inform a feasibility study into the potential re-opening of the Strathalbyn Abattoir.

Also known as Strath Meats, the abattoir closed in December last year, with Strath Pastoral's director at the time Darren Lamp citing the "economic downturn" made it "no longer viable" and "irresponsible to continue to operate".

Its closure left three full-time staff and 11 casual staff without jobs.

But demand for an abattoir on the Fleurieu Peninsula has not disappeared since the Strathalbyn facility's closure, according to Regional Development Australia (RDA) Adelaide Hills, Fleurieu and Kangaroo Island (RDAAFK) regional development manager Stephen Shotton.

It is for this reason the local RDA branch has invested

in investigations around the potential re-opening of the Strathalbyn site.

Mr Shotton said the closest abattoirs for Fleurieu and Kangaroo Island producers were at Murray Bridge, Lobethal, and Two Wells.

The distance between farms and abattoirs resulted in extra transport costs and lower-quality products.

Having an abattoir open at Strathalbyn made more sense compared to re-opening facilities at Normanville or Kangaroo Island, Mr Shotton said, as it was central to multiple regions including the Fleurieu Peninsula, Kangaroo Island, Adelaide Hills, and Murrumbidgee.

"The quickest, cheapest, and easiest way to have another abattoir is to re-open Strathalbyn," he said.

Mr Shotton said abattoir owner Terry Steed was keen to gauge if investors wanted to operate the facility.

He said a feasibility study would determine whether a

re-opening was possible.

"From an RDA perspective, our interest is supporting industry and businesses to grow, improve, and employ people, and it's why we got involved - because of the interest across the industry," he said.

Mr Shotton has urged livestock producers, potential investors, and anyone involved in the chain from farm to plate including butchers, retailers, and wholesalers to share their views on the impacts of the abattoir's closure and what it should offer if it re-opened.

"One of its purposes is to get direct feedback from a wider group of people," he said.

He said there had already been a "terrific" response to the survey.

"We have a few dozen responses and the universal response is 'yes, we want to see it open', across supply and demand," he said.

To complete the survey, visit <https://strathalbyn-abattoir-survey.paperform.co/>



POTENTIAL: Strathalbyn abattoir owner Terry Steed and RDA Adelaide Hills, Fleurieu and KI regional development manager Stephen Shotton. Photo: Alisha Feggen.



Regional Development Australia Adelaide Hills, Fleurieu and Kangaroo Island (RDAAFK) is inviting local livestock producers, butchers, and meat wholesalers and retailers to participate in its Strathalbyn Abattoir (Strath Meats) Industry Survey to see whether its reopening is viable. Image: Google Maps

Interest in Strathalbyn Abattoir reopening being investigated

By Georgina McKay

The Strathalbyn Abattoir could potentially re-open its doors if proven feasible and there's enough local interest in its ownership, according to a regional development board. Regional Development Australia Adelaide Hills, Fleurieu and Kangaroo Island (RDAAFK) is inviting local livestock producers, butchers, and meat wholesalers and retailers to participate in its Strathalbyn Abattoir (Strath Meats) Industry Survey, and share what impact the abattoir's closure had on the industry, and what it should offer if it were to re-open.

"...From an RDA perspective, supporting industry (and) growing employment is an obvious thing we would support..."
— Steve Shotton

RDAAFK Regional Development Manager Steve Shotton said the results from the survey would determine whether it was feasible to re-open, and who would own and run it if it did.

He said the board was

prompted to investigate re-opening the abattoir after seeing the damage its closure

had on the region's producers and their businesses.

"We did a bit of work with the previous owners to look at trying to get (the abattoir) sold as it (was) a growing concern," Mr Shotton said.

"But when they didn't progress the sale and they closed it down, we recognised there was widespread interest in it operating right across our region."

"Producers that want to add value through a paddock to plate model aren't able to, and we have examples of producers that were producing branded product into the high-end

restaurant trade, but once they were transporting their livestock as far as Two Wells and other abattoirs further away, they couldn't maintain that quality."

"If they can't maintain that level of quality, they're basically closing down their brands."

"There's a lot of (other) reasons, including the employment that's gone away, so from an RDA perspective, supporting industry (and) growing employment is an obvious thing we would support."

According to the consultants RDA has deployed to do the feasibility work, a co-operative ownership structure model is recommended for the abattoir.

Mr Shotton said this would enable the community to have ownership of the facility.

"Under a co-operative model, there's a minimum of five and as many as you want owners," he said.

"That actually gives the community across the region an opportunity to have ownership in the facility."

"In particular, the people that would be most interested in investing in it will be farmers, butchers, meat wholesalers, and maybe even the retail end of the chain as well."

Residents can participate in the survey by visiting ([// strathalbyn-abattoir-survey.paperform.co](https://strathalbyn-abattoir-survey.paperform.co/)).



Co-operative approach preferred for abattoir reopening

By Joseph Moore

The mothballed Strathalbyn abattoir is a step closer to reopening after a plan to develop a co-operative model for the business gained widespread support.

The abattoir - which closed in December - will be offered to livestock industry participants up and down the supply-chain for small-to-medium investments in an effort to get it restarted.

Two business models were examined by consulting company PKF Accelerate with the company's managing director Grant Baker saying the co-op proposal was preferred over a total private investment approach.

"We looked at the balance between private and co-operative models, and while we had plenty of interest from private investors, what we saw was a unique opportunity in Strathalbyn," he said. "We conducted a massive community engagement campaign with extensive surveys, collecting feedback from farmers, butchers, retailers and other stakeholders."

Cap on ownership

"What became apparent to us was that in order to build a sustainable model for the community it had to be a community-based initiative."

PKF will invite livestock industry stakeholders to invest a minimum of \$5000 each to help restart the abattoir with a cap on ownership at 20% and equal voting rights between every investor, no matter the amount invested.

Mr Baker said this would ensure the community remained in control of the abattoir and encourage a more direct supply-chain between farmers and clients.

The last thing we want to see is this facility being controlled by some big corporate entity that doesn't necessarily have the best interests of the farmers in



Plans are progressing to reopen the abattoir at Strathalbyn under a co-operative business model.

mind," he said. "This has been a passion project for us, having worked on this for almost six months now as a way of promoting a more sustainable livestock industry that directly links supply to demand."

Regional Development Australia (Hills, Fleurieu and KI) regional development manager Steve Shotton said the local livestock industry needed an abattoir in the region, and restructuring the Strathalbyn facility was the best way of serving this demand.

"We know SA's livestock industry wants the abattoir," he said.

"The RDA believes the easiest, fastest, cheapest and most sustainable way to provide this is by reopening the Strathalbyn facility."

Mr Shotton said the proposed business model would open up engagement between different tiers of the livestock supply chain.

PKF are helping raise capital under a co-operative model, allowing wide community participation," he said.

Mr Baker hosted an investor information session in Yankalilla on Monday, where he said there was plenty of interest.

"It went really well, such an incredibly positive response," he said.

"There was very keen interest, and particularly positive feedback for allowing farmers to take control."

Investor information sessions were hosted in Strathalbyn on Tuesday, with another tonight (Wednesday) at the Onkaparinga Football Club from 5-7pm.



Strathalbyn Abattoir

The Adelaide Hills, Fleurieu and Kangaroo Island region has gradually lost abattoirs through closures, including one on Kangaroo Island and one at Normanville on the Fleurieu Peninsula. Remaining abattoirs vary in scale and location, providing options to livestock producers options for slaughter and processing:

- ⇒ Kangarilla — very small scale
- ⇒ Strathalbyn — medium scale
- ⇒ Lobethal — large scale, export licenced, national processor

Having an abattoir in the region is highly desirable and the interest from producers and stakeholders on the demand side of the industry is very clear. When the Strathalbyn Abattoir was placed on the market, RDA Adelaide Hills, Fleurieu and Kangaroo Island Inc. took an active interest in assisting the owners sell the facility as an ongoing concern.

RDA Adelaide Hills, Fleurieu and Kangaroo Island Inc. provided:

- ⇒ Specialist third-party advice on the sales strategy
- ⇒ Specialist services to produce a sales information memorandum
- ⇒ Services connecting the owners with potential buyers

Unfortunately, the owners failed to find a buyer. As a result, they sold the property to a neighbouring farmer and closed the abattoir. The impacts for the region's livestock producers were severe, forcing processing out of the region, negatively impacting their businesses including:

- ⇒ Loss of options for slaughter and processing, potentially leading to higher costs and greater inconvenience
- ⇒ Longer transport times to abattoirs, resulting in lower product quality
- ⇒ Challenging logistics (longer transport requires larger mob sizes for economics, and the abattoirs don't deliver processed product to the farmer's customers)
- ⇒ Loss of ability to implement or maintain paddock-to-plate business models (distance to new abattoirs means product quality is lower, and farmers cant so easily inspect product during the slaughter and processing stages)

There was a clear desire from industry to see the abattoir re-open, yet the new owner wasn't interested in operating the abattoir. RDA Adelaide Hills, Fleurieu and Kangaroo Island Inc. identified the need to play broker and identify a model for re-opening the abattoir.

To do so RDA Adelaide Hills, Fleurieu and Kangaroo Island Inc.:

- ⇒ Confirmed the new owner's interest to see the abattoir re-open
- ⇒ Identified suitable consultants
- ⇒ Funded directly (\$10,000) and indirectly (\$10,000 grant) the preparation of business, financial, and ownership models.
- ⇒ Undertook industry meetings and promoted an industry survey
- ⇒ Maintained awareness of progress with key industry and interested stakeholders

The project will continue into 2021-22. As at the end of June 2021, the financial feasibility of the re-opening is strong and the preferred ownership structure has been identified. In early 2021-22 RDA Adelaide Hills, Fleurieu and Kangaroo Island Inc. expects successful fundraising to be completed.

Regional Housing Pilot

Across the RDA Adelaide Hills, Fleurieu and Kangaroo Island region, Kangaroo Island has the tightest housing market. Rental vacancies are so low that it is difficult to attract and retain new staff from the mainland and examples exist of staff not starting, or leaving employment, because of the lack of suitable housing. Subsequently, economic growth is being severely impacted.

Anecdotal evidence points to a variety of causes including: loss of homes in the 2019-20 Black Summer Bushfire, shifting of rental accommodation into Airbnb, growing population, growing employment, and sale properties reduced time on market. The remote location also plays a role, increasing costs of building and minimum deposit requirements set by lenders.

Previous studies into housing on Kangaroo Island include:

- ⇒ Management Plan for Housing on Kangaroo Island (Dec 2016),
Office of the Commissioner for Kangaroo Island
- ⇒ Kangaroo Island Housing Diversity, Affordability and Availability Report (July, 2017),
Office of the Commissioner for Kangaroo Island
- ⇒ Kangaroo Island (DC) Housing Affordability – Demand and Supply by LGA (Oct, 2018),
SA Housing Authority

The issues and impacts of a lack of housing on the island are well understood. The aim of this project is to define a model to increase housing availability. To do so, RDA Adelaide Hills, Fleurieu and Kangaroo Island Inc. are undertaking a detailed review of the key factors informing investment decisions of property investors, developers, and industry stakeholders, including:

- ⇒ Quantifying housing and rental demand (by type and price)
- ⇒ Quantifying supply of land
- ⇒ Summary of key impediments to housing development on the island

As at the end of the financial year, the findings of all three areas have been completed in draft form. In the next financial year the project will continue with:

- ⇒ Final report, including preferred pilot housing model
- ⇒ Formation of a working group represented by key stakeholders
- ⇒ Initiation of a housing project on Kangaroo Island

PROJECT HIGHLIGHT

Regional University Centres

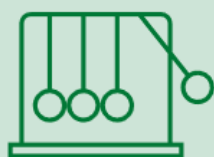
The Federal Regional University Centres program has seen the development of more than 20 regional university study hubs across regional Australia. Regional study hubs remove barriers for regional people to study at a tertiary level. Some of the barriers overcome attending a university in a city or remotely entirely online, include cost, time away from home, flexibility, family situations, community attachment, lack of supports and fear.

The benefits of a regional university study hub on a regional community include: retention of young people, enabling workers to upskill, increased local spend, activation of business districts, increased tertiary level education attendance, increased tertiary level completion rates, improved liveability, increased attraction for businesses to locate and expand, and higher Aboriginal and disadvantaged participation in tertiary studies.

RDA Adelaide Hills, Fleurieu and Kangaroo Island Inc. has led, in conjunction with funding council partners, a program to develop a business case for a regional university centre on the South Coast, as well as Mount Barker. Development of the business cases has involved external consultants and significant stakeholder consultation, through the running of steering groups and community surveys.

As at the end of the financial year, business plans for both sites were in draft form, awaiting finalisation through steering committee and funding partner feedback. RDA Adelaide Hills, Fleurieu and Kangaroo Island Inc. has been proactive in its relationship with federal member for Mayo, Rebekha Sharkie, and the DESE team in Canberra.

Key steps moving forward include final selection of preferred sites, governance arrangements, and funding. It is expected both sites could potentially open at the beginning or mid-point of the 2022 academic year.



PROJECT HIGHLIGHT

Hills Transport Corridor

Transport is a key contributor to liveability and productivity in a region. Given the population growth in the Adelaide Hills, particularly at Mount Barker, congestion is gradually eroding both productivity and liveability of the township and wider region.

Previous work by RDA Adelaide Hills, Fleurieu and Kangaroo Island, the state government and other stakeholders, has investigated diversion of freight around the Adelaide Hills, expansion of the SE Freeway, and public transport options including Bus Rapid Transit (BRT), re-establishment of public transport rail services to Mount Barker, and even a fast rail service on a new alignment between Adelaide and Mount Barker and further afield.

The Hills Transport Corridor project is funded by RDA Adelaide Hills, Fleurieu and Kangaroo Island, and RDA Adelaide Metro, to rationalise options for improving transport in the hills region. The project involved review of previous studies including: the recent RDA Adelaide Hills, Fleurieu and Kangaroo Island regional public transport study, engagement of facilitators and expert consultants, bringing together a steering group representative of all key stakeholders, running of sub working groups and reporting of results.

To focus on two very different transport areas, the project split the steering group into two working parties, one focused on freight transport and one on passenger transport. As at the end of June, the project had reached the point of drafting recommendations for both groups.

Next steps include finalisation of draft reports, consideration of a final combined report by the steering group, release and promotion of the report, and advocacy with state and federal governments.





AUDITED

FINANCIAL STATEMENTS

2020 - 2021

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 2021.

Board Members

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

James Sexton	Victoria MacKirdy
Glenn Rappensberg	Alex Reid
John Ashcroft	Arabella Branson
Peter Wadewitz	Peter Buik
Luke Gray	Stephanie Wurst

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

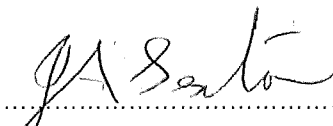
Significant Changes

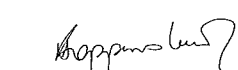
No significant change in the nature of these activities occurred during the year.

Operating Result

The operating surplus/(deficit) for the year amounted to **\$93,575** (2020: (\$57,789)).

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


James Sexton (Chair)


Glenn Rappensberg (Treasurer)

Digitally signed by Glenn Rappensberg, CEO
Reason: I am the author of this document
Date: 2021-10-06 11:49+10:30

Dated 6th of Oct 2021

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

STATEMENT BY MEMBERS OF THE BOARD

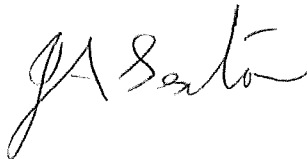
The Management Committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

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 the Regional Development Australia Adelaide Hills, Fleurieu Kangaroo Island Incorporated as at 30 June 2021 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the Regional Development Australia Adelaide Hills, Fleurieu Kangaroo Island Incorporated will be able to pay its debts as and when they fall due.
3. In accordance with Section 35(5) of the *Associations Incorporation Act 1985* the Board of the Regional Development Australia Adelaide Hills, Fleurieu Kangaroo Island Incorporated, hereby states that during the year ended 30 June 2021:
 - No officer of the Association has, since the end of the previous financial year, received, or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the officers of the Association shown in the financial report) as a result of a contract between the officer or a firm of which he/she is a member or an entity in which has a substantial financial interest of the Association;
 - No officer of the Association has, since the end of the previous financial year, received directly or indirectly from the Association, any payment or other benefit of a pecuniary value (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the officers of the Association shown in the financial report).

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



Digitally signed by Glenn
Rappenberg, CEO
Reason: I am the author of this
document
Date: 2021-10-06 11:50+10:30

Glenn Rappenberg

Dated 6th of Oct 2021

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

STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Income			
Funding	2	483,885	476,951
Bank Interest		591	2,519
General Project Income		626,416	571,853
Sundry Income	3	185,743	87,889
Gain on Disposal of Assets		-	-
Total Income		<u>1,296,635</u>	<u>1,139,212</u>
Expenditure			
Audit fees		6,500	6,346
Board Expenses		32,347	28,796
Depreciation Expense		9,884	18,975
Employment Expenses	4	403,545	432,469
Other Operational Expenses	5	91,015	93,368
Project Expenses		626,416	571,853
Rent & Rates		33,094	31,105
Loss on Disposal of Assets		259	14,088
		<u>1,203,060</u>	<u>1,197,001</u>
Surplus/ Deficit for the year		<u>93,575</u>	<u>(57,789)</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
Current Assets			
Cash & Cash Equivalents	6	610,793	393,562
Trade & Other Receivables	7	85,118	139,015
Total Current Assets		695,910	532,577
Non-Current Assets			
Property Plant & Equipment	8	36,454	45,818
Total Non-Current Assets		36,454	45,818
Total Assets		732,364	578,394
Current Liabilities			
Trade & Other Payables	9	246,530	186,135
Total Current Liabilities		246,530	186,135
Non-Current Liabilities			
Provision for Long Service Leave		-	-
Total Non-Current Liabilities		-	-
Total Liabilities		246,530	186,135
Net Assets		485,834	392,260
Equity – Retained Earnings		485,834	392,260

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

Notes to the Financial Statements for the period ended 30 June 2021

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 programs 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 programs administered by the Association on behalf of its funding partners. Income and expenditure statements are not prepared for each of the programs as it is considered that the Association is incurring the income and expenditure as agent for the funding partner.

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

**Notes to the Financial Statements
for the period ended 30 June 2021**

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

(b) Income Recognition

The Association recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficient specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied. Revenue is measured based on the consideration to which the Association expects to be entitled in a contract with a customer. In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into a transaction where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The 'excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset that has been received to enable the Association to acquire or construct a recognisable non-financial asset that is to be controlled by the Association. In this case, the Association recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Association satisfies its obligations under the transfer.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

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

**Notes to the Financial Statements
for the period ended 30 June 2021**

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

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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 2021 financial year amounted to \$483,885 (2019/20: \$476,951).

Department of Infrastructure, Transport, Regional Development and Communications for Regional Economic Development agreement expires 30/06/2025.

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.

(m) 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 2021**

	Notes	2021 \$	2020 \$
Note 2: Funding			
Core Funding Government			
DITRDLC – Core Funding		226,757	226,095
Core funds – Local Government			
Alexandrina Council		58,835	57,400
City of Victor Harbor		37,507	36,593
District Council of Yankalilla		14,289	13,940
Kangaroo Island Council		14,289	13,940
Adelaide Hills Council		66,229	64,613
Mount Barker District Council		65,979	64,370
Onkaparinga Rural		-	-
Total Funding		483,885	476,951
Note 3: Sundry Income			
Sundry Income		22,322	65,051
Project Expense Recoveries		163,421	22,838
Total Sundry Income		185,743	87,889
Note 4: Employment Expenses			
Gross Wages (net of recoveries)		334,645	373,045
Fringe Benefits Tax		285	12,660
Superannuation (net of recoveries)		32,091	35,426
Motor Vehicle Allowance		20,019	1,593
Annual Leave		10,558	4,930
Long Service Leave Provision		5,949	4,815
Total Employment Expenses		403,545	432,469

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

**Notes to the Financial Statements
for the period ended 30 June 2021**

	Notes	2021 \$	2020 \$
Note 5: Other Operational Expenses			
Advertising, Marketing & Promotion		1,368	-
Bank Fees		254	208
Cleaning & Hygiene		2,899	2,998
Consultancy Fees		1,385	4,080
Electricity		4,213	4,316
Information Technology		16,224	12,744
Insurance		5,617	8,767
Meetings, Seminars, Workshops & Conferences		11,080	8,946
Membership & Subscriptions		8,136	8,677
Motor Vehicles		4,463	9,479
Office Equipment Rental & Maintenance		2,504	2,398
Office Supplies, Stationery & Printing		1,734	2,996
Postage & Freight		392	398
Repairs & Maintenance		-	943
Sponsorship		455	-
Staff & Visitor Amenities		2,103	1,714
Storage (Archive)		3,252	3,134
Sundry		980	3,238
Telephones & Communications		8,116	8,029
Training & Staff Development		4,232	2,615
Travel & Accommodation		10,648	7,688
Staff Uniforms		960	-
Total Other Operational Expenses		91,015	93,368
Note 6: Cash & Cash Equivalents			
Bank Cheque Account		143,087	43,891
Express Save Account		340,025	220,122
Term Deposit Account		130,000	132,320
Cash on Hand		142	200
Visa Account		(2,462)	(2,971)
Total Cash & Cash Equivalents		610,793	393,562

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

**Notes to the Financial Statements
for the period ended 30 June 2021**

	Notes	2021 \$	2020 \$
Note 7: Trade & Other Receivables			
Account Receivable		80,482	71,854
Prepayments		4,636	4,662
Other Debtors		-	62,500
Projects Receivables	9.1	33,100	22,800
Total Trade & Other Receivables		118,218	161,816
Note 8: Property, Plant & Equipment			
Office Furniture & Equipment		65,488	68,151
Less Accumulated Depreciation		(58,260)	(59,272)
		<u>7,228</u>	<u>8,879</u>
Motor Vehicles		38,567	38,567
Less Accumulated Depreciation		(9,341)	(1,628)
		<u>29,226</u>	<u>36,939</u>
Total Property, Plant & Equipment		36,454	45,818
Note 9: Trade & Other Payables			
Creditors & Accrued Expenses		15,343	23,974
Funding Grants in Advance		70,077	57,792
Provision for LSL		63,950	58,002
Accrued Wages & Superannuation		10,020	27,081
Annual Leave Provision		41,263	30,705
GST Payable		8,249	1,973
PAYG Withholding		16,428	9,408
H&C Business Grant		54,300	-
Total Trade & Other Payables		279,630	208,935

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

**Notes to the Financial Statements
for the period ended 30 June 2021**

Note 9.1: Project Unspent

	Opening Balance	Monies Received	Monies Expended	Closing Balance
Bushfire & COVID Recovery KI	(10,478)	10,478	-	-
Bushfire & COVID Recovery AH	(12,322)	12,322	-	-
Workforce Coordination	-	90,000	100,000	(10,000)
Live it up	-	123,625	123,625	-
NFP Assist	-	9,975	9,975	-
Hills & Coast Grant finder	-	28,641	28,641	-
B2B Mentorship	-	74,697	74,697	-
Hills & Cost small business	-	42,553	45,073	(2,520)
Startup Go	-	9,399	9,399	-
Public project supports	-	51,300	51,300	-
Impactful Enterprise	-	107,079	127,659	(20,580)
Industry Game changer	-	56,047	56,047	-
	(22,800)	616,116	626,416	(33,100)

Note 10: Events occurring after reporting date

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

Note 11: Related Parties & Key Management Personnel

	2021(27 pay)	2020(26 pay)
Key Management Personnel Compensation	\$	\$
Annual Salary & Super Guarantee	383,709	361,837
Allowances	32,419	13,993
Fringe Benefits (MV)	19,159	27,975
Leave Entitlement on Termination	72,676	57,630
Total	507,963	461,434

Any person having authority and responsibility for the planning, directing and controlling of activities of the Association, directly or indirectly, including CEO/project director, Regional development managers, finance officer and its committee members, is considered key management personnel.

Other Related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel individually or collectively with their immediate family members. Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other persons unless otherwise stated.

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

**Notes to the Financial Statements
for the period ended 30 June 2021**

Note 12: Contingent Liabilities and Contingent Assets

There were no contingent liabilities or assets to be reported

Note 13: Principal Place of Operations

The registered office and principal place of business of the Association is:

Regional Development Australia Adelaide Hills, Fleurieu & Kangaroo Island Incorporated.
1 Colman Terrace,
Strathalbyn SA 5255
ABN: 89 816 693 886

HEAD OFFICE

214 Melbourne Street
North Adelaide SA 5006

PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
www.deannewbery.com.au

Dean Newbery
ABN: 30 164 612 890

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 2021, 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 2021, 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 the Board for the Financial Report

The Board 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. The Board's responsibility also includes such internal control as the Board 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, the Board 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 the Board 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 the Board.
- Conclude on the appropriateness of the Board'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



JIM KEOGH
PARTNER

Signed on the 11th day of October 2021,
at 214 Melbourne Street, North Adelaide



Regional
Development
Australia

ADELAIDE HILLS
FLEURIEU &
KANGAROO ISLAND

