

# ANNUAL REPORT

2016-17



# KEY STAKEHOLDERS

Regional Development Australia Whyalla and Eyre Peninsula would like to acknowledge the support of our key stakeholders:



An Australian Government Initiative



An Initiative of  
Government  
of South Australia



Eyre Peninsula  
Local Government Association



Government  
of South Australia  
Primary Industries  
and Regions SA



The District Council of Ceduna



DISTRICT COUNCIL  
OF CLEVE



THE DISTRICT COUNCIL OF  
1888  
ELLISTON



DISTRICT COUNCIL OF  
FRANKLIN  
HARBOUR

COWELL



District Council of  
KIMBA  
EST. 1924



District Council of  
Lower Eyre Peninsula  
THE INVESTIGATOR



City of  
Port Lincoln  
Seafood Capital of Australia



DISTRICT COUNCIL OF  
Streaky Bay



DISTRICT COUNCIL OF TUMBY BAY



UNEARTH  
WHYALLA



Wudinna District Council

# CONTENTS

<b>1. STRATEGIC CONTEXT</b>	<b>5</b>
1.1 CHAIRMAN'S LETTER	6
1.2 RDAWEP REGIONAL PROFILE SUMMARY	8
1.2.1 Regional Population and Local Government	9
1.2.2 Population Ageing	10
1.2.3 Regional Economic Snapshot	11
1.2.4 Regional Employment by Industry	11
1.2.5 Regional Exports by Industry	13
1.2.6 Gross Regional Product by Industry	13
1.2.7 Regional Economic Summary	14
1.3 BOARD MEMBERS/STAFF	15
1.4 CHIEF EXECUTIVE OFFICER'S REPORT	16
<b>2. SUMMARY OF KEY ACHIEVEMENTS 2016-17</b>	<b>21</b>
2.2 CRITICAL ISSUES	23
2.3.2 Human Capital Development	24
2.3.3 Sustainable Economic Communities and Population Growth	24
2.3.4 Sustainable Environmental Communities	24
2.3 PRIORITY ACTIVITIES	24
2.3.5 Sustainable Social Communities	25
2.3.6 Access to International, National and Regional Markets	25
2.3.7 Comparative Advantage and Regional Competitiveness	25
2.4 PROJECT PROPOSALS	26
2.5 PROMOTION OF GOVERNMENT PROGRAMS	26
2.6 CONTINUOUS IMPROVEMENT	26
<b>3. CASE STUDIES</b>	<b>27</b>
3.1 CASE STUDY 1: REGIONAL GOVERNANCE AND REGIONAL STRATEGIC PLANNING	28
3.1.1 Eyre Peninsula Joint Planning Board	28
3.1.2 Regional Strategic Plan	28
3.1.3 Regional Analysis	28
3.1.4 Progress	28
3.1.5 Benefits Summary	28

# CONTENTS

<b>3.2 CASE STUDY 2: ENERGY SOLUTIONS FOR THE EYRE PENINSULA</b>	<b>29</b>
3.2.1 Solar Farms Across Eyre Peninsula.	30
3.2.2 Port Lincoln Tuna Industry Solar PV - Smart Mini Grid/Virtual Net Metering Project	30
3.2.3 The Impact	30
<b>3.3 CASE STUDY 3: CAPE HARDY PORT DEVELOPMENT</b>	<b>31</b>
<b>3.4 CASE STUDY 4: FAR WEST ABORIGINAL TOURISM STRATEGY</b>	<b>32</b>
3.5.1 Cluster Background and Activity	34
3.5.2 A Brighter Future	34
3.5.3 Cluster Development	34
<b>3.5 CASE STUDY 5: WHYALLA AND EYRE PENINSULA HEAVY INDUSTRY CLUSTER</b>	<b>34</b>
3.5.4 Other Initiatives	35
3.5.5 Benefits	35
3.5.6 Impact of the Project and Key Outcomes	35
<b>4. SHORTCOMINGS AND PROBLEMS EXPERIENCED 2016-2017</b>	<b>36</b>
4.1 RDAWEP PROJECT TRACKER	37
<b>5. LESSONS AND CHALLENGES FOR 2017-2018</b>	<b>38</b>
5.1 SUPPORT FOR GRANT APPLICATIONS	39
5.2 REGIONAL GOVERNANCE AND REGIONAL PLANNING	40
<b>6. FINANCIAL REPORT</b>	<b>41</b>
6.1.1 Report of the Committee	44
6.1.2 Statement of Profit or Loss	45
6.1.3 Statement of Financial Position	46
6.1.4 Statement of Changes in Equity	47
6.1.5 Statement of Cash Flows	48
6.1.6 Notes to the Financial Statements	49
6.1.7 Statement by Members of the Committee	53
6.1.8 Independent Auditor's Report	54
6.1.9 Auditor's Statement	56
6.1.10 Detailed Profit or Loss Statement	57
6.1.11 Statement of Declaration	60

# 1. STRATEGIC CONTEXT



## 1.1 CHAIRMAN'S LETTER



This is my first full year as Chair of Regional Development Australia Whyalla and Eyre Peninsula Inc (RDAWEP), although I have been doing the job since November 2015 when our former distinguished Chair Jim Pollock became ill. I often refer to his sterling mentoring and leadership in the short time that I knew and worked with him.

2016-2017 has been a year of intense activities and challenges, the details of which are listed within the Summary of Key Achievements 2016-2017 contained in this document. The amount of work output is really quite extraordinary when you consider the vast size of the region, the diversity of all our industries, the large number of Councils and the Stakeholders being serviced by the staff in the Whyalla and Port Lincoln offices, who cover the entire Eyre and Western region.

The level of productivity clearly reflects the dedication and professionalism of the RDAWEP team under the very capable leadership of our CEO Dion Dorward. I sincerely thank all the staff for their work and commitment and look forward to the achievement of similar outcomes during 2017-2018.

As a result of the RDA review undertaken by the Federal Government, a Director of Regional Development is to report to the RDA Boards, which is in line with the Federal Government's direction for all the RDAs across Australia. In addition the Federal Government has made a commitment of funds towards the operation of RDAs until 31 December 2020. We look forward to the continuation of the leading South Australian model of working with the Federal Government, the South Australian State Government, the 11 Eyre Peninsula LGA Councils and local industry.

The sale of Arrium has finally brought some closure to the issues facing Whyalla. This is only the start of the recovery phase and RDAWEP is fully committed to helping facilitate the reinvigoration of the city, the people and its business sector. A strong and vibrant industrial full workforce in Whyalla is integral to the economy of the entire region.

Mining has been at the forefront of our region for many years, but the possible advent of mining on productive agricultural land is one issue we need to confront for the benefit of all concerned. The probable onset of the Iron Road CEI project coming to fruition is both exciting and a challenge to the miner, the effected farmers and community, the local Councils and our population as a whole because it will impact on the entire community.

Leadership  
PARTNERS

RDAWEP conducted a scoping study for Iron Road on the Cape Hardy Port, and in excess of 50 companies (overseas, national and local), registered interest in utilising the Port should the project proceed. The development of a Port at Cape Hardy has the potential to improve the financial prospects of everyone on the Eyre Peninsula.

Last year we saw record tonnages of grain and pulses produced in our region, which has had a flow on affect to all communities. So far this year it is shaping up to be a well below average season for large sections of Eyre Peninsula, impacting significantly on family farming units.

Times are getting tougher for regional Councils and I am pleased to see that they are looking to collaborate with each other on a regular basis, an example being the Joint Planning Board pilot and the positive work by RDAWEP to draft a regional strategic plan in conjunction with the EPLGA and the EPNRM Board. I look forward to the pilot identifying new opportunities for Local Government to continue to provide quality services to local communities.

The second major power blackout in our region occurred on 28 September 2016 was compounded by the failure of the backup generators outside of Port Lincoln. The loss of light, power and the complete failure of communications was devastating for our region. We were close to seeing the iron furnace cool at Whyalla beyond the point of no return. This event alone would have entirely changed the outcome and possible future sale of Arrium and, needless to say, the city's economic future. RDAWEP has been working diligently on sourcing workable solutions so that this event does recur or at least greatly lessens the associated impact.

From Ceduna to Port Lincoln and Whyalla, the solution to energy supply is different. At present there are several options on the table and we will continue to work purposefully towards implementing the most appropriate

measures. Reducing the price of power supply is also a key objective, which will be taken into consideration during deliberations.

At the August 2017 meeting of RDAWEP, I was extremely pleased to (finally) announce and congratulate Board Member Malcolm Catt on his appointment as Deputy Chair of RDAWEP.

I would like to acknowledge Federal Minister Nash, State Minister Brock and the EPLGA for the support provided in our pursuit of positive economic development outcomes for the Eyre and Western region covered by RDAWEP.

Finally I would like to sincerely thank my fellow Board Members for their ongoing support and work throughout the year. Minor changes are coming to the Federal Government's rules regarding operations of RDA Boards however RDAWEP has, to date, been well ahead of the game by operating in the manner required by the government in promoting economic development in regional Australia.

**Bryan Trigg AFSM**  
Chairman



RDAWEP is fully committed to helping facilitate the reinvigoration of Whyalla... A strong and vibrant industrial full workforce is integral to the economy of the entire region.

**COLLABORATION**

*Teamwork*

**PROGRESS**

## 1.2 RDAWEP REGIONAL PROFILE SUMMARY

The Regional Development Australia Whyalla and Eyre Peninsula (RDAWEP) region comprises 230,000km<sup>2</sup> of land in the far west of South Australia; about 23% of the State land mass.

The region has a coastal and rural environment with approximately one third of South Australia's coastline stretching over 2,000 kilometres from north of Whyalla to the Western Australian border. The landscape features a rugged and relatively undeveloped coastline, particularly on the western side of the Eyre Peninsula. The coastal environment includes marine and conservation parks, and approximately 182 islands ranging in size from about 180 to 40,000m<sup>2</sup>.

A large proportion of the land has been cleared for agricultural production; however significant areas of native vegetation remain. Vegetation clearance for agriculture ranges from 14% in the far west to 72% in the south. About 15% of the region's grazing area is covered with scattered vegetation.

Natural resources are managed by the Eyre Peninsula and Alinytjara Wilurara Natural Resources Management Boards

### QUICK FACTS



23%

Our regions share of South Australia's total land mass (approximately)



56,651

Region's population (based on ABS 2011 Census of Population)



LOCAL GOVERNMENT AREA	LAND AREA		POPULATION	
	KM <sup>2</sup>	% OF REGION	NO.	% OF REGION
Whyalla	1,032.5	0.44	22,088	39.16
Port Lincoln	30.4	0.01	14,086	24.98
Ceduna	5,427.1	2.33	3,480	6.17
Cleve	4,506.7	1.94	1,733	3.07
Elliston	6,500.0	2.79	1,046	1.85
Franklin Harbour	3,283.0	1.41	1,273	2.26
Kimba	3,986.2	1.71	1,088	1.93
Lower Eyre Peninsula	4,771.0	2.05	4,916	8.72
Streaky Bay	6,232.0	2.68	2,102	3.73
Tumby Bay	2,615.9	1.12	2,586	4.58
Wudinna	5,393.8	2.32	1,253	2.22
<b>COLLECTIVE LOCAL GOVERNMENT (11 LGA'S)</b>	<b>43,778.6</b>	<b>18.8</b>	<b>55,651</b>	<b>98.7</b>

Table 1: RDAWP Local Government Land Areas and Population 2011. It should be noted that the land areas and populations of Cleve and Franklin Harbour changed on 1st July 2014 when the Council boundaries were adjusted. An area of 492km<sup>2</sup> of land was transferred from Franklin Harbour to Cleve. Approximately 62 residents live in the area.

## 1.2.1 REGIONAL POPULATION AND LOCAL GOVERNMENT

The region has 11 Local Government Authorities (LGAs) as well as remote unincorporated areas serviced by the Outback Communities Authority. The LGAs are: the City of Whyalla and City of Port Lincoln, and the District Councils of Ceduna, Cleve, Elliston, Franklin Harbour, Kimba, Lower Eyre Peninsula, Streaky Bay, Tumby Bay, and Wudinna.

For Census data collection purposes, the Maralinga Tjarutja Aboriginal Land (established under the Maralinga Tjarutja Land Rights Act, 1984) is regarded as an LGA in its own right. However Maralinga Tjarutja is not a member of the EPLGA.

In 2011, the regional population of 56,396 comprised about 3.5% of the South Australian population. Most people (98.7%) resided in the 11 LGAs, which collectively occupy 43,779km<sup>2</sup> or about 19% of the regional land mass. Most of the population (64.1% or 36,174 people) resided in the regional cities of Whyalla and Port Lincoln.

In 2011, the region had 3,225 Aboriginal people comprising 5.7% of the total population. This was notably above the proportions of Aboriginal people in South Australia (1.9%) and Australia (2.6%). 80% of the region's Aboriginal people (2,572) lived in Whyalla, Port Lincoln and Ceduna. The greatest concentration was in Ceduna, where Aboriginal people comprised 24.9% of the Council population.

The regional population grew marginally by 4.5% from 2001, however this growth was not consistent across the region as a whole.

The District Councils (DCs) of Elliston, Wudinna and Kimba experienced population decline of 15.2%, 13.7% and 8.5% respectively. DC Lower Eyre Peninsula had the largest population growth of 17.2%. Smaller population growth was experienced in the coastal Councils of Streaky Bay, Tumby Bay and Port Lincoln.

This demographic change is caused by several factors, with the desire for a sea change lifestyle being a key reason. Streaky Bay and Tumby Bay are very desirable coastal locations and new housing estates are under development to cater for growing housing demand, notably by retirees from the agricultural sector.

*Note: This profile uses data from the Australian Bureau of Statistics (ABS) 2011 Census of Population and Housing, because 2016 Census data have yet to be processed for RDAWEP planning purposes. The economic snapshot uses 2014-15 data provided by EconSearch Pty Ltd, which are the latest available at the time of preparing this Annual Report.*

PEOPLE 65 YEARS OF AGE AND OVER	REGION	%	SOUTH AUSTRALIA	%	AUSTRALIA	%
2006 ABS Census	7,758	14.3	233,127	15.4	2,644,374	13.3
2006 Median Age	38		39		37	
2011 ABS Census	8,727	15.5	257,551	16.2	3,012,289	14.0
2011 Median Age	39		39		37	

Table 2: People 65 Years of Age and Over. (ABS Census 2006 & 2011).

### 1.2.2 POPULATION AGEING

The regional population is ageing. In 2011, the region's median age was 39, an increase from 38 in 2006. People aged 65 years and over comprised 15.5% of the regional population, which was above the 14.0% rate for Australia, but below the rate of 16.2% for South Australia.

The population 65 years and over grew by 1.2% from 2006, exceeding the growth rate of 0.8% for South Australia and 0.7% for Australia.

Almost half of the regional population (49.6%) was aged 40 years and over in 2011, with 21.5% over 60 years of age. DC Tumby Bay had the oldest profile with 60.1% of the population over the age of 40, and 32.1% over 60. Similar results for the 40 plus age sector were recorded for Kimba (55.9%), Franklin Harbour (55.7%), Cleve (55.3%) and Elliston (54.5%).

Conversely, young people 15-24 years of age comprised the smallest sector of the regional population at 12.1%. This was relatively consistent in all of Eyre Peninsula's LGAs.

Tumby Bay (8.0%), Kimba (8.5%), Cleve (9.1%), Wudinna (9.3%) and Streaky Bay (9.9%) had the smallest proportion of 15-24 year olds; whereas the proportions in Whyalla (13.4%), Port Lincoln (13.2%) and Ceduna (12.4%) exceeded the regional average.

Projections indicate that South Australia's population aged 65 years and over will increase to 22.6% in 2020, and 25.7% by 2030. It is known that approximately 30% of young people migrate from the region each year for employment and study in metropolitan Adelaide. The combination of an ageing population and diminishing numbers of young people is not sustainable and has serious implications for future workforce provision.

Pending Baby Boomer retirements will diminish the labour force of skilled and experienced labour. It is estimated that about 11,000 workers (approximately 40% of the regional workforce) will leave their jobs within 20 years if they retire at 65 years of age. This will create employment openings for younger people. However, given the current level of migration from the region, there may be insufficient numbers of younger people to replace the workforce.

Projection scenarios indicate that the regional population is too small to provide the workforce required for future development needs, and it is estimated that approximately 3,800 workers may need to be recruited from outside the region by 2020.

A proactive strategy is consequently required to attract workers and their families to the region. This has implications for the provision of Local Government, health, education and communication services, and the development of quality social and community infrastructure to retain people in the region.



15%

Percentage of population aged 65 and over in the region

INDUSTRY	EMPLOYMENT 2001	EMPLOYMENT 2011	% CHANGE
Agriculture, Fishing & Forestry	4,012	3,338	-16.8
Health Care & Social Assistance	2,111	2,996	29.5
Manufacturing	2,786	2,890	3.6
Retail Trade	2,481	2,669	7.0
Education & Training	1,764	1,967	10.3
Construction	1,340	1,813	26.1
Accommodation & Food Services	1,356	1,595	15.0
Transport, Postal & Warehousing	999	1,260	20.7
Public Administration & Safety	1,152	1,172	1.7
Mining	199	957	79.2
<b>TOTAL</b>	<b>18,200</b>	<b>20,657</b>	<b>11.9%</b>

Table 3: Top Ten Employing Industries and Employment Change 2001-2011. (ABS Census 2001 and 2011).

### 1.2.3 REGIONAL ECONOMIC SNAPSHOT

The regional economy is extremely diverse. Key industries include agriculture, manufacturing, fishing, and aquaculture; however tourism and mining are fast emerging industries with substantial potential for future growth. Industrial diversity is a great attribute, and underpins the region's comparative advantages and business competitiveness. Diversity is also important for economic growth and sustainability, because it provides resilience through not being reliant on a single industry or product for prosperity.

However, this diversity is not evenly spread across the region. Manufacturing and steel processing is focused in Whyalla. Agriculture is the key industry in Lower Eyre Peninsula, Tumby Bay, Cleve, Elliston, Kimba, Streaky Bay, Franklin Harbour and Wudinna. Nearly all (96%) of the region's aquaculture jobs are provided in Port Lincoln, Lower Eyre Peninsula, Cleve, Ceduna and Franklin Harbour. Most of the region's fishing jobs (76%) are based in Port Lincoln; and tourism is predominantly focussed in coastal areas.

The region's industries and economy have changed substantially since 2001. Agriculture has long been the main economic driver in many Council districts. However larger farming properties, smarter management practices, and new technologies have reduced employment opportunities in agri-businesses. Agricultural employment consequently declined by 16.8% between 2001 and 2011.

In the same period, employment in the health care and social assistance industry grew by 29.5%; largely due to the ageing of the regional population and increasing demand for aged care services. Employment in the mining industry grew by a significant 79.2%, due to unprecedented resource exploration activity on the Eyre Peninsula at the time – Table 3.

### 1.2.4 REGIONAL EMPLOYMENT BY INDUSTRY

Based on the number of jobs generated, the region's main employing industries in 2014-15 were (in ranked order): health care and social assistance (health and community services), agriculture, manufacturing, and retail trade. These 4 industries collectively provided almost half (45.9%) of the region's employment and 11,758 jobs.

The region's other key employing industries were: education and training; construction; accommodation and food services; transport, postal and warehousing; mining; and public administration and safety. These 6 industries provided over one-third (34.4%) of the region's employment and 8,838 jobs. (EconSearch Pty Ltd, RDAWEP Regional and Council Economic Data 2014-15, RDAWEP and EPLGA, September 2016).

#### HEALTH AND COMMUNITY SERVICES

Health and community services is the largest employing industry in South Australia, and was the largest industry in the region in 2014-15. Health and community services provided 3,509 jobs and 13.7% of regional employment. Due to the ageing of the population and increasing demand for aged care services, the health and community services industry is expected to grow markedly in future years. This will provide one of the best opportunities for employment and business growth. However, the aged care sector has considerable difficulty attracting and retaining aged care workers.

## AGRICULTURE

Agriculture was the second largest employer in 2014-15, providing 3,104 jobs and 12.1% of regional employment. The main agricultural sectors were grain production (wheat, barley, canola, oil seed and pulses), sheep, and beef cattle. The grain sector was the largest agricultural employer providing 1,585 jobs and 51% of agricultural employment; compared with 880 jobs (28%) for sheep, and 465 (15.0%) for beef cattle.

Agriculture was the largest employer in Lower Eyre Peninsula (560 jobs); Tumby Bay (453); Elliston (345); Cleve (339), Kimba (323), Streaky Bay (310), Wudinna (285), and Franklin Harbour (139).

## MANUFACTURING

The manufacturing industry, which includes the production of metal products and food processing, was the region's third largest employer, providing 2,582 jobs and 10% of employment.

Whyalla is the largest industrial city in regional South Australia and the principal centre for manufacturing, steel production and resources processing in the Upper Spencer Gulf. Manufacturing was the biggest employer in Whyalla providing 1,796 jobs, and over two-thirds (70%) of the region's manufacturing employment. Most of Whyalla's manufacturing jobs (87%, 1,569 jobs) were provided in the iron and steel production sector.

## RETAIL TRADE

Retail trade was the fourth largest industry, providing 2,563 jobs and 10% of regional employment. Retail trade is an integral part of the Small to Medium Enterprise (SME) sector in all regional townships – i.e. businesses employing less than 200 people. In 2014-15, most of the region's retail trade employees were based in Port Lincoln (964, 38% of retail jobs) and Whyalla (943, 37% of jobs).

The retail trade industry has experienced consistent employment growth since 2001. The sustainability of retail trade is largely reliant on the success of the region's larger industries – e.g. agriculture, manufacturing, mining and tourism – and many SMEs have been established to directly service and support these sectors.

## FISHING AND AQUACULTURE

Fishing and aquaculture are high profile industries, because the region provides most of South Australia's seafood. The region is renowned nationally and internationally for its premium seafood product, due to the marketing success of the trade marked brand: 'Eyre Peninsula – Australia's Seafood Frontier'.

However, the fishing and aquaculture industries are relatively small employers in comparison with other regional industries providing 666 (2.6%) and 708 (2.8%) of the region's jobs respectively in 2014-15.

Most of the fishing jobs were provided in Port Lincoln (502), Streaky Bay (55), Elliston (40) and Ceduna (38). Most of the region's aquaculture jobs were provided in Port Lincoln (261), Lower Eyre Peninsula (199), Franklin Harbour (92), Ceduna (82), and Cleve (49).

## TOURISM

Tourism is a fast growing regional industry with considerable development potential, due to the region's attributes of a pristine natural environment, unique nature-based visitor experiences, and diversity of high quality food product.

EconSearch does not provide detailed tourism data because the industry categories used for data analysis are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) system, which does not identify tourism as an industry in its own right. Tourism activity (i.e. the consumption of goods and services by visitors) is captured within the data provided for the other ANZSIC industries.

Tourism industry employment and economic data are derived from a range of other sources including research undertaken by the South Australian Tourism Commission, and Regional Tourism Satellite Accounts produced by Tourism Research Australia (TRA). These sources were used by EconSearch to identify tourism expenditure as a component of the region's exports.

In 2014-15, it was estimated that regional tourism expenditure totalled \$274 million; with \$102 million (37%) spent in the retail trade, accommodation, and food and beverage services sectors. TRA Satellite Account data indicate that the tourism industry contributes about 7.2% of regional GRP; directly employs over 1,530 people (approximately 5.3% of regional employment), and creates an additional 1,500 indirect jobs. Most of these jobs are in the food services, hospitality, accommodation, and retail trade sectors.

## 1.2.5 REGIONAL EXPORTS BY INDUSTRY

RDAWEP is a large exporting region and produced exports worth \$2.89 billion in 2014-15. The major exporting industries were:

- **Agriculture** – providing 27.9% of regional exports, valued at \$807.1 million,
- **Mining** – which provided 26.9% of exports, valued at \$777.8 million, and
- **Manufacturing** – 18.3% of exports, valued at \$535 million.

These 3 industries contributed over two-thirds (73%) of total exports from the region, valued at \$2.120 billion. The key exporting sectors within these industries were:

- **Mining:** iron and non-ferrous ore, which provided 23.1% of regional exports, valued at \$668.5 million,
- **Agriculture:** grains, 20.8% of exports valued at \$600.2 million, and
- **Manufacturing:** iron and steel production, providing 15.2% of regional exports, valued at \$438 million.

Other regional exporting industries included (in ranked order):

- **Construction** – 5.9% of exports, valued at \$171 million,
- **Aquaculture** – 3.8%, at \$109 million,
- **Accommodation and Food Services** – 2.9%, at \$82.4 million,
- **Fishing, Hunting and Trapping** – 2.1%, at \$60.3 million,
- **Retail Trade** – 2.0%, at \$59 million,
- **Transport, Postal and Warehousing** – 1.8%, at \$49 million, and
- **Financial and Insurance Services** – 0.6% of exports, valued at \$17 million – see Table 1.

These 7 industries contributed approximately 19% of total exports from the region, valued at \$547.7 million. Collectively, the top 20 exporting industries contributed 92% of the region's exports, valued at approximately \$2.67 billion.

These data incorporate exports to intrastate, interstate and overseas markets, however the respective proportions and values to each location are not identified.

The regional contribution to South Australian exports also cannot be identified. The regional data include intrastate exports, whereas State data only apply to exports out of the State. A comparison of regional and State export data would consequently overstate the regional contribution to South Australian exports.

## 1.2.6 GROSS REGIONAL PRODUCT BY INDUSTRY

Gross Regional Product (GRP) is a measure of the net contribution of an activity to the regional economy, and is measured as the value of output less the cost of goods and services. The contribution of an individual industry to GRP is calculated as the sum of household income, gross operating surplus, gross mixed income, and indirect taxes less subsidies.

In 2014-15, the region's GRP was estimated at approximately \$4.17 billion. The top 10 industries contributing to GRP were:

- **Mining** – 25.9% of GRP, valued at \$1.08 billion,
- **Agriculture** – 14.7% of GRP, valued at \$609 million,
- **Health Care and Social Assistance** – 6.1%, at \$255 million,
- **Construction** – 5.4%, at \$225 million
- **Transport, Postal and Warehousing** – 5.3%, at \$221 million,
- **Manufacturing** – 5.2%, at \$217 million,
- **Education and Training** – 3.9%, at \$162 million,
- **Retail Trade** – 3.7%, at \$152 million, and
- **Financial and Insurance Services** – 3.5%, valued at \$143 million.

Even though fishing and aquaculture are high profile regional industries, they did not rank among the top GRP producers in 2014-15. The aquaculture industry contributed 2.3% of GRP valued at \$96 million; and Fishing, Hunting and Trapping contributed 1.4%, valued at \$57 million.

One reason for this lower than anticipated GRP contribution is that the processing of seafood product, which most people would associate with the fishing and aquaculture industries, is categorised under manufacturing by ANZSIC industry conventions. Processed seafood product produced 0.6% of GRP worth \$24 million, which was allocated as a component of manufacturing industry GRP.

**RDAWEP is a large exporting region and produced exports worth \$2.89 billion in 2014-15**

### 1.2.7 REGIONAL ECONOMIC SUMMARY

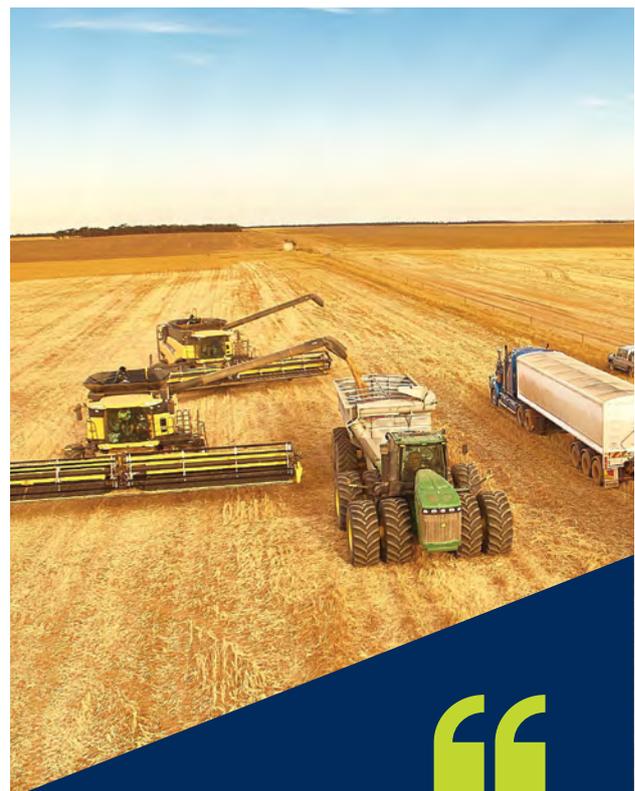
The Eyre Peninsula is a highly productive region, generating exports worth \$2.9 billion and GRP of \$4.2 billion. In 2014-15, South Australia's Gross State Product (GSP) was valued at \$98.6 billion. With regional GRP of \$4.2 billion, the Eyre Peninsula provided approximately 4.2% of the State economy.

On a per capita basis, as the Eyre Peninsula population is approximately 3.5% of the State population, the region is exceeding its fair contribution to the State economy. However, a per capita analysis undersells the importance of the region to the State economy. One of the State Government's key economic priorities is the production of premium food and wine from a clean environment exported to the world. This is an important brand SA platform for promoting South Australia internationally, and a driving force for creating new export markets in Asia. This State Government priority is very much reliant on the RDAWEP region because the Eyre Peninsula produces and exports most of South Australia's premium food product.

- **Agriculture Industry:** The region is renowned for its high quality grains and, on average, produces 40% of the State's wheat crop, 24% of the barley drop, and 22% of canola. Approximately 97% of the region's grain crop is exported; worth \$600 million in 2014-15.
- **Fishing and Aquaculture:** The region is renowned for its premium seafood. On average, the region produces 100% of South Australia's Southern Bluefin Tuna (with approximately 99% of tuna exported to Japan); along with 100% of the State's farmed marine finfish; 97% of oysters, 92% of mussels, and about 62% of the State's abalone production. In total, approximately 82% of South Australia's seafood product is exported from the Eyre Peninsula. (Regions SA, Regions in Focus: Whyalla and Eyre Peninsula, July 2015).

Other State Government economic priorities are to: unlock the full potential of South Australia's resources, and enhance State prosperity by promoting international connections and engagement to increase exports. The region produces approximately 45% of GSP for iron and steel manufacturing, which highlights the importance of Whyalla to the State economy.

The RDAWEP region might only contribute 4.2% of GSP however the growth and sustainability of the Eyre Peninsula is vital to the achievement of key State Government economic priorities. As an overview, the regional economy is extremely diverse, due to the broad range of industries generating exports and GRP. This is a great strength which underpins the region's comparative advantages and economic resilience.



The region is renowned for its high quality grains and, on average, produces 40% of the State's wheat crop

## 1.3 BOARD MEMBERS/STAFF

### BOARD MEMBERS



**Bryan Trigg**  
Chairman



**Deidre Turvey**  
Treasurer



**Jack Velthuisen**  
Executive Member



**Allan Suter**  
Executive Member



**Malcolm Catt**  
Executive Member



**Clare McLaughlin**



**Colin Carter**



**Kate McShane**



**Matt Waller**



**Heather Baldock**



**Matt Enbom**



**Lyn Breuer**  
(resigned)

### STAFF

<b>Dion Dorward</b>	Chief Executive Officer	<b>Bes Abdic</b>	Marketing Coordinator
<b>Alex Todd</b>	Economic Development Manager – Whyalla	<b>Raelene Fuller</b>	Special Projects Assistant
<b>Peter Scott</b>	Economic Development Manager – Eyre	<b>Heidi MacDonald</b>	Project Implementation Officer- Disability and Ageing
<b>Peter Mitchel</b>	Employment and Skills Development Manager – Eyre	<b>Jade Ballantine</b>	Special Projects Officer
<b>Howard Coote</b>	Indigenous Economic Development Manager	<b>Roger Paul</b>	Manager Corporate Services
<b>Brad Riddle</b>	Tourism Development Manager	<b>Aina Danis</b>	Executive Assistant – Eyre
<b>Paula Wilson</b>	Career Development Officer	<b>Sue Henriksen</b>	Administration Officer– Eyre
<b>Bob Ramsay</b>	Special Projects Manager	<b>Sandy Jones</b>	Administration Officer – Whyalla
		<b>Bonnie Hill</b>	Trainee – Eyre

## 1.4 CHIEF EXECUTIVE OFFICER'S REPORT



RDAWEP is the lead agency for economic development and growth within the region. In a nutshell its purpose is to identify the constraints to economic development and growth, and nullify them through integrated planning and collective action.

This requires a firm understanding of the key determinants of economic growth, thorough regional consultation (see Regional Consultation Network diagram page 17) research, analysis and advice (including from the South Australian Centre for Economic Studies [SACES]), to support effective strategies, collaborative partnerships and focussed actions.

A few examples contained in the following table help demonstrate how RDAWEP actions the above and I urge you to read the Case Studies contained herein.

KEY DETERMINANTS OF REGIONAL ECONOMIC GROWTH	CONSTRAINT	ACTION	REFER
Human Capital Development	<ul style="list-style-type: none"> <li>Emerging Skills Gap</li> </ul>	<ul style="list-style-type: none"> <li>Heavy Industry Multi-Trades Program</li> <li>Primary Producers Jobs First Employment Project</li> </ul>	<ul style="list-style-type: none"> <li>Case Study 5</li> </ul>
Sustainable Economic, Environmental and Sustainable Communities and Population Growth	<ul style="list-style-type: none"> <li>Multiple Agencies Disconnected Planning and Investment Priorities. Sub Optimal Investment.</li> <li>Mixed Messages</li> <li>Silo Cultures</li> <li>Inadequate Telecommunications Infrastructure</li> <li>Unsustainable energy costs and unreliable supply</li> </ul>	<ul style="list-style-type: none"> <li>Draft Regional Strategic Plan</li> <li>Elliston Telecommunications Project</li> <li>Multiple Energy Solutions Actioned</li> </ul>	<ul style="list-style-type: none"> <li>Case Study 1</li> <li>Support for Grant Applications</li> <li>Case Study 2</li> </ul>
Access to International, National and Regional Markets	<ul style="list-style-type: none"> <li>Mining Access to Cape Size Wharf and to Efficient Export Infrastructure for Agriculture and ORs</li> </ul>	<ul style="list-style-type: none"> <li>Cape Hardy Preliminary Expressions of Interest</li> </ul>	<ul style="list-style-type: none"> <li>Case Study 3</li> </ul>
Comparative Advantage and Business Competitiveness	<ul style="list-style-type: none"> <li>Disparate Tourism Product Development and Marketing</li> </ul>	<ul style="list-style-type: none"> <li>Far West Aboriginal Tourism Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Case Study 4</li> </ul>

The Australian Government's enquiry into decentralisation is very important to regional South Australia. RDAWEP wrote a submission, which was also lodged on behalf of the EPLGA and focussed on activities to support the relocation of corporate and government personnel to the region. Integrated planning and regional capacity building is fundamental to achieving sustainable decentralisation activities, including alternative service and supply options for State and Australian Governments. I look forward to working very closely with the 3 tiers of government to achieve this vital socio-economic reform. A Regional Telecommunications Plan optimising global digital economic opportunities through collaborative industry partnerships is a necessary addendum to this work.

The state-wide energy blackout that began on 28 September 2016 caused well documented negative impacts to our economy, society and environment. This region has a long history of energy blackouts and this state-wide event served the purpose of bringing national attention to the inadequate state of our energy infrastructure. The Prime Minister, Premier and various Ministers visited the region at different times to seek to understand the causes and re-assure the community that they would facilitate solutions. My discussion with the Prime Minister included enabling access to Defence Land at Cultana and the study of pumped hydro energy investment for the region. This followed advice provided to RDAWEP by Entura Hydro Tasmania, that also presented information to stakeholders at our Economic Development Forum held at Coffin Bay in February 2017. While we are yet to experience the benefit of their solutions to our energy problems, I thank them for their concern and effort.

RDAWEP has primarily focussed on more immediate and proven energy technology solutions at a local level that can provide long term advantages and are bankable now. Some of these initiatives are described in the relevant case study. Observation of applications to the relevant distribution companies for access to their networks by new generators exposes different priorities to the community's needs in terms of timing, capital costs, operational cost and transparency.

There is a critical need for reform of the operating rules to match community energy needs, including affordability. For example, potentially unreasonable augmentation costs charged to generators to upgrade the distributor's assets (the generator also pays ongoing rent on the same investment) has discouraged investment into some more immediate projects, as has the upfront cost payable to distributors by generators to receive defined engineering approvals to access networks. Projects may also decrease future network remediation costs, creating savings for distributors and end users. These factors should be considered holistically and adopted as a matter of urgency in any energy reform process.

The prevalence of unaligned priorities across the gamut of key stakeholders for investment into critical regional infrastructure (water, energy, transport, etc.), including infrastructure owners, governments and local users, together with an abject absence of market competition is delaying vital investment into new export and employment enabling infrastructure opportunities and is a major threat to the sustainability of our communities. Iron Road's Central Eyre Iron Project has received development approvals and the company is working through financial due diligence obligations with the banking sector. The scale of this project may serve to address some issues around competition, but integrated planning and Regional Governance is required to adequately address the current debilitating constraints of competing priorities and investment timing.

The Arrium crisis at Whyalla is a significant national challenge. RDAWEP conducts, quietly and efficiently, work in support of the Whyalla business community and its economy. This support includes hosting and facilitating in excess of 300 meetings representing local industry to State and Australian Government agencies in addition to national and international companies involved in defence, energy, education, tourism, mining, manufacturing and more. Numerous briefings were arranged with State and Australian Government Ministers, politicians and senior advisers. RDAWEP documents and information were used as an evidence basis for decision making by most of these agencies when prioritising policy and investment for Whyalla.

RDAWEP worked with local businesses to identify skills gaps and job opportunities, assisted numerous businesses including startups, collaborated with education and training businesses to tailor programs for Whyalla people who were recruited into the courses and many were placed in jobs in businesses at Whyalla across various industries, but most particularly in health, aged care, disabilities, mining and manufacturing services. RDAWEP also brokered the financing of this critical work in partnership with the Department of State Development (DSD). RDAWEP instigated the production of a film (RDAWEP Unearth Whyalla video) to boost tourism at Whyalla and support the Council's rebranding project "Unearth Whyalla". An Economic Development Plan and Priority Project Plan drawn from the substantial work commissioned to the SACES was provided to the Whyalla City Council by RDAWEP. KordaMentha Restructuring has worked diligently with all stakeholders to ensure that Arrium will be sold as an ongoing concern.



RDAWEP worked with local businesses to identify skills gaps and job opportunities, assisted numerous businesses including startups, collaborated with education and training businesses to tailor programs for Whyalla people

The National Disability Insurance Scheme (NDIS) is being rolled out across Australia. RDAWEP is working with the DSD and the National Disability Insurance Agency (NDIA) to prepare the region for the extensive related job opportunities and will open NDIS Hubs at Whyalla and Port Lincoln to promulgate new opportunities across the region.

All RDAWEP projects, programs and extensive advocacy are aimed at removing constraints to economic growth and diversifying the region's economy. The common thread is the absolute commitment of our dedicated staff with the generous support and guidance of the Board. The ongoing partnerships with the 3 tiers of government and in particular the Department of Infrastructure and Regional Development, Primary Industries SA – Regions SA, the EPLGA and support from Ministers and Members of Parliament continues to drive an efficient and valuable platform for regional economic development and I acknowledge and thank all involved.

In particular I thank Chair Bryan Trigg, EPLGA EO Tony Irvine and RDSA Executive Chair Rob Kerin for their exceptional support, advice and commitment. The past 12 months have been challenging for many communities, but next year is shaping up to deliver significant new investment to this region and its neighbours. Integrated planning with collaborative action and a consistent unified message will be required if we are going to increase export income from \$4bn and create new jobs to retain and grow the region's population of 58,000.

**Dion Dorward**  
Chief Executive Officer

# Snapshot

## Goal for our region's population

58,000

Current population 56,651  
(based on ABS 2011 Census of Population)



### Key Action Areas for Regional Economic Growth



Training and Workforce development with a focus on trade skill sets

Focus on providing sustainable and reliable Energy and Telecommunications solutions



Potentially access new import and export markets via exploration of the Cape Hardy Project

Provide tourism strategies for Far West Aboriginal communities and organisations



### GOAL for Export Income



4 Billion

### Top export value contributors



Agriculture, Mining and Manufacturing

73%

### Top Areas of Employment



Health and Community Services 13.7%



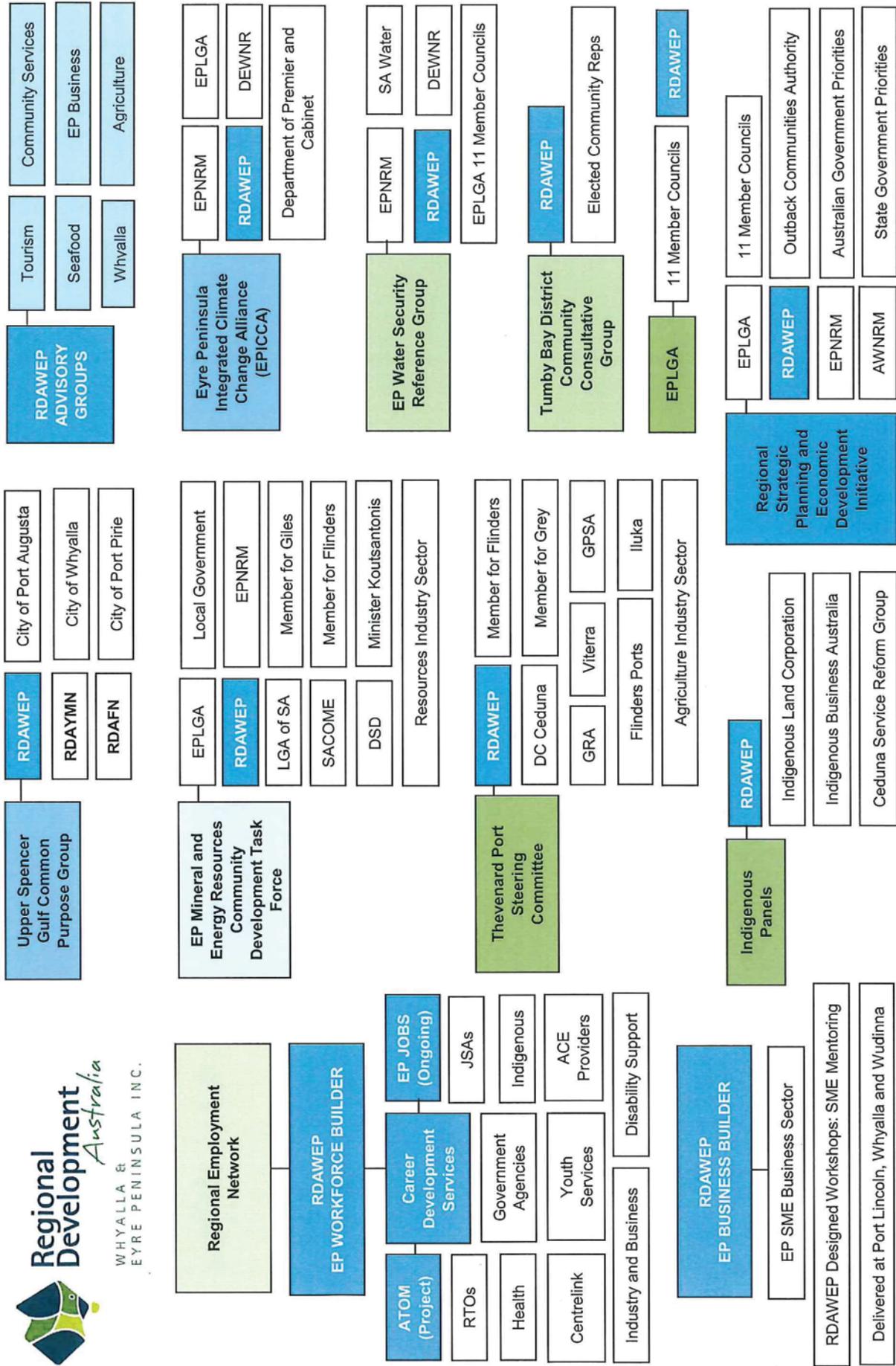
Manufacturing 10%



Agriculture 12.1%



Retail Trade 10%



# 2. SUMMARY OF KEY ACHIEVEMENTS 2016-17



## 2. SUMMARY OF KEY ACHIEVEMENTS 2016-17

Regional Development Australia Whyalla and Eyre Peninsula (RDAWEP) activities for 2016-17 were successfully achieved or substantially progressed. The details of all RDAWEP achievements are provided in the 2016-17 Annual Performance Report on Outcomes. More detailed information is available in monthly Project Manager Reports on the RDAWEP website.

The most important outcome during 2016-17, assisted by RDAWEP, was that Iron Road Limited's Central Eyre Iron Project (CEIP) was given mining lease and development approval in May 2017. The CEIP will be a significant economic catalyst for the Eyre Peninsula. The project will attract a substantial workforce and have a major impact on several Local Government areas, especially Wudinna District Council. The CEIP will provide South Australia's first Cape-class port at Cape Hardy (near Port Neill), and the construction of a standard gauge railway line from the mine site at Warramboob will provide a future opportunity to connect the Eyre Peninsula to Australia's national rail network.

The new infrastructure will create opportunities to increase the export of regional product and services to national and overseas markets.

### 2.1 REGIONAL PLANNING

- A major achievement was the progression of the collaborative initiative by RDAWEP, Eyre Peninsula Local Government Association (EPLGA) and Eyre Peninsula Natural Resources Management (EPNRM) Board to establish a new regional governance body to drive economic and community development. A new high-level Regional Strategic Plan, with strategies drawn from the existing plans of RDAWEP, EPLGA and EPNRM, was drafted as part of this process and distributed for stakeholder consultation – see Case Study 1: Regional Governance and Regional Planning.
- The regional consultation network was expanded through the formation of new partnerships to implement project activities. This included a partnership between RDAWEP, the Department of the Prime Minister and Cabinet, Aboriginal organisations and the South Australian Tourism Commission to progress the Far West Aboriginal Tourism Strategy; and with RDAWEP, the Department of State Development, Regional Development South Australia and disability agencies to progress employment initiatives from the roll-out of the National Disability Insurance Scheme (NDIS) in South Australia.
- Council participation in economic development planning was assisted with the distribution of 2014-15 economic data packs at the June 2017 EPLGA meeting. This was the third annual instalment of economic data produced for RDAWEP and the EPLGA by EconSearch Pty Ltd. The packs included explanatory papers about employment, Gross Regional Product and regional exports, which provided trend summaries over 3 years from 2012-13.

## 2.2 CRITICAL ISSUES

- Written submissions and presentations about the sustainability of regional economies were provided to several Australian Government enquiries relating to the:
  - ✓ Environment and Communications References Committee inquiry into oil and gas exploration in the Great Australian Bight;
  - ✓ Standing Committee on Foreign Affairs, Defence and Trade about the impact of Defence training activities on rural and regional communities;
  - ✓ Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016 about the operation, effectiveness and consequences of public governance and the potential decentralisation of Australian Government agencies; and the Australian Productivity Commission inquiry into transitioning regional economies.
- High level inter-governmental and agency consultations were undertaken to resolve the Arrium crisis in Whyalla, including the preparation of a Whyalla Economic Development Strategy by the Adelaide University, SA Centre for Economic Studies.
- Engagement was undertaken to build the capability of industry in Whyalla and the region to undertake projects for the Department of Defence – see Case Study 5: Whyalla and Eyre Peninsula Heavy Industry Cluster.
- Through continued lobbying, research and sharing of energy information, RDAWEP facilitated processes to secure power reliability on the Eyre Peninsula. This resulted in RDAWEP being appointed for a 2-year term to the SA Power Networks Renewable Reference Group to provide insights into the practicalities of connecting renewables into the grid – see Case Study 2: Energy Solutions for the Eyre Peninsula.
- Ongoing engagement was undertaken to encourage Local Government participation in regional planning initiatives. This included presentations to quarterly EPLGA CEO and Board meetings, and consultation with individual Councils as required. The active participation of Councils in tourism development planning was a key outcome of this engagement. Economic profiles using the latest available EconSearch data were prepared for each of the 11 EPLGA Councils to encourage greater participation in economic development planning.
- Challenges and opportunities were pursued to capture 400 potential jobs and \$40 million in regional investment from the roll-out of the NDIS. As part of this activity, RDAWEP coordinated a NDIS workshop in April 2017 with Aboriginal community leaders, the NDIA SA Engagement Team, Department of State Development, Office for the Health and Community Services Complaints Commissioner, and the Aboriginal Health Council of SA. Potential service models and collaborative initiatives are being progressed for the purpose of seeking financial support from participating State Government agencies.
- Cross agency consultation was undertaken for the development of a Pacific Oyster spat hatchery in Cowell to safeguard the sustainability of the region's oyster industry. This included consultation with DC Franklin Harbour, PIRSA, SARDI, Regions SA, the South Australian Oyster Growers Association (SAOGA), and the Shellfish Culture hatchery based in Tasmania. RDAWEP assisted the preparation of a funding submission to Regions SA to establish a bio-secure hatchery at Cowell to supply spat to the SA oyster industry.



Cross agency consultation was undertaken for the development of a Pacific Oyster spat hatchery in Cowell to safeguard the sustainability of the region's oyster industry.

## 2.3 PRIORITY ACTIVITIES

### 2.3.2 HUMAN CAPITAL DEVELOPMENT

- The Eyre Peninsula Workforce Builder Program managed a range of new Jobs First Employment Projects to improve the capability of under and unemployed people. This included training for employment at the Iluka Resources Jacinth Ambrosia mineral sands mine, primary industries training for people to update skills in the areas of small engine diagnostics and repairs, manual arc welding, chemical handling, truck driving (HC and MC), front end loader and shearing, and training in Certificate II in Construction for Walga Mining in Whyalla, to prepare for contracts with the Department of Defence. These programs will continue through 2017-18.
- Specialised training was provided for people seeking careers in the disability sector. The program was funded by DSD and delivered by SkillSmart. At 30 June 2017, 79 people had participated in the program, which will continue through 2017-18.
- Career Development Services (CDS) were provided to empower job seekers and increase labour force participation. Service delivery was via a shopfront in Whyalla, and a contract-based remote service across the Eyre Peninsula. CDS assists people to gain employment or increase their hours of work, and provides advice about career changes and self-marketing to meet the needs of employers. In 2016-17, 34 participants from Whyalla achieved employment outcomes, and 16 Eyre Peninsula participants gained additional hours of employment.
- Ongoing training and service initiatives were implemented to support Aboriginal participation in the labour force. This included training for employment at the Ceduna Town Accommodation facility; employment training for jobs connected with the Ceduna Services Reform program, and the creation of Aboriginal employment opportunities linked with tourism development.
- Presentations and provision of relevant policy advice, were given to the South Australian Training and Skills Commission to increase the capability of the regional workforce.

### 2.3.3 SUSTAINABLE ECONOMIC COMMUNITIES AND POPULATION GROWTH

- Support services were provided for numerous new and existing business enterprises, including approximately 12 business start-ups in Whyalla and 20 in Port Lincoln. Information was provided about establishment costs, budgeting, market research, and potential funding sources for capital expenditure. In addition, advice and support was provided to 38 tourism-related businesses to strengthen and grow the sustainability of the food and tourism industries.
- The Indigenous Economic Development Program was progressed with strategies to develop Aboriginal business enterprises and support Aboriginal economic and employment development initiatives. The preparation of the Far West Aboriginal Tourism Strategy was a key initiative to strengthen Aboriginal tourism enterprises and create job and economic development opportunities – see Case Study 4: Far West Aboriginal Tourism Strategy.
- Business planning and other support was given to Port Lincoln Aboriginal Community Council, Ceduna Aboriginal Corporation, Yalata Aboriginal Community, Scotdesco Aboriginal Community, Koonibba Aboriginal Community, Maralinga Tjarutja, the Wirangu Association, 2 Aboriginal share-farming enterprises and numerous Aboriginal individuals for new business ventures.

### 2.3.4 SUSTAINABLE ENVIRONMENTAL COMMUNITIES

- Support was provided for the Eyre Peninsula Integrated Climate Change Agreement (EPICCA) Committee to ensure that climate change is a key factor in regional decision-making processes. This activity included a review of the EPICCA Climate Change Adaption Plan for the Eyre Peninsula, regional representation at key climate change meetings and conferences, and the inclusion of fundamental EPICCA principles in the Regional Strategic Plan.

- Solutions to provide an abundant supply of energy and quality water were actively progressed. Water supply initiatives included ongoing consultation with the Stormwater Management Authority about options for water-proofing Port Lincoln; the investigation of water demand modelling and desalination and ground water volumes; and negotiations with a Canadian-based wave energy company about partnership approaches for the provision of water supply. Energy solutions are detailed in Case Study 2: Energy Solutions for the Eyre Peninsula.

### 2.3.5 SUSTAINABLE SOCIAL COMMUNITIES

- Ongoing support was provided to improve community, recreational, educational and tourism infrastructure. Sporting clubs in Whyalla, Cleve and Ceduna were assisted with the development of sporting complexes. Options for the provision of improved community transport services were investigated on southern Eyre Peninsula. Ongoing negotiations were held with Telstra and Optus about solutions to improve communications services and infrastructure. Meetings and communications were held with TAFE SA and UniSA to improve employment-related and other training across the region. RDAWEP, in partnership with EPNRM and the EPLGA, progressed the Eyre Peninsula Coastal Access and Off-road Vehicle Strategy to improve consistency in the planning, management and marketing of coastal camping areas.
- The implementation of the Whyalla Living Well: Aged and Disability Masterplan was progressed, with options investigated to expand the initiative region-wide. This project led to Whyalla being formally recognised by the World Health Organisation as an Aged Friendly City in June 2016.
- Numerous initiatives were pursued to improve the delivery of aged care and disability services and infrastructure across the region, including: support to Councils wishing to expand residential aged care accommodation, the investigation of inter-Council and sub-regional approaches to services delivery, and the formation of strategic Council partnerships to achieve more effective service outcomes.

### 2.3.6 ACCESS TO INTERNATIONAL, NATIONAL AND REGIONAL MARKETS

- Initiatives were undertaken to assist investment attraction, including high level engagement with Chinese delegations and organisations. RDAWEP participated in a business development mission to China and Singapore 6-10 March 2017, in conjunction with RDA Adelaide Hills, Fleurieu and Kangaroo Island, which was subsidised by Australian Government Market Export funding.
- The mission expanded upon existing business relationships in China, and was hosted by the Shanghai Small and Medium Centre for International Cooperation (SMEC). The discussions had a focus on business migration, property and infrastructure development and investment, port construction, aged care, food, tourism, and education.
- Substantial support was given to development of the Iron Road Limited's Central Eyre Iron Project. On behalf of Iron Road Limited, RDAWEP project managed the process to seek preliminary expressions of interest for third party use of the Cape Hardy Port – see Case Study 3: Cape Hardy Port Development.
- Strategies to enhance the export capability of Thevenard Port were progressed, including the reappraisal of capex to upgrade infrastructure. This included a re-investigation of options and costings for the design and dredging of the Yalata Channel.
- Numerous negotiations were held with individual companies about the development of new business ventures in the region, particularly with options for the development of supply chain infrastructure and services in Whyalla.

### 2.3.7 COMPARATIVE ADVANTAGE AND REGIONAL COMPETITIVENESS

- Ongoing lead agency support was provided to develop the region's food, tourism, agriculture, manufacturing, mining, transport, social services, and SME industries, with a focus on quality, sustainability, and value-adding initiatives to diversify regional product and business services.

- Strategic direction was provided for Eyre Peninsula – Australia's Seafood Frontier brand marketing by the tourism and food industries to promote the region as a culinary and tourism destination. Food industry development included trade and media famils by interstate buyers to Ceduna, Coorabie, Fowlers Bay, Smoky Bay, Whyalla, Port Lincoln and Cleve to showcase regional product. Tourism industry development included the update of hard copy and digital Eyre Peninsula and Nullarbor Guides; planning for the development of new tourism drive, biking and walking trails; and RDAWEP participation on State-wide planning initiatives to strengthen the tourism offering of South Australia's regions.
- The use of digital technologies to promote and showcase the region and expand the visitor base was progressed. This included a substantial upgrade of RDAWEP websites and social media platforms. Promotional videos were produced for 6 local Councils – the District Councils of Franklin Harbour, Lower Eyre Peninsula, Wudinna, Cleve and Elliston, and the City of Port Lincoln.
- The operations of the Heavy Industry Cluster were progressed to strengthen Whyalla's manufacturing industry and diversify the Whyalla economy – see Case Study 5: Whyalla and Eyre Peninsula Heavy Industry Cluster.
- Ongoing support was provided for the development of renewable energy initiatives, including international investment attraction – see Case Study 2: Energy Solutions for the Eyre Peninsula.
- Assistance was provided for numerous project initiatives including the preparation of business cases and grant applications, and general grant funding advice. Letters of support for project proposals were provided to DC Kimba, DC Streaky Bay and Wudinna DC.
- Significant RDAWEP resources were provided to DC Elliston and Telstra for a grant application to upgrade communications infrastructure and to the Big Swamp Community Centre Inc. for the redevelopment of the Pobke Methodist Church as a community centre. This assistance included the preparation of business cases, project management plans and the wording of grant applications – see 4: Lessons and Challenges for 2017-18, Support for Grant Applications.

## 2.4 PROJECT PROPOSALS

- Assistance was provided for numerous project initiatives including the preparation of business cases and grant applications, and general grant funding advice. Letters of support for project proposals were provided to DC Kimba, DC Streaky Bay and Wudinna DC.
- Significant RDAWEP resources were provided to DC Elliston and Telstra for a grant application to upgrade communications infrastructure and to the Big Swamp Community Centre Inc. for the redevelopment of the Pobke Methodist Church as a community centre. This assistance included the preparation of business cases, project management plans and the wording of grant applications – see 4: Lessons and Challenges for 2017-18, Support for Grant Applications.

## 2.5 PROMOTION OF GOVERNMENT PROGRAMS

- Australian and State Government funding programs were promoted through presentations, emails, the monthly RDAWEP Regional Newsletter and RDAWEP website. This included the provision of grant program guidelines and advice about preparing support documents and grant applications.

## 2.6 CONTINUOUS IMPROVEMENT

- Strategies for a continuous improvement culture at RDAWEP were progressed, including the upgrade of marketing materials, websites and digital collateral, and implementation of procedural improvements to gain resourcing efficiencies.

# 3. CASE STUDIES



## 3.1 CASE STUDY 1: REGIONAL GOVERNANCE AND REGIONAL STRATEGIC PLANNING

RDAWEP, the EPLGA and EPNRM collaborated to drive the formation of a regional governance body to plan, lobby for, and speak on behalf of the 58,000 people that reside in the Eyre Peninsula.

The need for a regional body was identified during the course of preparing a Regional Economic Development Plan. The Adelaide University, SA Centre for Economic Studies (SACES), commenced the project in December 2015 and released the findings in 2016-17.

The plan noted that regional areas are largely comprised of Councils with small populations that lack the critical mass and policy leverage to influence government decision-making. The consequence is that regional aspirations are often not heard and regional development needs not being met.

Three governance models were proposed, with a preferred model identified in the draft Plan.

### 3.1.1 EYRE PENINSULA JOINT PLANNING BOARD

The model is similar to Joint Planning Boards (JPBs) being proposed by the State Government to streamline land use and development planning across SA. The model is undergoing refinement to better suit the needs of Eyre Peninsula and was released for stakeholder consultation in June 2017.

The model is based on collaborative partnerships, closer working relationships with the State Government and a stronger regional strategic planning role, with a focus on economic, community and environmental development and natural resources management.

### 3.1.2 REGIONAL STRATEGIC PLAN

The JPB is supported by a Regional Strategic Plan. The draft plan, released for stakeholder review as part of the JPB consultation in June 2017, presents high level strategies, the rationale for their need and key actions for implementation.

The strategies were derived by aligning the priorities in the lead planning documents of RDAWEP, the EPLGA and EPNRM – i.e. the RDAWEP Regional Plan 2014-16 and Business Plan 2016-17; EPNRM Strategic Plan for the Eyre Peninsula Natural Resources Management Region 2017-2027; and EPLGA Corporate Plan 2016-19.

These plans were determined by extensive stakeholder engagement processes and consequently provide a sound basis for the JPB Regional Strategic Plan.

Several different plan formats were investigated. The original intention was to structure the plan on the COAG Regional Australia Standing Council (RASC) framework for regional economic growth to achieve alignment with Australian Government and RDA priorities. However priority was placed on the successful implementation of regional governance, and the plan is structured to match the taskforce output areas of the JPB model.

This will provide better strategic direction for the various JPB taskforces in addition to a clearer action plan for project implementation.

### 3.1.3 REGIONAL ANALYSIS

This Regional Strategic Plan will be supported by a comprehensive Regional Analysis to provide the evidence base about the region's development needs.

The Analysis is in draft format and will be finalised in 2017-18 when Expanded Community Profile data from the 2016 Census of Population and Housing are released. This will ensure that JPB planning decisions are based on the latest available demographic data.

### 3.1.4 PROGRESS

The background about the need for regional governance and a single regional plan has been presented at several EPLGA meetings. A special JPB meeting was held in June 2017 with the release of the JPB model and draft plan.

The JPB model and draft Plan are currently being reviewed by stakeholders. The JPB model will be finalised in late 2017, and the Regional Strategic Plan will be restructured to match the agreed output areas.

### 3.1.5 BENEFITS SUMMARY

This project is nation leading pilot work about alternative regional governance. Collaboration between RDAWEP, the EPLGA and EPNRM is driving the initiative.

The JPB regional governance body will provide the means to advocate collectively with a single voice and better exploit regional comparative advantages, and will help develop synergies to achieve more effective and longer-term regional development outcomes.

## 3.2 CASE STUDY 2: ENERGY SOLUTIONS FOR THE EYRE PENINSULA

The Eyre Peninsula (EP) is at the end of the National Electricity Market. The State-wide blackout of September 28, 2016 saw parts of EP with no power for over 3 days. In December, RDAWEP conducted a survey across EP about the impact of black outs. 320 respondents from the business and community sectors highlighted regular blackouts and voltage variations, which resulted in damaged equipment.

Earlier in October presentations were made to the Tuna industry on a proposed smart mini-grid – i.e. setting up new technology so that businesses could swap solar power amongst themselves to lower electricity costs.

In January 2017, updates were provided in person to the Leader of the State Opposition and the State Energy Minister. The Minister subsequently asked the Essential Services Commission of South Australia (ESCOSA) to conduct an inquiry into the Reliability and Quality of Electricity Supply on the Eyre Peninsula. RDAWEP was appointed as the central point of contact for the Mayors' Reference Group. In February, RDAWEP continued negotiations in Adelaide with SA Power Networks, ESCOSA and private contractors about potential energy solutions for the EP.

Visits were made to the town of Kimba to plan renewable energy projects. The Kimba Council has commissioned an energy audit team to prepare a business case to integrate renewable energy into Kimba's electricity supply to increase supply reliability and produce community benefits through lower prices.

As part of the process to pursue sustainable energy solutions, RDAWEP hosted an economic forum at the 2017 EPLGA Conference in Coffin Bay, which included a presentation from Hydro Tasmania on pumped hydro energy storage.

Energy updates were also provided to the EP Minerals and Energy Resources Community Development Taskforce and SA Economic Development Board.

The pursuit of energy solutions is ongoing and extensive. In May 2017, energy updates were provided to the Leader of the Opposition in the Legislative Council and Federal Member for Grey. The details of the proposed tuna industry smart mini-grid and Kimba renewable energy solution were workshopped further with contractors and energy auditors.

In June, RDAWEP provided advice at ElectraNet's public consultation meeting regarding EP Electricity Supply Options. Analysis was also conducted of Dr Alan Finkel's final report Blueprint for the Future: The Independent Review into the Future Security of the National Energy Market and recommendations were presented to the RDAWEP Board.



RDAWEP continued negotiations in Adelaide with SA Power Networks, ESCOSA and private contractors about potential energy solutions for the EP.

*Image from SA Power Networks In-Depth Engagement workshop via Talking Power website.*

### 3.2.1 SOLAR FARMS ACROSS EYRE PENINSULA.

In Wudinna, RDAWEP facilitated negotiations to develop fair and equitable lease conditions for a large grid scale solar farm. In December 2016 connection enquiries were submitted to SA Power Networks (SAPN) by local private contractors for several large scale solar sites. SAPN has offered to connect sites at Wudinna and Cleve in November 2017.

Both sites will be designed with single axis tracking to flatten the production curve throughout the day and have storage capability for future deployment. The projects will have a combined generating capacity of 60MWp of solar PV (approximately 120GWh p.a.). There are further opportunities for innovation such as battery storage, black start capacity, voltage regulation and grid support services.

These projects will generate more than \$100m of economic activity, creating 100 jobs during peak activity and 10 ongoing FTE. There will also be opportunities for regional skills development, capacity building and tourism. It is anticipated that project operations will commence by February 2018.

### 3.2.2 PORT LINCOLN TUNA INDUSTRY SOLAR PV - SMART MINI GRID/VIRTUAL NET METERING PROJECT

Participants have signed a letter of intent and completed high level energy audits, data collection and modelling of energy loads post project. The proposal incorporates a cloud automation solution providing visibility and control of the flexible load. The generation capability will facilitate an industry driven Distributed Energy Resource Management System enabling local industry, retail and network opportunities.

With SA Power Networks seeking load in the Port Lincoln area to improve reliability, the proposal will contribute to the creative mix of options benefiting EP's energy needs through local industry dispatchable energy innovation and capacity building.

### 3.2.3 THE IMPACT

Through continued lobbying, research and sharing of energy information, RDAWEP has established itself as the lead agency for pursuing energy solutions across the EP. RDAWEP was consequently appointed for a 2-year term to the SA Power Networks Renewable Reference Group to provide valuable insights into the practicalities of connecting renewables into the grid.



RDAWEP facilitated negotiations to develop fair and equitable lease conditions for a large grid scale solar farm.

## 3.3 CASE STUDY 3: CAPE HARDY PORT DEVELOPMENT

RDAWEP, on behalf of Iron Road Limited (Iron Road), invited individuals and businesses interested in utilising the proposed Cape Hardy port facilities for the import or export of goods and products to register a non-binding expression of preliminary interest (EOPI). Service providers essential for general port operations as well as port construction companies were encouraged to take up this invitation.

The port development is located at Cape Hardy, 7km south of Port Neill on eastern Eyre Peninsula.

The construction and operation of Cape Hardy as the only Cape Class bulk commodity export facility in South Australia is subject to Iron Road obtaining funding and approvals for its own operations.

The call for EOPI was released on 13 December 2016 and closed 13 March 2017. The call was issued on all RDAWEP and Iron Road digital media platforms. A media release was accompanied by paid advertisements in the Adelaide Advertiser – Business Journal, with subsequent reporting in both the Advertiser and Port Lincoln Times.

RDAWEP also distributed the EOPI call notification via its stakeholder and network database of 2,843 entities. Along with brochure and website design, a suite of accompanying tools including direct emails, telephone calls, media interviews and scheduled public and private meetings were used to promote the EOPI process.

All correspondence was recorded in a customer relations management database. Several RDAWEP staff were utilised including administration, database management, media management, project management, as well as the Chief Executive.

The final report was well received by Iron Road and included the following elements:

- Advertisements placed in South Australian papers, The Australian and stock journals.
- Details of Twitter used to reach 390 shipping companies.
- RDAWEP newsletters that went out to over 2,800 recipients.

- A professional looking brochure designed in house and translated to Mandarin.
- Dates of over 40 meetings RDAWEP held across Australia, China and Singapore to promote Cape Hardy.
- Details of 54 companies from across Australia and overseas that expressed interest in the project.

In total, 54 companies lodged EOPI including international companies with shipping and grain backgrounds.

Several companies expressed an interest in construction, supply of tugboats, locomotives, industrial machinery, navigation, fuel bunkering and port operations.

The database of companies is being used by Iron Road as it finalises approvals. The project will help ensure the international success of Cape Hardy and leverage the largest possible economic advantage for the RDAWEP region.



The construction and operation of Cape Hardy as the only Cape Class bulk commodity export facility in South Australia is subject to Iron Road obtaining funding and approvals for its own operations.

## 3.4 CASE STUDY 4: FAR WEST ABORIGINAL TOURISM STRATEGY

The intention of the Far West Aboriginal Tourism Strategic Plan is to provide strategic direction and support to current and emerging Aboriginal tourism enterprises in the far west of Eyre Peninsula. The plan also supports mainstream tourism ventures that employ Aboriginal people.

The target area includes the land between Ceduna and the Western Australian border, including the Maralinga Tjarutja Lands north of the Trans Australian Railway line. Key features in this region include the Nullarbor Plain, the coastline of the Great Australian Bight, regional nature reserves and southern parts of the Great Victoria Desert.

The business culture of Aboriginal people in South Australia has a focus on Aboriginal tourism activities. These include arts and crafts, occasional performing arts and limited nature-based experiences. The nature-based experiences help visitors to develop an understanding of the relationship Aboriginal people have with the land and the sea.

The project development included over 70 consultations via workshops and presentations between August 2016 and March 2017, with:

- Aboriginal communities;
- the 5 major Aboriginal organisations with tourism-related enterprises – i.e. Oak Valley/Maralinga, Yalata, Scotdesco, Koonibba, and Ceduna Aboriginal Corporation;
- the Aboriginal Lands Trust;
- Alinytjara Wilurara Natural Resource Management Board; and
- government and non-government agencies.

The various stakeholders agreed on a logo and slogan to brand the far west region. The slogan, Desert to Sea, Experience Far West South Australia, is supported by decals in the Aboriginal Flag colours. This branding will apply to all marketing materials, including websites, presentations, brochures, signage and staff uniforms.

The Department of the Prime Minister and Cabinet (PMC) contracted RDAWEP to prepare the strategy and launch the plan. The scope of works included the review and updating of business plans for the key Aboriginal organisations to improve the governance, operations and viability of their tourism enterprises. This included the project management of initiatives to:

- develop plans and establish a viable caravan park in Yalata, including the demolition of the old road house on the Eyre Highway;
- establish a community and tourism-related store at Koonibba;
- upgrade and improve the facilities and infrastructure at the Ceduna Art, Cultural and Language Centre;
- expand accommodation facilities at Scotdesco to cater for conferences and meetings, including 3-day tourism stays with provision of meals (the Scotdesco Board reviewed and updated its marketing strategy and website development as part of this project); and
- expand tourism product, and improve infrastructure and operations at Maralinga Village.

The governance and ownership structure of a wildlife sanctuary development in Ceduna, Sleepy Lizard Park, is also being progressed.



Lutheran Archives M01001 00404: Koonibba Aboriginal Mission Station Employees, 1920

As a result of pre-election commitments, the Australian Government has funded the Department of Defence (Army) to undertake the works to improve and develop the Yalata Caravan Park. These works are in the process of being scheduled.

It is anticipated that the Far West Aboriginal Tourism Strategy will be printed and launched prior to December 2017. This project has generated numerous benefits.

- The collective planning approach has created a critical mass of Aboriginal tourism product, which has enabled the far west of the Eyre Peninsula to be branded as a distinctive tourism-subregion. This value-adds to tourism marketing for the Eyre Peninsula as a whole and provides a focal point for the Indigenous Tourism Trail that was established around the coastline of Eyre Peninsula in 2012-13.
- The cooperative approach has enabled all 5 of the key Aboriginal organisations to benefit from having their business plans improved, rather than compete against each other for limited funding for this purpose.
- The project strengthens the broader RDAWEP economic initiative to develop viable Aboriginal business enterprises, as well as create opportunities for increased Aboriginal participation in the labour force.
- PMC provided funding of \$500,000 to implement the tourism initiatives at Koonibba.



The project strengthens the broader RDAWEP economic initiative to develop viable Aboriginal business enterprises, as well as create opportunities for increased Aboriginal participation in the labour force.

## 3.5 CASE STUDY 5: WHYALLA AND EYRE PENINSULA HEAVY INDUSTRY CLUSTER

### 3.5.1 CLUSTER BACKGROUND AND ACTIVITY

Industry clusters are a well-established tool for enhancing economic development. The Whyalla and Eyre Peninsula Heavy Industry Cluster project was initiated by RDAWEP in mid-2015 in response to a need for action to address poor operating conditions experienced by major businesses in Whyalla and the Eyre Peninsula. These difficulties were largely caused by the falling commodity of price of iron ore and import of cheaper steel from China.

The cluster was established to support growth and sustainability of heavy industry businesses, manufacturing businesses and the associated supply chains.

The cluster is industry led and Chaired by Mr Theuns Victor, the General Manager of the Arrium Steelworks.

The cluster consists of a core leadership group of 9 Chief Executive Officers of major regional heavy industry businesses and CEO level participation from Whyalla Council, RDAWEP and the Deputy CEO of the South Australian Government Department of State Development (DSD). There is additional ongoing engagement with a further 52 supply chain companies, largely based in Whyalla.

Difficult operating conditions for these businesses continued through 2016, driven by sustained low commodity prices, which brought mining, manufacturing and infrastructure construction to a standstill. This situation was exacerbated when Arrium Ltd, the region's largest single employer, entered into voluntary administration in April 2016, with debts of \$2.8 billion. Most of the company's supply chain businesses in Whyalla became unsecured creditors, with substantial amounts of money owing to them.

This caused a ripple effect throughout the Whyalla and regional economy. Business confidence, spending and investment dropped to unprecedented levels. Many businesses were forced to rationalise their operations and downsize workforces, while some others closed or left the region.

Work by the Cluster Leadership Group, supported by RDAWEP, continued on multiple fronts via regular bi-monthly meetings during 2016. A rolling 3 month action list was continually updated and presented at meetings to report progress.

The Heavy Industry Cluster Group continues to identify constraints to business growth, sustainability and competitiveness and is developing actionable solutions to accelerate growth and capture new opportunities for business development.

### 3.5.2 A BRIGHTER FUTURE

During 2016, the Arrium administrators, KordaMentha, worked with the State and Australian Governments to keep the business operating so that it could be re-structured and sold as a going concern. A bidding process commenced in the second half of 2016. This concluded with the announcement of London based GFG Alliance as the successful bidder on 4 July 2017.

Future plans include a vision to create a vertically integrated and sustainable industrial business that encompasses mining, metal recycling, primary metal production, engineering and distribution, and also includes the use of renewable energy. Green shoots of recovery are also emerging more generally with the improvement of commodity prices and multiple major regional projects under planning development.

### 3.5.3 CLUSTER DEVELOPMENT

Manufacturing and mining underpin Whyalla's economy. In the vicinity of one-third (33.6%) of Whyalla's workforce (over 3,000 jobs) is employed by the mining and steel making arms of Arrium, and substantial additional employment is generated in businesses providing Arrium with contract and support services.

Whyalla has numerous heavy industry companies and substantial engineering skills capability. These are valuable assets.

Strategic direction for 2016-17 was established by the Cluster Leadership Group in early 2016, and included actions in three specific focus areas:

#### 1. NEW OPPORTUNITIES:

Identifying, pursuing and promoting new business opportunities across 3 streams.

- Defence projects, including access and accreditation.
- Collective bidding – i.e. how to structure and market to enable joint bids for new opportunities.
- Other opportunities for Whyalla, including mining, resource processing and renewable energy.

## 2. TRAINING AND WORKFORCE DEVELOPMENT WITH A FOCUS ON TRADE SKILL SETS:

Building capability for Defence and heavy industry projects, including vocational training and industry placement.

## 3. ULTRA HIGH SPEED INTERNET:

Enabling commercial access to very high speed broadband, similar to the Northern Adelaide Gig City concept (utilising an existing fibre optic network).

### 3.5.4 OTHER INITIATIVES

Other initiatives progressed during 2016-17 included:

- an investigation and feasibility assessment of Defence asset reprocessing in Whyalla;
- ongoing engagement to build linkages with the Defence industry to improve regional business access to Defence projects (including component manufacture), and the supply of goods and services to training operations at the expanded Cultana Defence Training Area adjoining the City of Whyalla;
- capability mapping, including identification of opportunities for the growth and diversification of Whyalla businesses;
- strengthened engagement with State and Australian Government agencies to better facilitate regional opportunities and communicate regional issues and impediments; and
- investigation into the reduction of recurrent production costs, including energy and water costs.

### 3.5.5 BENEFITS

The Heavy Industry Cluster Group is one of many strategies being implemented to diversify Whyalla's economy. The circumstances that led to Arrium going into voluntary administration highlighted Whyalla's economic vulnerability and over-reliance on the mining and manufacturing industries.

The value-adding initiatives being pursued by the Cluster Group will not only strengthen existing industries, but will provide opportunities for new product development and business growth.

### 3.5.6 IMPACT OF THE PROJECT AND KEY OUTCOMES

Multiple forums, workshops and project briefings were facilitated in Whyalla targeting local and regional business managers. These included Australian and State Government agencies and a range of commercial project proponents seeking to develop capable supply chains. These forums improved understanding of the requirements to bid for work on a range of projects.



*Petro Diamond Facility*

Many of the businesses involved have expressed intent in pursuing opportunities beyond their traditional customer base – i.e. into the Defence industry and renewable energy sectors. The information transfer process was supplemented by RDAWEP attendance at Adelaide-based Defence industry briefings and the establishment of formal relationships with the SA Defence Teaming Centre and Defence SA. One outcome is that cluster businesses are now regularly provided with information about Defence industry and other opportunities. Another is that government agencies are much better informed about regional capabilities.

The Heavy Industry Cluster worked on a range of initiatives to pursue its longer term goals, including:

collaboration with TAFESA and DSD to establish a multi-trade vocational training program. The program involves multi-trade technical vocational training combined with supervised industry work placement to develop practical work skills. The project was developed to address a significant shortfall in trade apprentice training from the sudden decline of mining and construction investment in Australia, combined with the extended period of low commodity prices;

- a project to enable commercial access to ultra-high speed broadband via UniSA's AAR Net network. This project was identified as a high priority to enhance industry capability with projects which rely on data rich IT systems;
- a subgroup of the Heavy Industry Cluster was established to investigate formal collaboration, including collective bidding. Multiple meetings were facilitated with supply chain companies to progress this concept;
- several proposals were developed and submitted to State Government agencies to provide the resources to support industry development projects. This included proposals to help establish regional supply chain hub centred in Whyalla to develop and strengthen links between proponents of major projects and regional suppliers; and
- proposals to support the delivery of the multi-trade vocational training program have also been submitted and are currently being considered.

These initiatives are detailed in individual activity descriptions in the manufacturing section of the RDAWEP Annual Performance Report on Outcomes.

# 4. SHORTCOMINGS AND PROBLEMS EXPERIENCED 2016-2017



## 4.1 RDAWEP PROJECT TRACKER

In 2014, as a result of government and other enquiries, RDAWEP became aware that it did not have a checklist of projects being developed across the region. The project needs and aspirations for much of the region were consequently unknown, because of the lack of a mechanism to capture this information.

RDAWEP subsequently developed a Project Tracker template that was designed to capture existing, developing, planned and proposed projects across the region. A template was designed for each of the 11 EPLGA Council areas, and a separate template prepared to capture regional projects that cross Council boundaries. The template provides space to summarise each project, and includes information fields for:

- project title, and description;
- stakeholder parties;
- relevant plans and reports;
- project cost; and
- development status, i.e. whether the project
  - has been designed and costed;
  - approvals are in place;
  - community consultation phase has been conducted, and
  - capex funding has been secured (with the source identified), etc.

The primary purpose of the tracker is to assess the grant-readiness of projects. The template was modified during 2014-15 to improve information capture, with the addition of a second page to assess project funding eligibility against the guidelines of different government funding programs.

The template was distributed to each EPLGA Council in December 2014. Councils were asked to provide as much detail as necessary for each project, and to update

the tracker as new projects were determined. RDAWEP manages the master tracker documents, and provides each project with an activity number that aligns with activities in the RDAWEP Regional Plan and Operational Plan. The activity numbers are provided to produce proof that the projects align with regional planning. Such alignment is a prerequisite for funding eligibility with some government funding programs.

While the project checklist provides numerous regional planning benefits, the tracker initiative has 2 major problems.

1. Very few Councils update their Tracker templates. Despite repeated requests at quarterly EPLGA meetings, only a handful of Councils bother to update their trackers and provide the information to RDAWEP. 2 of the 11 Councils have never completed a Project Tracker from the first release in December 2014. Even though 1 of these Councils was given personal assistance to complete the tracker in December 2016, the updated document has never been provided.
2. The Tracker is resource intensive to maintain. It takes RDAWEP a great deal of time to manage and develop the checklist. Limited staff resources and competing RDAWEP work priorities make it difficult to allocate sufficient time to properly manage the tracker system. The consequence is that project updating is often deferred, and the analysis to assess project eligibility against different funding programs has never been accurately progressed.

The Project Tracker is critical to project monitoring and assessment. However the tracker system is not working well in practice. Alternative tracking procedures may need to be considered as part of the new governance arrangements proposed for regional development.

# 5. LESSONS AND CHALLENGES FOR 2017-2018



## 5.1 SUPPORT FOR GRANT APPLICATIONS

The ability to provide support to organisations seeking funding from government grant programs remains a major issue. Grant program conditions are becoming increasingly more rigorous, and applicants are required to invest substantially more amounts of effort and funding to be 'grant-ready'.

The increasing need for quantified, evidence-based planning to prove project merit has heightened the need for more detailed and robust business cases. The need to demonstrate project implementation capability requires the preparation of project management plans, procurement plans, risk management plans, and asset management plans among other documents. The need for evidence-based capex costings requires substantial investment in detailed design and engineering specifications, and independently verified cost estimates.

The introduction of the Australian Government, Building Better Regions Fund (BBRF) program, mandated the provision of cost-benefit analyses for projects seeking grant funding over \$1 million. This has exacerbated the financial investment needed for grant-readiness, because cost-benefit analyses require expertise that is beyond the capability of most RDAs. The cost of having these documents prepared by economists is in the region of \$10,000-20,000.

The time and investment now required to become grant-ready is very much favouring large organisations and Local Government Councils over smaller operators, because they can afford to pay private sector consultants to prepare the grant application support documents. This is arguably counterproductive for the development of regional areas, which are largely comprised of small Councils and community-based organisations that cannot afford these document costs.

RDAWEP is receiving substantially more requests to assist with grant applications and business cases, and is unable to meet the demand due to limited staff resources. Assistance with grant applications is consequently being contracted out on a user-pays basis to organisations that can afford to have the documents prepared by the private sector.

In 2016-17, RDAWEP provided substantial free assistance to:

- DC Elliston, for the Elliston to Wudinna Fibre Radio Transmission System – a project valued at \$3,629,500, with funding of \$1,341,500 million sought from the BBRF Infrastructure Stream; and
- Big Swamp Community Centre Incorporated, for the Big Swamp Community Centre Development – a project valued at \$19,558, with funding of \$19,000, sought from the BBRF Community Investments Stream.

In both instances, the support provided by RDAWEP included the preparation of the grant application, business case, project management plan and other documents. Based on this experience, RDAWEP has concerns about the conditions that apply to small projects seeking funding from the BBRF Community Investment Stream.

The BBRF guidelines do not require co-funding for Community Investment Stream projects costing \$5,000 to \$20,000. However, projects of this value are nevertheless required to provide a business case and project management plan as mandatory documents.

It took RDAWEP 250 hours to prepare the documents for the Elliston project valued at \$3.6 million: and 125 hours to prepare the Big Swamp documents for a project valued at \$19,500. In view of RDAWEP's limited staff resources and the competition for assistance with grant applications, it is highly unlikely that RDAWEP will be able to provide the same level of assistance to low value projects in the future.

The 125 hours spent on the Big Swamp project could have been better spent supporting projects valued up to \$1 million. This would arguably produce more effective economic outcomes for the development of the region, as well as a more effective use of RDAWEP's human resources.

It is acknowledged that governments need to be accountable for the expenditure of public funds, and they have appraisal frameworks in place to ensure they receive value for money. However, given the need for applicants to address 4 merit criteria in the grant application with the ability to attach documents as evidence to support their claims, RDAWEP believes that this should be more than sufficient to meet government accountability needs for the expenditure of small amounts of public funds.

RDAWEP consequently believes that the mandatory document requirements for small Community Investment Stream projects in the BBRF should be reviewed and modified.

The need to provide a business case and project management plan for projects worth less than \$20,000 in grant funding is posing an unnecessary burden on small community groups. Very few regional community groups can afford, or would be willing to invest the \$7,000-12,000 needed to have these documents prepared by private sector consultants.

The increasing documentation requirements are also imposing a burden on RDAs. The challenge for 2017-18 will be to assess projects on a case-by-case basis and put priority on providing RDAWEP grant application support to projects which have the potential to bring more effective community and economic benefits to the development of the region.

## 5.2 REGIONAL GOVERNANCE AND REGIONAL PLANNING

The successful establishment of a regional governance body is by far the greatest challenge for RDAWEP in 2017-18.

The RDAWEP, EPLGA, and EPNRM Boards are fully committed to forming a regional body to lobby for, and speak on behalf of the region's 58,000 population. Information about the need for and purpose of the regional governance body has been presented at several EPLGA meetings. However it may not be easy to achieve a unanimous agreement from the 11 EPLGA Member Councils to support the strategy.

The South Government's intention to establish Joint Planning Boards (JPBs) across SA to implement a collaborative Local Government approach to land use and development planning will greatly assist this task.

A second challenge is to obtain endorsement from Australian Government, Department of Infrastructure and Regional Development (DIRD), to use the JPB Regional Strategic Plan in place of the RDAWEP Regional Plan. This will require an exemption from DIRD because the JPB plan does not comply with the RDA regional plan template.



“One voice is tiny, and alone it cannot be heard above the din of politics as usual.

The people's voice, when it cries as one, is a great roar.”

Ross Perot

# 6. FINANCIAL REPORT



**REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC.**

FINANCIAL REPORT  
FOR THE YEAR ENDED  
30TH JUNE 2017

**REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC****CONTENTS**

Report of the Committee	3
Statement of Profit or Loss	5
Statement of Financial Position	6
Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Statement by Members of the Committee	13
Independent Auditor's Report to the Members	14
Auditor's Disclaimer	16
Detailed Profit and Loss Statement	17

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC.

REPORT OF THE COMMITTEE

FOR YEAR ENDED 30 JUNE 2017

Operating Result

	30/06/2017	30/06/2016
	\$	\$
The deficit from ordinary activities amounted to:	(124,046)	(473,270)

Signed in accordance with a resolution of the Members of the Committee

  
\_\_\_\_\_  
Chairman

Dated this 27<sup>th</sup> day of September 2017

  
\_\_\_\_\_  
Treasurer

Dated this 27<sup>th</sup> day of September 2017

## REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA &amp; EYRE PENINSULA INC.

STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue	2	2,636,705	2,958,840
<b>Expenses</b>			
Employee expenses		(1,437,187)	(1,375,258)
Depreciation expense		(17,471)	(21,328)
Advertising and promotion expense		(36,790)	(43,161)
Rental expense		(79,205)	(77,039)
Project funding expenses		(672,778)	(887,939)
Training expenses		-	(431,971)
Sundry expenses		<u>(517,320)</u>	<u>(595,414)</u>
<b>Current year deficit</b>		(124,046)	(473,270)
Income tax expense		<u>-</u>	<u>-</u>
<b>Net current year deficit</b>		<u><u>(124,046)</u></u>	<u><u>(473,270)</u></u>

The accompanying notes form part of these financial statements

## REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA &amp; EYRE PENINSULA INC

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	2,424,945	2,432,839
Accounts receivable and other debtors	5	545,010	471,723
TOTAL CURRENT ASSETS		<u>2,969,955</u>	<u>2,904,562</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	70,568	85,312
TOTAL NON-CURRENT ASSETS		<u>70,568</u>	<u>85,312</u>
TOTAL ASSETS		<u>3,040,523</u>	<u>2,989,874</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Accounts payable and other payables	7	221,063	211,670
Employee benefits	8	186,638	169,676
Unexpended Grants		924,668	813,179
TOTAL CURRENT LIABILITIES		<u>1,332,369</u>	<u>1,194,525</u>
NON-CURRENT LIABILITIES			
Employee benefits	9	58,722	21,871
		<u>58,722</u>	<u>21,871</u>
TOTAL LIABILITIES		<u>1,391,091</u>	<u>1,216,396</u>
NET ASSETS		<u>1,649,432</u>	<u>1,773,478</u>
<b>EQUITY</b>			
Reserves	10	1,685,997	1,735,997
Retained surplus / (deficit)		(36,565)	37,481
TOTAL EQUITY		<u>1,649,432</u>	<u>1,773,478</u>

The accompanying notes form part of these financial statements

## REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA &amp; EYRE PENINSULA INC.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2017

	Retained Surplus \$	General Reserves \$	Total \$
<b>Balance at 1 July 2015</b>	485,751	1,760,997	2,246,748
Net deficit for the year	(473,270)	-	(473,270)
Transfer to reserves	-	-	-
Transfer from reserves	25,000	(25,000)	-
<b>Balance at 30 June 2016</b>	37,481	1,735,997	1,773,478
Net deficit for the year	(124,046)	-	(124,046)
Transfer to reserves	-	-	-
Transfer from reserves	50,000	(50,000)	-
<b>Balance at 30 June 2017</b>	<u>(36,565)</u>	<u>1,685,997</u>	<u>1,649,432</u>

The accompanying notes form part of these financial statements

## REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA &amp; EYRE PENINSULA INC.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants operating received		1,458,966	1,357,116
Project funding		1,053,456	865,837
Other receipts		3,368	14,567
Payments to suppliers and employees		(2,568,584)	(3,555,336)
Interest received		47,627	60,585
Net cash used in operating activities		<u>(5,167)</u>	<u>(1,257,231)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,727)	-
Net cash used in investing activities		<u>(2,727)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net decrease in cash held		(7,894)	(1,257,231)
Cash on hand at beginning of financial year		2,432,839	3,690,070
Cash on hand at end of financial year	4	<u>2,424,945</u>	<u>2,432,839</u>

The accompanying notes form part of these financial statements

**REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

**Note 1: Summary of Significant Accounting Policies**

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act SA. The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets. The amounts presented in the financial statements have been rounded to the nearest dollar.

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

**(a) Property, Plant and Equipment (PPE)**

Property, Plant & Equipment is carried at cost, less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the Association from the time the asset is held ready for use.

**(b) Impairment of Assets**

At each reporting date, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognized in the income and expenditure statement.

**(c) Employee Provisions**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled.

**(d) Cash and Cash Equivalents**

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

**(e) Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**(f) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discount and volume rebates allowed.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

## REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA &amp; EYRE PENINSULA INC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

**Note 1: Summary of Significant Accounting Policies (continued)****(f) Revenue and Other Income (continued)**

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

All revenue is stated net of the amount of goods and services tax.

**(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 Taxation Office. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

**(h) Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(i) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(j) New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the incorporated association for the annual reporting period ended 30 June 2017. The incorporated association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

	2017 \$	2016 \$
<b>Note 2: Revenue and Other Income</b>		
Administration grants	1,458,966	1,357,116
Project funding	1,126,744	1,526,572
Interest received	47,627	60,585
Other income	3,368	14,567
	<u>2,636,705</u>	<u>2,958,840</u>
<b>Note 3: Auditors' Fees</b>		
Remuneration of the auditor of the association for:		
Auditing the financial report	7,950	7,720
Auditing project grant acquittal reports	8,570	6,375
Other corporate services	82	2,450
	<u>16,602</u>	<u>16,545</u>

## REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA &amp; EYRE PENINSULA INC

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
<b>Note 4: Cash and Cash Equivalents</b>		
Cash in hand	400	400
Bendigo Admin Account	573,179	587,337
RDA WEP - Employ & Skills Admin	9,703	6,020
RDA WEP Whyalla Reserve	217,430	217,430
RDA WEP Eyre Reserve	350,497	350,497
Bendigo Eyre Reserve Term Deposit	805,000	805,000
Bendigo Whyalla Reserve Term Deposit	300,000	300,000
Bendigo Eyre Reserve 11am	64,922	63,929
Bendigo Whyalla Reserve 11am	103,814	102,226
	<u>2,424,945</u>	<u>2,432,839</u>
<b>Note 5: Accounts Receivable and Other Debtors</b>		
Project debtors	513,507	346,731
Other debtors	31,503	122,071
GST Receivable	-	2,921
	<u>545,010</u>	<u>471,723</u>
<b>Note 6: Property, Plant and Equipment</b>		
Plant & Equipment - at Cost	42,873	42,873
Less Accumulated Depreciation	(40,232)	(39,572)
	<u>2,641</u>	<u>3,301</u>
Office Equipment - at Cost	147,932	145,205
Less Accumulated Depreciation	(133,738)	(130,361)
	<u>14,194</u>	<u>14,844</u>
Furniture & Fittings - at Cost	62,268	62,268
Less Accumulated Depreciation	(58,034)	(56,975)
	<u>4,234</u>	<u>5,293</u>
Project Assets - at Cost	52,812	52,812
Less Accumulated Depreciation	(31,180)	(25,772)
	<u>21,632</u>	<u>27,040</u>
Motor Vehicle - at Cost	87,281	87,281
Less Accumulated Depreciation	(59,414)	(52,447)
	<u>27,867</u>	<u>34,834</u>
Total Property, Plant & Equipment	<u>70,568</u>	<u>85,312</u>

**Reconciliations**

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial period are set out below:

	Carrying Amount at 30 June 2016	Additions	Disposals	Depreciation Expense	Carrying Amount at 30 June 2017
Plant & Equipment	3,301	-	-	(660)	2,641
Office Equipment	14,844	2,727	-	(3,377)	14,194
Furniture & Fittings	5,293	-	-	(1,059)	4,234
Project Assets	27,040	-	-	(5,408)	21,632
Motor Vehicle	34,834	-	-	(6,967)	27,867
	<u>85,312</u>	<u>2,727</u>	<u>-</u>	<u>(17,471)</u>	<u>70,568</u>

## REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA &amp; EYRE PENINSULA INC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<b>Note 7: Accounts Payable and Other Payables</b>		
Sundry and other creditors	114,312	164,410
Credit card control account	5,181	3,074
GST payable	54,796	-
Payroll liabilities	46,774	44,186
	<u>221,063</u>	<u>211,670</u>
<b>Note 8: Employee Provisions - Current</b>		
Annual leave entitlements	132,254	120,200
Long service leave entitlements	54,384	49,476
	<u>186,638</u>	<u>169,676</u>
<b>Note 9: Employee Provisions - Non-Current</b>		
Long service leave entitlements	58,722	21,871
	<u>58,722</u>	<u>21,871</u>
<b>Note 10: General Reserves</b>		
Eyre reserve project allocation	1,123,183	1,123,183
Whyalla reserve project allocation	562,814	612,814
	<u>1,685,997</u>	<u>1,735,997</u>
<b>Note 11: Operating Lease Commitments</b>		
Being for rent of office and motor vehicles:		
Payable - minimum lease payments:		
-not later than 12 months	113,403	123,348
-between 12 months and five years	42,106	52,591
	<u>155,509</u>	<u>175,939</u>
<b>Note 12: Contingent liabilities</b>		
RDA-WEP have bank guarantees in place to cover payroll processing with their external provider. These were in place for 30 June 2017 and 30 June 2016.		
Apart from above, RDA-WEP had no other contingent liabilities.		
<b>Note 13: Events after the reporting period</b>		
No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the RDA-WEP's operations, the results of those operations, or RDA-WEP's state of affairs in future financial years.		
<b>Note 14: Economic Dependence</b>		
The ongoing operations of RDA-WEP is dependent on receiving operational funding from the local, state and federal governments.		
In addition to the current projects that are funded to promote economic development in the region, RDA-WEP continue to run a number of unfunded programs using their own operational funding. Without the the support of the government, the special projects may not be viable to continue.		

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA

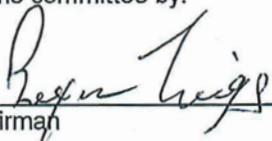
STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the Association is not a reporting entity and 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 committee the financial statements as set out on pages 3 to 12:

- 1 Presents fairly the financial position of Regional Development Australia - Whyalla & Eyre Peninsula Inc. as at 30 June 2017 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 - Whyalla & Eyre Peninsula Inc. will be able to pay its debts as and when they fall due.

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

  
 \_\_\_\_\_  
 Chairman

Dated this 27<sup>th</sup> day of September 2017.

  
 \_\_\_\_\_  
 Treasurer

Dated this 27<sup>th</sup> day of September 2017.

RSM Australia Pty Ltd

Equinox Building 4, Level 2, 70 Kent Street, Deakin ACT 2600  
GPO Box 200, Canberra ACT 2601

T +61 (0) 2 6217 0300

F +61 (0) 2 6217 0401

www.rsm.com.au

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF

### REGIONAL DEVELOPMENT AUSTRALIA – WHYALLA & EYRE PENINSULA INCORPORATED

#### Opinion

We have audited the financial report of Regional Development Australia – Whyalla & Eyre Peninsula Incorporated, which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion, the accompanying financial report presents fairly, in all material respects the financial position of Regional Development Australia – Whyalla & Eyre Peninsula Incorporated as at 30 June 2017, and its performance and cash flows for the year then ended in accordance with 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 in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Regional Development Australia – Whyalla & Eyre Peninsula Incorporated in accordance with the auditor independence 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.

#### Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Regional Development Australia – Whyalla & Eyre Peninsula Incorporated to meet the requirements of the Associations Incorporation Act (SA) 1985. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that 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 an 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

**RSM AUSTRALIA PTY LTD**  
Chartered Accountants



R Miller  
Director

Canberra, Australian Capital Territory  
Dated: 28 September 2017



**RSM Australia Pty Ltd**

Equinox Building 4, Level 2, 70 Kent Street, Deakin ACT 2600  
GPO Box 200, Canberra ACT 2601

T +61 (0) 2 6217 0300  
F +61 (0) 2 6217 0401

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S DISCLAIMER**

**REGIONAL DEVELOPMENT AUSTRALIA – WHYALLA & EYRE PENINSULA INCORPORATED**

The additional financial data presented in the following pages is in accordance with the books and records of the Association which have been subjected to the auditing procedures applied in our audit of the Association for the year ended 30 June 2017. It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person, (other than to the Regional Development Australia – Whyalla & Eyre Peninsula Incorporated) in respect of such data, including any errors or omissions therein however caused.

**RSM AUSTRALIA PTY LTD**  
Chartered Accountants

R Miller  
Director

Canberra, Australian Capital Territory  
Dated: 28 September 2017

**REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC**  
**DETAILED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>INCOME</b>			
Interest Received		47,627	60,585
		<u>47,627</u>	<u>60,585</u>
<b>OTHER INCOME</b>			
Administration Grants		1,458,966	1,357,116
Project Funding		1,126,744	1,526,572
Office Subrental		1,718	14,567
Sundry Income		1,650	-
		<u>2,589,078</u>	<u>2,898,255</u>
		<u>2,636,705</u>	<u>2,958,840</u>

## REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA &amp; EYRE PENINSULA INC

## DETAILED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
<b>EXPENDITURE</b>		
Advertising & Promotion	36,790	43,161
Audit & Accounting Fees	16,601	16,545
Bank Charges & Taxes	755	2,574
Board Meeting Expenses	54,250	57,438
Cleaning and Repairs	16,692	32,460
Computer Expenses	33,273	40,754
Consultants Fees	492,639	590,264
Depreciation	17,471	21,328
Electricity & Gas	14,580	14,267
Fringe Benefits Tax	31,500	18,286
Insurance	3,880	6,162
Legal Costs	500	-
Motor Vehicle	104,466	96,902
Photocopier Expenses	27,096	33,780
Postage	2,399	4,772
Project Expenses	180,139	143,553
Project Funding	-	154,122
Printing & Stationery	10,525	15,477
Publications	1,981	2,507
Rates & Taxes	11,381	13,684
Rent	79,205	77,039
Security	702	1,142
Seminars	7,607	3,780
Staff Amenities	2,234	708
Subscriptions	9,725	5,823
Sundry Expenses	3,576	13,407
Telephone	59,280	60,816
Training Programmes	-	431,971
Travel & Accommodation	104,317	151,089
Payroll	1,244,978	1,179,046
Payroll Overheads	192,209	196,212
Minor Capital Purchases	-	3,041
	<u>2,760,751</u>	<u>3,432,110</u>
<b>Net current year deficit</b>	<u>(124,046)</u>	<u>(473,270)</u>

## REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA &amp; EYRE PENINSULA INC

## DETAILED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
Net current year deficit	(124,046)	(473,270)
RETAINED SURPLUS AT THE BEGINNING OF THE FINANCIAL YEAR	37,481	485,751
NET TRANSFERS FROM RESERVES	<u>50,000</u>	<u>25,000</u>
TOTAL AVAILABLE FOR APPROPRIATION	<u>(36,565)</u>	<u>37,481</u>
RETAINED SURPLUS / (DEFICIT) AT THE END OF THE FINANCIAL YEAR	<u><u>(36,565)</u></u>	<u><u>37,481</u></u>

## 6.1.11 STATEMENT OF DECLARATION

The Board of the Regional Development Australia Whyalla and Eyre Peninsula Inc [RDAWEP] declares the following in accordance with the Associations Incorporation Act 1985 [Act]:

[1] The accounts present fairly the results of the operations of RDAWEP for the 2016/17 financial year and the state of affairs of RDAWEP as at the end of the 2016/17 financial year.

[2] The Board has reasonable grounds to believe that RDAWEP will be able to pay its debts as and when they fall due.

[3] That no Board Member of RDAWEP or a firm of which any Board Member is a member or a body corporate in which the Board Member has a substantial financial interest has received or become entitled to receive a benefit as a result of a contract between the Board Member, firm or body corporate and RDAWEP.

[4] That during the 2016/17 financial year no Board Member of RDAWEP has received directly or indirectly from RDAWEP any payment or other benefit of a pecuniary value, aside from meeting and travel allowances and honorariums where appropriate, as set out below.

NAME	MEETING / TRAVEL ALLOWANCE \$	HONORARIUM \$
B. Trigg	2,549.25	5,000.00
D. Turvey	450.00	1,800.00
M. Catt	900.00	1,800.00
A. Suter	3,512.50	1,000.00
J. Velthuizen	2,674.50	1,000.00
C. McLaughlin	1,419.37	
C. Carter	1,605.75	
H. Baldock	2,565.00	
K. McShane	1,265.56	
L. Breuer	-	
M. Waller	300.00	
M. Enbom	0.00	

\*2017/2018 Honorariums are to be paid to the Executive Members in October 2017.









# Eyre Peninsula™

*Australia's seafood frontier*



89 Liverpool Street | Port Lincoln SA 5606

TEL (08) 8682 6588 | FAX (08) 8682 5081

EMAIL [reception@rdawep.org.au](mailto:reception@rdawep.org.au) | WEB [www.rdawep.org.au](http://www.rdawep.org.au)

