

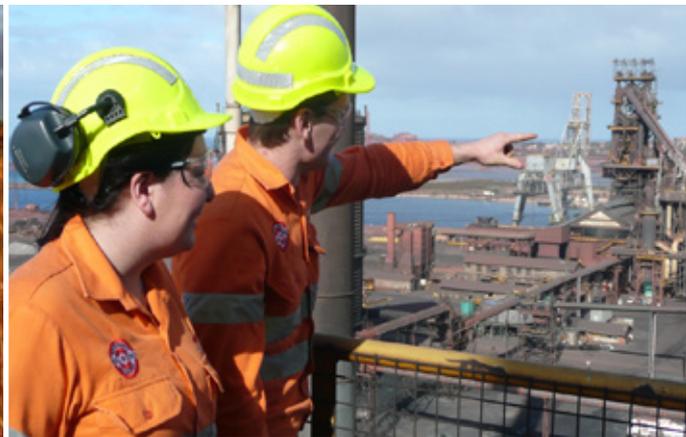


Regional  
Development  
*Australia*

WHYALLA &  
EYRE PENINSULA INC.

# Annual Report 2013-2014





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## STRATEGIC CONTEXT



**Developing an Eyre of Prosperity**

## CHAIRMAN'S REPORT



2013-14 was a year of significant transition and uncertainty for RDA WEP. The year commenced without core funding from the South Australian Government, included 4 months of operation under Acting Chief Executive Officer Alex Todd until the appointment of the new CEO Dion Dorward in November, and concluded in June 2014 with the release of a major organisational review into the effectiveness of RDA WEP governance and operations.

The withdrawal of South Australian Government core funding was particularly unsettling. Even though the State Government provided grant funding of \$200,000 per annum from the Regional Development Fund [RDF Stream 1] towards the salaries of 2 Economic Development Managers, RDA WEP managed to maintain all staff positions because the Board resolved to use reserve funds to keep operations at existing levels. This was a very welcome decision because the State Government had changed funding arrangements for business support services and no longer provided salaries for Business Development Advisors. The use of reserve funds kept both RDA WEP Business Advisors in place, enabling training and support services for the small business sector to be maintained during the year.

Additional State Government RDF [Stream 2] funding of \$185,000 was secured toward a \$370,000 project to build the Eyre Peninsula as a world class food region. The additional funding was leveraged from food and tourism industries on a dollar-for-dollar basis. The grant funding process was lengthy and convoluted, but it supported a range of food and tourism initiatives to strengthen the regional brand *Eyre Peninsula – Australia's Seafood Frontier* and was critical for the recruitment of a new Food Industry Development Officer, to drive a range of culinary development projects.

The pending Australian Government election in September 2013 provided a flurry of grant opportunities for infrastructure projects during July, with Round 5 and 5b of the Regional Development Australia Fund [RDAF] targeting Local Government projects. Round 5 offered a total of \$1,482,481 in pre-allocated, ie guaranteed grant funding, to the region's 11 Councils for community infrastructure and other initiatives, resulting in applications being submitted for a diverse range of projects.

Round 5b provided the Board with the opportunity to resubmit grant applications for major projects, which failed to secure funding from Round 4 of the RDAF. This resulted in the Thevenard Marine Offloading Facility (\$5,679,442) and the Whyalla Middleback Theatre Refurbishment (\$3,803,000) being resubmitted for funding consideration.

The post-election period produced a hiatus in project development as the newly elected Abbott Australian Government reviewed discretionary grant programs for consistency with government priorities and commitments and restructured several government departments. Under the Administrative Arrangements Order of 18 September this resulted in the functions of the former Department of Regional Australia, Local Government, Arts and Sport being reallocated to the Department of Infrastructure and Regional Development [for infrastructure development], Department of Health [sports programs] and the Attorney-General's Department [for arts and cultural programs].

A decision made at this time was that RDAF Round 5 and 5b would not be proceeding because these were considered to be unfunded Labor election commitments. This was extremely disappointing for the region's Councils, who went to a great deal of effort to meet an extremely short submission deadline, being less than 4 weeks and aimed at shovel-ready projects.

The Australian Government deliberations included a reassessment of the role and effectiveness of RDA committees and their service delivery to regional Australia. This brought an air of uncertainty to RDA WEP operations due to the uncertainty of the future of RDA Committees. At the time of preparing this Chairman's Report decisions about service delivery models to regional Australia had not been resolved.

In view of this context of significant change, RDA WEP had little alternative but to adopt *business as usual* operations.

This was extremely difficult in the latter half of 2013-14 because the organisation was adjusting to operations under a new CEO, the nature of Australian Government regional infrastructure programs to replace the RDAF had not been determined, the RDA WEP organisational review had commenced [which was unsettling for some staff as it involved decisions regarding employment contracts were involved] and, to add a further degree of uncertainty, the South Australian Government election was held in March resulting in a hung parliament with the balance of power in the hands of 2 independents.

The election negotiations resulted in the return of the Weatherill Labor Government because the independent member for Port Pirie, Geoff Brock, decided to join the government as the Minister for Regional Development and Local Government. This balance of power position involved negotiations concerning regional development funding, including the possible reinstatement of RDA core funding. These negotiations are still ongoing and are close to being determined.

In spite of this period of notable change and the lack of a funding program for regional infrastructure projects, RDA WEP managed to facilitate numerous initiatives to benefit the region during 2013-14. These initiatives are detailed in the Key Achievements section of this Annual report.

I wish to thank Alex Todd for maintaining the organisation as Acting CEO during July to November. This was not an easy task as Alex retained his Economic Development Manager workload during this period and travelled countless kilometres between the Whyalla and Port Lincoln Offices.

I also wish to thank our new CEO, Dion Dorward, for guiding our organisation during this troublesome period. Dion was born and raised in Tumby Bay and has a deep personal understanding and commitment to the region. This is very evident in his passion to deliver long term developmental change. Dion has brought new insights and energy to the organisation and his determination to install a culture of continuous improvement is very welcome.

To our 11 Member Councils and the Australian Government, I wish to formally acknowledge the Board's appreciation of your ongoing support. The staff and Board Members will continue to work with both levels of government to achieve tangible outcomes for the region as a whole.

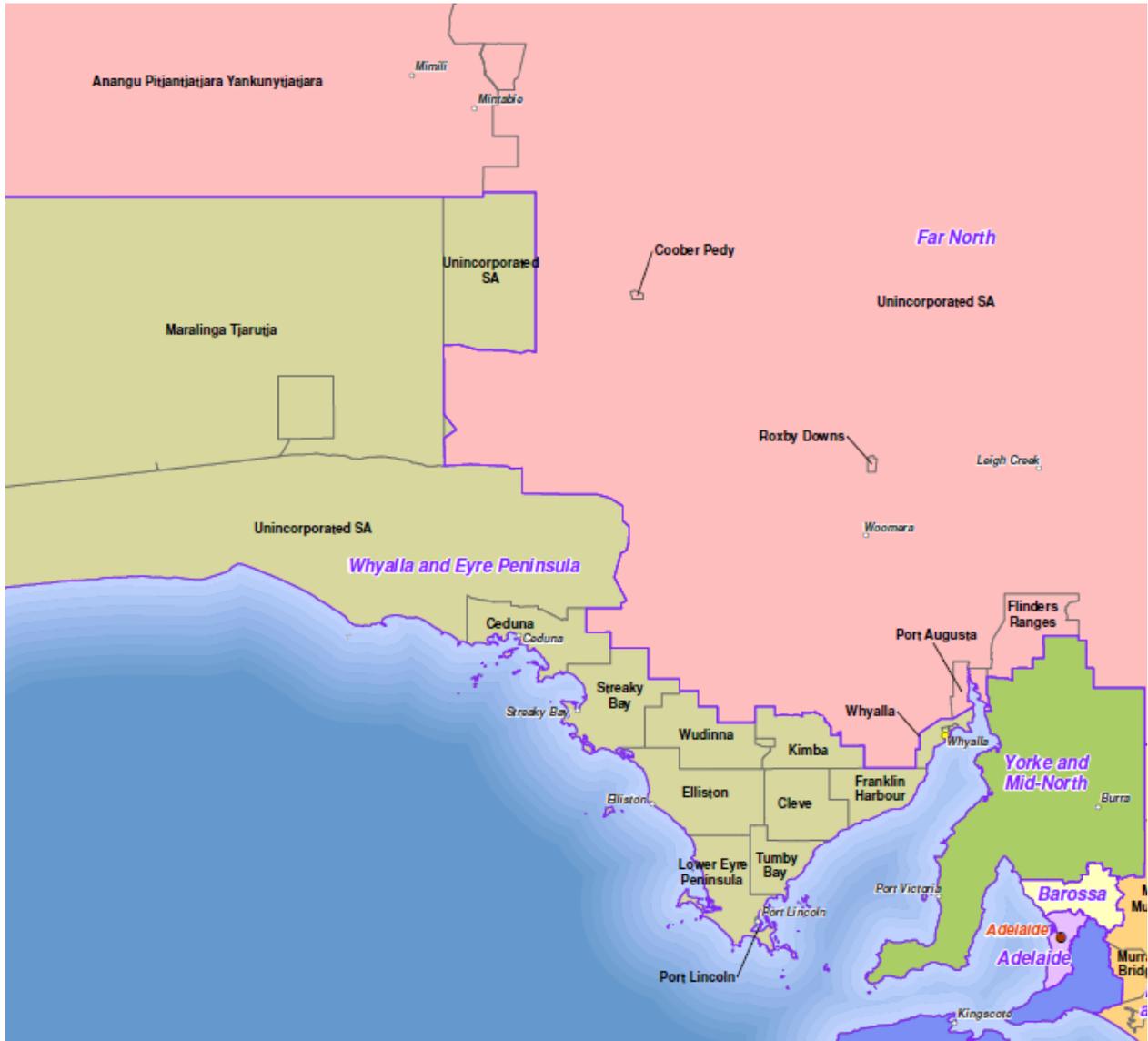
The Board Members of RDA WEP, the Executive Committee in particular, have again extended themselves throughout the year and I thank you all for your input and commitment to ensure that regional development initiatives were achieved.

In closing, I would like to sincerely thank the enthusiastic and committed staff of RDA WEP, who have been instrumental in driving the successful application of Board policies and priorities. I commend their efforts under difficult circumstances and look forward to maintaining positive working relationships for the benefit of the region.

Jim Pollock  
Chairman

## THE REGION

The Regional Development Australia Whyalla and Eyre Peninsula (RDAWEP) region comprises approximately 230,000kms<sup>2</sup> of land in the far west of South Australia (approximately 23% of the State). The area is a coastal and rural environment with approximately one third of South Australia's coastline stretching over 2,000kms from the upper Spencer Gulf 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 and marine environment includes marine and conservation parks and encompasses approximately 250 islands ranging in size from about 180 to 40,000m<sup>2</sup>.



Context Map, Regional Development Australia, Whyalla and Eyre Peninsula.

The north west of the region incorporates the Maralinga Tjarutja Aboriginal Lands and abuts the Western Australian border about 300 kilometres north of the Trans-Australian Railway line. This land includes the ochre and red sand ridges of the Ooldea Range and Great Victoria Desert which are partially covered in spinifex, sheoaks, mallee and desert oaks. The far western area between the Great Australian Bight and Trans Australian Railway Line includes the fringe of the 'treeless' Nullarbor Plain.

A large proportion of the region has been cleared for agricultural production; however significant areas of native vegetation remain. Approximately 7.5 million hectares of land is included in national parks, conservation parks and reserves. Vegetation clearance for agricultural purposes 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.

## Population and Local Government

The region has 11 Local Government Authorities (LGAs) as well as remote unincorporated areas of the State serviced by the Outback Communities Authority. For Census data collection purposes the Maralinga Tjarutja Aboriginal Lands are regarded as an LGA in its own right, but Maralinga Tjarutja is excluded from financial contribution to RDAWEP operations.

In 2011 the regional population of 56,396 comprised 3.5% of the South Australian population. 98.7% of people reside in the 11 LGAs, which collectively occupy 43,778.6km<sup>2</sup> or about 19% of the regional land mass. Most of the population (64.1% or 36,174 people) live in the regional cities of Whyalla and Port Lincoln.

The remaining 1.3% of the population (745 people) is very thinly spread across 81.2% of the region, ie 189,000km<sup>2</sup>.

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
Other <sup>1</sup>	86,139.4	37.00	672	1.19
Maralinga Tjarutja	102,863.6	44.19	73	0.13
<b>REGION</b>	<b>232,781.6</b>	<b>100.00</b>	<b>56,396</b>	<b>100.00</b>
<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>

RDAWP Local Government Land Areas and Population 2011.

<sup>1</sup> Includes Unincorporated West Coast, Yalata Community (4,563km<sup>2</sup>) and Nullarbor Regional Reserve Land. Population data – ABS, 2011 Census of Population and Housing. Land area data – [www.wikipedia.org](http://www.wikipedia.org) Local Government Areas of South Australia.

It should be noted that the land areas and populations of Cleve and Franklin Harbour changed on July 1 2014 due to an adjustment of the Council boundaries. The Boundary Adjustment Facilitation Panel supported the transfer of 492km<sup>2</sup> of land from Franklin Harbour to Cleve to address the concerns of approximately 62 residents currently living in the Hundreds of Mangalo and Heggaton.

In 2011 the region had 3,225 Aboriginal people comprising 5.7% of the regional population. This is notably above the proportions for South Australia (1.9%) and Australia (2.6%). 80% of the region's Aboriginal people (2,572) live in the Local Government areas of Whyalla, Port Lincoln and Ceduna. The greatest concentration is in Ceduna, where Aboriginal people comprise 24.9% of the Council population.

Since 2001, the regional population has grown by 4.5% however this is not consistent across the region as a whole. The District Councils of Elliston, Wudinna and Kimba experienced population declines of -15.2%, -13.7% and -8.5% respectively, but the District Council of Lower Eyre Peninsula experienced growth of 17.2%. Population growth was also experienced in the coastal Councils of Streaky Bay, Tumby Bay and Port Lincoln.

The 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 estate developments have been established to cater for growing housing demand, notably by retirees from the agricultural sector. Population growth in the District Council of Lower Eyre Peninsula stems from several locational and lifestyle advantages, including numerous coastal townships and proximity to the regional city of Port Lincoln and the airport.

Kimba and Wudinna are the only Councils without a coastline and this factor impacts on their appeal and tourism development potential.

## 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 is above the 14.0% rate for Australia, but below the rate of 16.2% for South Australia.

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	

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

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 40 years of age and over in 2011, with 21.5% over 60 years of age. The District Council of Tumby Bay has the oldest population profile with 60.1% over the age of 40 and 32.1% over 60 years of age. Similar results for the over 40 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 comprise the smallest sector of the regional population at 12.1% and this is consistent in all Local Government areas.

Tumby Bay (8.0%), Kimba (8.5%), Cleve (9.1%), Wudinna (9.3%) and Streaky Bay (9.9%) have the smallest proportion of 15-24 year olds, whereas Whyalla (13.4%), Port Lincoln (13.2%) and Ceduna (12.4%) are the only areas where the 15-24 aged sector exceeds the regional average.

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

Retirements will diminish the labour force of skilled and experienced labour and create employment openings for young people. It is estimated that over 11,000 workers (about 40% of the regional workforce) will leave their jobs within 20 years if they all retire at 65 years of age. But there will be limited choice with the provision of a capable replacement pool.

The regional population is too small to provide the workforce for anticipated future development needs, with the consequence that by 2020, approximately 3,800 workers will need to be recruited from elsewhere.

## Industries and Services Overview

The region is well positioned to facilitate and support a broad range of significant developments. The economy is extremely diverse with world-leading companies in agriculture, manufacturing, fishing and aquaculture, and fast growing mining and tourism industries.

Based on employment, the main industries are primary production (agriculture, fishing and aquaculture), health and social care, manufacturing, retail trade, education and training, and construction. Tourism and mining are the region's fastest emerging industries and have significant potential for future growth.

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

RDWEP Top 10 Industries by Employment, 2011. (ABS Census 2011 from [www.myregion.gov.au](http://www.myregion.gov.au)).

Primary production (agriculture, fishing and aquaculture) is the largest industry employing 3,338 people or 13.1% of the regional workforce. Employment in primary production declined by 16.8% during the last decade (from 4,012 people in 2001 to 3,338 in 2011), which is largely due to the rationalisation of farming properties, therefore reducing employment opportunities. Primary production is nevertheless the main industry in the region and is integral to business growth and development in other industry sectors.

The health care and social assistance sector is the largest employer in South Australia and second largest industry in the region. In 2011 the health and social care sector employed 2,996 people or 11.8% of the regional workforce. Most employees are based in Whyalla (1,153 people or about 38.5% of the health care workforce), with 790 employees (26.4% of the workforce) based in Port Lincoln. This is a fast growing industry with a 29.5% growth in employment from 2,111 people in 2001 to 2,996 in 2011 and business growth of 36.9% since 2007 (from 122 businesses in 2007 to 167 in 2011).

Agriculture, fishing and aquaculture are key economic and employment generating industries. But if they are identified as separate industries - rather than being amalgamated as primary production activity - the health care and social assistance sector would become the region's main industry by employment. This can largely be attributed to the ageing of the regional population.

Manufacturing and resource processing is the region's third largest industry employing 2,890 people or 11.3% of the regional workforce. The manufacturing sector has experienced modest employment growth of 3.6% since 2001 however numerous growth opportunities are pending, particularly at Whyalla where several new industrial initiatives are either in progress or planned.

The retail trade industry is an integral part of all townships and has experienced steady employment growth of 7.0% since 2001. Collectively, the retail sector is the region's fourth largest industry employing 2,669 people in 2011 or 10.5% of the regional workforce. Most employees are based in Whyalla (1,016 people, 37.8% of the retail workforce) and Port Lincoln (840 people, 31.2% of the workforce).

The region has a diverse range of educational facilities including specialised training centres in the secondary and tertiary education sectors. The education and training industry employs 1,967 people or 7.7% of the regional workforce. Most employees are based in Whyalla (739) and Port Lincoln (513), collectively comprising 65% of the education and training workforce.

The construction industry is the 6<sup>th</sup> largest regional industry by employment and has grown by 26.1% from 1,340 employees in 2001 to 1,813 in 2011.

The region's mining sector is small in comparison with other industries. In 2011, mining employed 954 people or 3.8% of the regional workforce. Most of the mining employees were based in Whyalla (611), Port Lincoln (91), Franklin Harbour (85) and Ceduna (56). The relatively large number of employees in the District Council of Franklin Harbour is due to people living in Cowell and doing drive-in-drive-out to Arrium's Iron Duke Mine, approximately 50km from both Cowell and Whyalla.

Mining is the region's fastest growing industry with a substantial 79.2% growth in employment during 2001-2011. This growth is largely the result of unprecedented mining exploration activity in lower Eyre Peninsula, which has large resources of iron ore, graphite and kaolin along with uranium and gold prospects.

Tourism is also a fast growing industry with considerable development potential due to the region's rapidly growing reputation for unique and diverse nature based visitor experiences and premium seafood products. Tourism is becoming an important sector for the regional economy with visitor expenditure exceeding \$277 million in 2011-2012 from 700 businesses. The region is being positioned as a culinary tourism destination.

## A Region of Quality

Diversity is one of the region's greatest attributes and underpins its comparative advantage and competitiveness. Industrial diversity is important for economic growth and sustainability because it provides the region with resilience through not being reliant on a single industry or single product for its prosperity.

In addition the concept of quality is emerging as a distinctive regional attribute. The region is renowned for its premium seafood, high quality grains and the pristine, unblemished nature of its landscapes, seascapes and conservation parks. The region is being lauded for high quality and different nature based tourism experiences, such as swimming with tuna, cage diving with Great White sharks and whale watching at the Head of Bight. Other qualitative characteristics are also becoming apparent as distinguishing features of the region, such as:

› **High quality magnetite**

The magnetite from Iron Road's Central Eyre Iron Project at Warrambo is high quality at 67% iron with few impurities. This is of considerable interest in China because the ore does not need palletisation, which expedites the smelting process and reduces environmental emissions. The magnetite is expected to attract a quality premium differential of \$US18 per tonne over the market price for iron ore and this expectation is included in Iron Road's Definitive Feasibility Study for the project.

› **High quality graphite**

The graphite mines at Uley (Valence Industries), Kookaburra Gully (Lincoln Minerals), Campoona and Waddikee (Archer Exploration) are reputed to contain the largest flake and best quality deposits in the world with the capacity for manufacturing graphene products which have increasing world demand for advanced technological and medical applications.

› **High quality kaolin**

Minotaur Exploration's Carey's Well kaolin mine near Poochera is reputed to contain the brightest and whitest kaolin in the world (at ISO brightness of 80) and is much sought after for high quality paints, inks, plastics and ceramic finishes.

› **High quality zircon**

Iluka Resources' Jacinth Ambrosia mine north of Yalata is arguably the largest deposit of the highest quality zircon in the world. It is also anticipated that other heavy mineral sand deposits in the far west of the region are likely to produce similar quality product.

These qualitative attributes are complemented with escalating growth of innovative approaches and processes to economic and product development.

Collaborative problem solving approaches to economic development have been adopted region wide through industry based target teams and other stakeholder engagement. The region's educational institutions are pursuing research for sustainable farming and renewable technologies. Pilot and demonstration projects are being progressed for the production of biofuels from algae and other feed stocks and the application of wind hydro technology for power generation. Best practice environmentally sustainable production technologies are being pursued by the region's aquaculture industry and world class, advanced technology graphene and interpretive initiatives are being progressed to tap new and emerging international markets.

Coupled with significant and growing capex investment in recent years and yet to be realised export potential in the resources sector, the region is well positioned for long term, sustainable economic growth into the future.

The region's doors are not only open for business but they are marked by branding in big letters stating *'enter here if you want the best'*.



## BOARD MEMBERS

Jim Pollock	Chairman
Angela Faulkner	Deputy Chairman
Deidre Turvey	Treasurer
Jack Velthuisen	Executive Member
Allan Suter	Executive Member
Malcolm Catt	Executive Member
Sarah Adamson	
Bryan Trigg	
Annette Kirby	
Clare McLaughlin	
Colin Carter	
Annie Lane	
Sid Wilson	
Eduardo Donoso	

## STAFF MEMBERS

Dion Dorward	Chief Executive Officer
Amanda Bridge	Economic Development Manager - Eyre
Alex Todd	Economic Development Manager - Whyalla
Mike Shore	Business Development Adviser - Eyre
Heidi Freeman	Business Development Adviser - Whyalla
Peter Mitchell	Employment and Skills Development Manager - Eyre
Peter Klobucar	Employment and Skills Development Manager - Whyalla
Howard Coote	Indigenous Economic Development Officer - Eyre
Mark Allsopp	Food Industry Development Officer
Brad Riddle	Tourism Development Manager
Emma Pearson	Project Officer
Paula Wilson	Career Development Officer
Bob Ramsay	Special Projects Manager
Aina Danis	Executive Assistant/Officer Manager- Eyre
Vera Christian	Finance Officer
Sue Henriksen	Administration Officer- Eyre
Tamara Clark	Executive Assistant/Office Manager- Whyalla
Ruth Brown	Executive Assistant Office Manager - Whyalla
Sandy Jones	Administration Officer - Whyalla

## VISION and REGIONAL PRIORITIES

In May 2014, as part of an RDAWEP strategic planning review, the Board refined its vision and determined 11 new priorities for the development of the region. The Board's long term vision is:

*An innovative, competitive and sustainable region that offers opportunity and a quality lifestyle.*

The Board's regional priorities address regional development issues and needs, but have been tailored to align with (1) the 5 key determinants of regional economic growth, which are recognised by COAG and form the main structure of the RDAWEP Regional Plan, and (2) the outcomes and key performance indicators in the RDA Funding Agreement, which need to be reported in the RDAWEP Business Plan.

6 of the 11 priorities focus on the *achievement* of improved community and economic development, and are:

- *Develop and retain a skilled workforce.*
- *Build the capacity of the community to grow the regional economy.*
- *Consider the environment when planning regional development.*
- *Support development of social and community infrastructure and services to enhance liveability.*
- *Promote investment to develop strategic infrastructure and foster globally competitive business.*
- *Strengthen, foster and promote the region's business and product diversity.*

The remaining 5 priorities concern the *process* of pursuing improved community and economic development and have a focus on regional leadership, partnership building and stakeholder engagement and consultation, ie:

- *Maintain and develop the regional consultation network.*
- *Utilise the regional consultation network in regional planning.*
- *Facilitate collaboration with government and other stakeholders.*
- *Promote government programs to stakeholders.*
- *Implement a continuous improvement culture.*

## Key Issues and Development Priorities for 2014-15

In determining the regional priorities and activities that need to be pursued to address them, RDAWEP is aware that some issues stand out as being critical to the long term, sustainable development of the region, including:

### › *Water Security*

A sustainable water supply must be found for community and industry use. The existing supply drawn from ground water basins with top-up reliance from the River Murray is sufficient for the region's immediate needs but not sustainable in the longer term. The *Eyre Peninsula Demand and Supply Statement* for 2013 identified that the demand for potable water is expected to exceed supply in 2024-25 and the demand for non-potable water is secure to about 2050.

However this is single generation planning and, given the present state of the River Murray, it is arguably absurd that Whyalla's mains water supply is drawn from the Murray and that a slurry of Murray River and aquifer water is being supplied as far away as Ceduna. The desalination of sea water might not be cost effective with present technologies but with 2,000 kilometres of coastline, it might be the only option for a sustainable water supply.

### › *Industry and Business Development*

The diversity of the economy is one of the region's strengths providing resilience to overcome the challenges of climate change, the fluctuating value of the Australian dollar and changing global commodity prices. The economy can nevertheless be strengthened by enhancing business capacity to increase competitiveness. RDAWEP initiatives to assist businesses to become major project ready will enhance their capacity to service mining and resources processing industries and online programs fostering business use of the Internet will improve business capacity to adapt to a digital economy.

Opportunities need to be pursued to further diversify the business sector. Key initiatives include projects to strengthen the tourism and seafood industries through new product development and proactive marketing of the regional brand, *Eyre Peninsula – Australia's Seafood Frontier*. The region is being marketed as a culinary tourism and conference destination, which adds value to existing destination planning.

Continuation of the RDAWEP Indigenous Economic Development program will provide more opportunities for Aboriginal people to participate in business enterprises, will diversify Aboriginal cultural and tourism products, and provide additional employment opportunities.

› **Economic Development**

Long term, sustainable economic development is underpinned by 2 well recognised strategies of (1) strengthen and improve the capacity of human capital; and (2) investment attraction.

The pathway to improve human capital is to strengthen the capacity of the weakest link, ie the people who are most disadvantaged. The region has pockets of entrenched unemployment and a growing Aboriginal community which is suffering disadvantage. While these sectors of the population are relatively small, targeted initiatives need to be undertaken to improve their literacy, numeracy, skill levels and work readiness. A diverse range of programs is being pursued to address barriers to education and workforce participation, and provide the skills necessary for meaningful employment.

Investment attraction is vital to realise business and industry development opportunities and improve the region's market competitiveness. In particular, government and private sector investment in infrastructure is needed to enhance the region's operational capacity and efficiency, and enable identified development opportunities to be realised. RDAWEP has an excellent track record in leveraging funding from a broad range of sources for human capital and infrastructure development and will continue to pursue initiatives to attract additional investment. A *Regional Prospectus* will be released during 2014 to market the region's virtues and opportunities and encourage greater levels of government and private sector investment.

› **Infrastructure Provision**

Many of the region's development opportunities will not be achieved without a substantial upgrade of utility and transport infrastructure. Business growth opportunities, such as the progression of mining enterprises from exploration to operation and new industrial developments, require an upgrade of the electrical transmission system, the construction of bulk commodities port facilities and increased natural gas supply to Whyalla. The resolution of mobile communication black spots across the region is also essential to enhance business operations and improve community functioning.

The transport infrastructure needs are extensive and require significant government and private sector investment. Strategic road improvements are needed to make the highway network safer and ensure that Local Government roads can accommodate increasing use by road trains and tourism vehicles. The connection of the region's isolated narrow gauge railway system to the national standard gauge rail network, including a link to a Cape class port facility, is a high priority need to enhance access to national and international markets.

› **Workforce Development**

The regional population is not large enough to provide the workforce for predicted business and industry growth. Even if the entire region's unemployed, underemployed and disadvantaged were sufficiently up-skilled to gain employment there would still be a substantial shortfall in predicted labour demand.

When regional migration patterns and retirements from an ageing workforce are taken into account, it is estimated that by 2020 approximately 3,800 people will have to be recruited from elsewhere to provide the workforce required to meet development needs. However there is competitive demand across Australia for skilled and experienced labour. A fly-in-fly-out (FIFO) option is not the preferred solution for this region. In spite of what is being espoused by some sections of the mining industry, recent experience in the Pilbara and Queensland clearly indicates that FIFO workforces have a negative impact on the economy and liveability of regional communities.

Some of the region's junior mining companies support this view and are giving employment priority to people who either live in or are willing to relocate their families to the region. However this employment priority principle needs to be supported by way of a proactive marketing strategy to encourage the relocation of workforce families. In addition to encouraging regional investment, the RDAWEP *Regional Prospectus* will promote the virtues and benefits of living and working in the region.

› **Liveability Enhancement**

The workforce recruitment strategy will only succeed if the region can deliver on its promises. Attracting a workforce to the region is one thing, but retaining it is another. RDAWEP and Local Government have identified the need to ensure that the region's towns and communities have the social infrastructure, services and amenity to support the liveability of workforce families and enhance the quality of life of existing residents. There is a need for more affordable, quality and specialist housing to accommodate workforce families in the larger regional centres and townships impacted by mining and industrial development.

There is also demand for specialist housing to meet the needs of Aboriginal people, retirees and the aged care sector. The combination of an ageing population and pending mining projects have caused local Councils to prepare township structure plans in anticipation of housing growth and community services demand.

The potential liveability impacts will be pursued by the Eyre Peninsula Mining, Oil and Gas Community Development Task Force, which has been formed to ensure that mining initiatives bring sustainable community development benefits to the region.

The liveability, lifestyle and vibrancy of township communities are some of the region's greatest assets. The community is passionate about the region as a place and desire to be actively involved in decisions about the region's future development. There is a need to ensure that every opportunity is offered for people to participate in key decision making processes, particularly with determinations that may impact the environment, recreational spaces and the liveability of regional towns.

RDAWEP has been supporting Local Government with the development and provision of social and community infrastructure and this will continue during 2014-15. RDAWEP assistance is primarily in the form of grant application advice and the preparation of business cases where appropriate.



## CHIEF EXECUTIVE OFFICER'S REPORT



The vision of Regional Development Australia Whyalla and Eyre Peninsula (RDAWEP) is: *An innovative, competitive and sustainable region that offers opportunity and a quality lifestyle.*

**Water, energy and export infrastructure** are 3 critical economic priorities. RDAWEP's challenge is to encourage their efficiency and availability. This will enable our community with choices to shape our region's future.

Before the next series of events that normally contribute to the occurrence of a water crisis, for example another sustained drought, the region must be prepared with multiple supply and distribution solutions customised to suit the individual needs and characteristics of the many communities, industries and environments that form our region. Solutions require careful research and planning to ensure that we are not locked into even less competitive cost structures that restrict growth and choice, and should be instigated well before the onset of a crisis. Impediments and constraints to optimal solutions, such as third party access to distribution infrastructure should be identified and managed. The Eyre Peninsula Integrated Climate Change Agreement (EPICCA) report delivered this year will assist these preparations and RDAWEP will work with relevant regional agencies, including the Eyre Peninsula Natural Resources Management Board (EPNRM) and the Eyre Peninsula Local Government Association (EPLGA), to adapt their recommendations with our plans.

The same broad principles apply to energy generation and distribution. It is heartening to hear when meeting with acknowledged experts such as Professor Ross Garnaut, that our region is perceived by many to contain the richest low carbon energy potential in Australia. This is largely due to the diversity of our resources, climate and oceans, together with symbiosis between emerging opportunities and the bi-products of existing industries. At present 3 companies (BP Australia, Chevron Australia, Santos and Murphy Australia) are collectively expending billions of dollars on fossil fuel exploration in the Great Australian Bight, Muradel is developing bio-fuel at Whyalla and Mitsubishi is planning to distribute approximately half of the state's fuel supply from Port Bonython. Furthermore there is a significant indication of interest in investment in solar, wind, wave, geothermal and other emerging energy technology including potential for energy storage.

The Regional Development South Australia (RDSA) report "Prioritising South Australia's Regional Infrastructure Projects" was released in December 2013. It clearly identifies that the provision of a new multiple commodity export port facility and associated infrastructure on Eyre Peninsula is the number one regional economic development priority for South Australia. All RDAs in South Australia collaborated through RDSA in the formulation and provision of this study, which has been widely distributed throughout the State and Australian Governments and political spheres.

In addition the recent rezoning of the Lukin Quays land, obtained through the collaborative effort of the proponent, the Corporation of the City of Port Lincoln and RDAWEP, provides an opportunity to develop a modest size container berth capability together with fishing fleet loading and unloading facilities. This will relieve stress on the CBD and main wharf precincts and increase efficiency for bulk grain exports. The Board is working diligently to create similar opportunity at Thevenard for the benefit of grain producers and exporters. The port project proposals for Cape Hardy and Port Bonython largely revolve around specific mining projects for which RDAWEP has provided ongoing support through a variety of submissions and representations including EIS processes and commonwealth briefings.

Tony Irvine, Executive Officer of the EPLGA and I are collaborating well across a range of subject matter and where possible, aligning our planning and reporting functions. A number of joint submissions have been made, along with representations to politicians, boards, industries and agencies on issues such as mobile black spots, National Broadband Network infrastructure, training and employment, roads and transport, regional governance, shared services and procurement. Working together enables us to cover more ground and effectively utilise limited resources to improve our collective service to the community and stakeholders.

The EPLGA annual conference "Waves of Change: Oceans of Opportunity" hosted by the District Council of Tumby Bay was a stimulating well attended event. It serves as an example of the collective goodwill and cooperation that exists between the EPLGA, RDAWEP and Local Government to assist each other in reaching shared objectives for the region.

The Eyre Peninsula Mining Oil Gas and Community Task Force, currently being formed by the EPLGA with absolute support from RDAWEP, will be pivotal in guiding Local and State Government planning, prioritising and decision making. The task force will assist industry and business with planning and investment decisions relevant to the region beyond mining including freight, export facilities, energy, water, housing and education to name a few.

This year we witnessed the rebirth of the airports at Port Lincoln and Whyalla through the provision of vastly improved terminals. Ceduna Airport is gaining similar benefits with the recent decision by BP Australia to award Bristow Group a \$138,000,000 contract to supply aircraft and crews, move people and material to offshore rigs and manage helicopter services out of Ceduna, including dedicated search and rescue services. A hangar and supporting offices will be constructed in addition to the fuel bunkers that have been newly installed.

These impressive facilities convey strong messages to visitors about the dynamic wealth of our region plus the demonstrated commitment of our 3 tiers of government, and in particular Local Government, to the future of our region. RDAWEP is proud of its important contribution to these land mark multi-million dollar gateway projects. The 'can do' attitude and self-esteem these projects inspire within our community is equally important as the confidence these assets convey to visitors. Deputy Prime Minister and Minister for Infrastructure and Regional Development, Department of Infrastructure and Regional Development (DIRD), the Hon Warren Truss and Member for Grey Rowan Ramsey participated in ceremonies celebrating the opening of the new terminals as did Minister Geoff Brock, Minister Gail Gago, Members for Flinders Peter Treloar, Member for Giles Eddie Hughes, Mayor Lowe and Mayor Pollock.

RDAWEP, as Eyre Peninsula's peak tourism body, strives to encourage greater visitor numbers to the region through its strategic planning and alliances with Local Government, the South Australian Tourism Commission, Tourism Australia and industry. Tourism progressed markedly with RDAWEP securing *Eyre Peninsula - Australia's Seafood Frontier* as its brand. Aligning marketing efforts based upon sound research and shared goals is critical. This marketing program links the tourism industry to the particularly effective food industry development program and is the conduit for connecting with consumers, trade and the media. This partnership has delivered notable returns to the region as highlighted during the very successful RDAWEP industry night held in May at the Port Lincoln Hotel, where entrepreneur Keith Palmer from Kono in Nelson, New Zealand was a guest speaker. The unprecedented 4,000% growth in cruise tourism to Port Lincoln since 2011, through a partnership between the SATC, City of Port Lincoln and RDAWEP, is providing numerous opportunities for local business and employment development, in addition to showcasing the region to international travellers.

In response to the regional population ageing at a faster rate than South Australia and Australia, RDAWEP commissioned the "Aged and Disability Care Master Plan for Whyalla and Surrounding Region". It is expected that the recommendations of this plan, due in the 2014/15 financial year, will form the basis of considerable future economic and community development for the Board to pursue. This type of initiative demonstrates how the Board helps position the region as a great place to live despite age or disability, and to attract and retain families and an appropriately skilled workforce.

Quiet achievements have been made in the area of Indigenous economic development, with several Aboriginal business ventures being assisted. The Port Lincoln Aboriginal Community Council (PLACC) initiative to develop a training centre at Wanilla Forest will provide much needed skills development opportunities for Aboriginal people, particularly in the mining and resources sector.

The level of RDAWEP support for Indigenous economic development has been recognised by the Department of the Prime Minister and Cabinet. As a consequence, our RDAWEP Indigenous Economic Development Manager now has much broader responsibility, providing support services to Aboriginal people in the Riverland and Murray Bridge.

Education and training is a right for all Australians and the critical link between economic growth and sustainable communities. RDAWEP is a member of the Upper Spencer Gulf Common Purpose Group (USGCPG).

Both organisations are strongly opposed to the systemic divestment and devaluation of education and training opportunities for regional communities and the predictable negative impact it will cause to our economy, exports jobs and community wellbeing. RDAWEP will continue to work with the 3 tiers of government and industry to reverse this avoidable threat.

RDAWEP, the Corporation of the City of Whyalla and DIRD have contributed significant resources to the Upper Spencer Gulf Common Purpose Group (USGCPCG) and in February of this year participated in the appointment of its first full time Executive Officer. This appointment was enabled through federal funding accessed by RDAWEP and will assist the 3 cities and hinterlands to utilise their critical mass to generate further economic development opportunities including enhanced employment, education and training services and infrastructure for the region.

The timing of my appointment as CEO in November 2013 was ideal in providing the opportunity to manage the implementation of organisational, financial and ICT reviews, with the aim of improving the operational capacity to deliver greater benefit to Local Government and other stakeholders and ensure that RDAWEP has the resources to meet its priorities.

As a result of the review and in summary terms the following changes have been developed and implemented or are in the process of being executed.

- › Establish a Marketing and Communications Plan to coordinate and oversee communications consistency and quality.
- › Concentration of RDAWEP functions at the front of the Whyalla office and hand back the unused space to the City of Whyalla.
- › Undertake a review of the target teams to develop a strategic management framework, establish consistent Terms of Reference and meeting frequency, and determine the process of reporting industry intelligence to RDA.
- › Focus on changing the culture of the organisation to move toward a high performing team with shared goals, improved cooperation and fee for service programs.
- › Centralise corporate services functions, implementing an ICT solution to deliver business continuity and implement strategies, eg establish a Finance Committee to oversee governance and compliance with legal, risk and regulatory requirements and reduce administrative time.

I would like to sincerely thank my team, Board Members and in particular Chair Jim Pollock, the Executive Committee and Tony Irvine for the welcome and support extended to me as the new CEO of RDAWEP. I also appreciate the warm welcome and assistance provided to me by the Mayors, Chairs and CEOs across Local Government and the steady advice and guidance furnished by Leon Mills, Director, RDA Programme, DIRD. Together we have the honour and privilege to continue to contribute to the wellbeing of our region. In addition I wish to acknowledge the access to support and advice I regularly receive from each of our Mayors, Chair and Executive Officer for the RDSA former Premier Rob Kerin, the Member for Grey Rowan Ramsey, Member for Flinders Peter Treloar and Member for Giles Eddie Hughes.

In closing I wish to make special mention of my team for their assistance, support and commitment to the region, particularly over a period of great uncertainty, including changes in State and Australian Government areas, funding challenges, the appointment of a new CEO, organisational reviews and substantial change within the organisation. They have done it tough, but remained positive and adapted to the changes effectively as they believe it will position RDAWEP with the ability to continue to deliver our services to the benefit of the entire region. Their enthusiasm and passion are to be commended.

RDAWEP will strive for continuous improvement in all things that we do. Quality is the fast emerging common theme connecting resources, commodities, tourism, people and organisations across the region. Our doors are open for business, but they are marked by branding in big letters stating *“enter here if you want the best”*.

Dion Dorward  
Chief Executive Officer

## HIGHLIGHTS OF THE YEAR



### The Spirit of Eyre

*resilient, resourceful people building  
strong, vibrant and unique communities*

**KEY PERFORMANCE INDICATORS/TARGETS -2013/2014**

SECTOR	KPI's	ACTUALS
<b>Investment</b>	› Total number of businesses assisted.	18
	› Number of Aboriginal Businesses assisted.	16
	› Number of businesses assisted in major projects.	5
<b>Workforce and Skills Development</b>	› Number of job outcomes achieved.	200
	› Number of participants involved in employment programs.	547
	› Number of programs established to meet workforce demand.	20
	› Identification of emerging labour skills issues in the region.	3
<b>Infrastructure</b>	› Number of major projects assisted.	19
	› Value of economic infrastructure development projects assisted.	\$10 billion
<b>Innovation</b>	› Number of businesses assisted to bring new products to market.	6
	› Number of businesses assisted to introduce processes that boost productivity and competitiveness.	12
<b>Exports</b>	› Number of exporters assisted and value of their export.	8
<b>Regional Leadership</b>	› Participation or facilitation of regional leadership initiatives.	207
	› Collaboration with government, industry and community stakeholders.	130
	› Provision of regional intelligence to the Minister's Representative, the Commonwealth of Australia and the Councils on significant community economic development issues and opportunities in the region.	7
<b>Business Capability Development</b>	› Number of business workshops facilitated.	40
	› Number of participating businesses.	704
	› Number of businesses assisted.	711

## KEY PERFORMANCE INDICATORS SUMMARY

### Core Funding Partnerships and Key Stakeholders

Regional Development Australia – Whyalla and Eyre Peninsula is part of the Australian Government’s network of 55 Regional Development Australia Boards. In addition to Australian Government support, RDAWEP is supported by the South Australian Government and 11 Member Local Government authorities to build the capacity of Whyalla and Eyre Peninsula region to achieve sustainable community and economic development outcomes as follows:

- Improved Community and Economic Development.
- Enhanced Community Engagement and Consultation.
- Informed Regional Planning.
- Enhanced Whole of Government approach.
- Enhanced Awareness of Government Programs.
- Industry and Business Capability.
- Economic Growth and Sustainability.
- Infrastructure Development.
- Workforce and Skills Development.
- Community Sustainability.

The role of the Regional Development Australia network is to enhance the economic growth and strengthen regional communities across Australia. The Australian Government is committed to the framework, which replaces the previous Area Consultative Committees nationally.

The Board’s key focus is on building effective partnerships between government, regional development agencies, industry and private sectors in addressing the strategic economic issues and priorities within the region as part of driving economic and community development initiatives in addition to facilitating community leadership.

The South Australian regional development model is unique being the only State to have all levels of government [Local, State and Australian] incorporated in the partnership.

- The Australian Government through the Department of Infrastructure and Regional Development.
- The State Government through the Department of Primary Industries and Regions.
- Local Government through an agreement with 11 Member Councils, comprising of the City of Whyalla, City of Port Lincoln and the District Councils of Cleve, Ceduna, Franklin Harbour, Elliston, Kimba, Lower Eyre Peninsula, Streaky Bay, Tumby Bay and Wudinna.

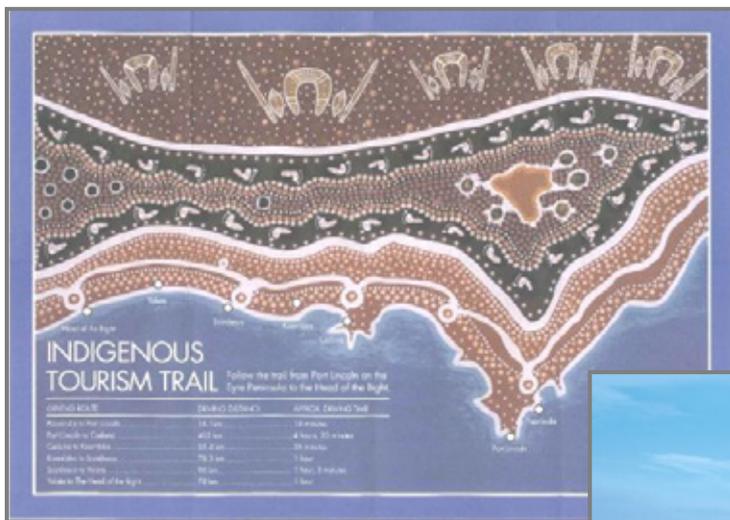
Regional Development Australia Boards are incorporated associations under the Incorporations Act 1985. Regional Development Australia - Whyalla and Eyre Peninsula embodies the Eyre Regional Development Board and the Whyalla Economic Development Board following agreement on amalgamation. These two Boards have served their respective areas extremely effectively over the past two decades.



STATISTICS

Regional Services:

Services	Partner	Investment
Regional Development Fund Stream 1: Economic Development Program	Department for Primary Industries and Regions	\$400,000.00
Food Industry Development	Food SA	\$80,000.00
Tourism Industry Development	EPLGA Member Councils, South Australian Tourism Commission, Tourism Eyre Peninsula.	\$120,360.00
Skills for Jobs in the Regions - Operational Support and Program Funds	Department of Further Education, Employment, Science and Technology	\$715,503.15
Indigenous Economic Development	Department of Employment & Workplace Relations	\$72,727.27
<b>Total</b>		<b>\$1,388,590.42</b>



**Funding sourced for the region from various government programs assisted:**

Program	Partner	Amount
Indigenous Transport	Department of the Prime Minister and Cabinet	\$200,000
Breaking the Cycle of Drug and Alcohol Abuse in Indigenous Communities	Department of the Prime Minister and Cabinet	\$15,020
Regional Local Employment Coordinator	Department of Education, Employment & Workplace Relations	\$198,909.09
Youth Exploring Potential	Department of Employment	\$80,000
Yalata Entrance Feature Wall	Department of Further Education, Employment, Science and Technology	\$10,000
Scotdesco Sheet Management / Commercial Landscaping		\$10,000
Kooniba Cemetery		\$10,000
Regional Development Fund Stream 2: Building a World Class Food Region	Department for Primary Industries and Regions	\$185,000
<b>Total</b>		<b>\$708,929.09</b>



## KEY ACHIEVEMENTS



***cultivating an innovative, internationally competitive, growing regional economy***

## ACTIVITIES AND ACTIONS REPORT ON 2013/14

### Investment

The economic growth of the region is dependent on investment attraction. The region has numerous industrial and employment growth opportunities. However the associated infrastructure needs to be addressed as it is, at present, constraining the development of existing industries and preventing the realisation of new industries, such as renewable energy and mining projects. The key infrastructure issues include:

- Limited water supply.
- Low capacity and poor state of the electrical transmission system.
- Lack of high speed broadband and poor mobile communications coverage.
- Limitations of educational and research institutions.
- Need for a Cape class port to enhance export capacity.
- Capacity of road and rail systems.
- Upgrade of airports.
- Need for improved tourism infrastructure.
- Need for purpose built offloading infrastructure for the fishing industry.
- Limited natural gas supply to Whyalla.

RDAWEP has been extremely successful in attracting government funding to the region in recent years. In addition to sourcing funds for program activities, RDAWEP has been successful in facilitating substantial infrastructure investment. During 2012-14 RDAWEP assisted in sourcing government funding for key projects at Port Lincoln, Lucky Bay, Elliston, Whyalla and Arno Bay.

PROJECT DESCRIPTION	GOVERNMENT INVESTMENT ATTRACTED			TOTAL INVESTMENT ATTRACTED
	Australian Government	South Australian Government	Local Government	
Port Lincoln Airport Redevelopment	\$5,440,909	\$1,372,530	\$6,504,681	\$13,318,120
Lucky Bay Harbour Extension	\$2,212,000	\$306,000	-	\$2,518,000
Elliston Coastal Trail	\$802,593	\$319,338 <sup>1</sup>	\$630,662	\$1,752,593
Whyalla Airport	\$300,000	\$600,000	\$2,100,000	\$3,000,000
Arno Bay Marina Development	-	\$106,576	\$115,569	\$222,145
<b>TOTAL</b>	<b>\$8,755,502</b>	<b>\$2,704,444</b>	<b>\$9,350,912</b>	<b>\$20,810,858</b>

#### Government Investment Attracted for Key Projects 2012-2014.

<sup>1</sup>Includes State Government funding provided via EPNRM and SA Health.

The collective investment for these projects from the 3 levels of government totalled \$19,110,858, comprising: Australian Government \$8,755,502; South Australian Government \$2,704,444 and Local Government \$9,350,912 (DC Lower Eyre Peninsula \$6,504,681, DC Elliston \$630,662, City of Whyalla \$2,100,000 and DC Cleve \$115,569).

In addition, the Lucky Bay Harbour extension and construction of a transshipment export system attracted significant private sector investment of approximately \$9,650,000 (Sea Transport Development \$2,007,120 and IronClad \$7,642,679).

RDAWEP assisted these projects with advice and support for grant applications, and the preparation of business cases for Port Lincoln Airport, Lucky Bay Harbour and Elliston Coastal Trail. RDAWEP will continue to pursue further investment from the 3 levels of government and private sector during 2014-15.

#### › Mining Investment

The region has been subject to extensive mining exploration and investment, with the potential for several large mines being established. The transition from exploration to operation is dependent on infrastructure investment.

For example, Iron Road's Central Eyre Iron Project (CEIP) at Warramboos has the largest deposit of magnetite in Australia, estimated at 3.7 billion tonnes. The CEIP has major project and major project facilitation status from the State and Australian Governments and it is anticipated that exports will commence in 2018. However, in order for this to occur the project requires infrastructure investment including construction of a rail corridor and an export shipping port facility at an estimated US\$3.98 billion.

Whilst other mining developments are not of the same scale most projects require infrastructure development to enable operations to commence. Impact modelling has identified that mining exports have potential to add an estimated \$7.0 billion per annum to the Gross Regional Product if identified mining ventures commence operation from 2018.

### Major Project Facilitation

RDAWEP provides a key facilitation, planning and advocacy role with the development of major infrastructure. This includes pursuing opportunities to bring private and public investment together to ensure that investment is maximised strategically. In recent years RDAWEP has worked with numerous private sector companies from resources processing, renewable energy and other sectors to facilitate major project developments. Much of this facilitation is undertaken through the auspices of Target Teams and the broader Regional Consultation Network. RDAWEP has provided direct project assistance with grant application advice and the preparation of business cases in some instances.

The South Australian Major Developments Directory identifies 30 major projects in the region that are either in progress or being planned for delivery in the next 5 years. These projects involve investment of approximately \$11.95 billion. In addition, there are another 8 projects with a value of approximately \$283.9 million at an earlier planning stage, which are not included in the directory.

This brings the total potential investment in the region to approximately \$12.23 billion on a range of new projects from mining infrastructure and fuel distribution terminals to airport and community infrastructure upgrades. These projects are expected to create about 7,000 jobs during construction, 1,500 direct full time operational jobs and approximately 4,500 indirect jobs in industries providing aligned support services. Some of these initiatives are located near Whyalla and will have a substantial economic impact on the regional city.

2013-14 was a period of notable change marked by State and Australian Government elections. The Australian Government election resulted in the lack of a funding program for regional infrastructure projects due to the Government reassessing its funding priorities. RDAWEP nevertheless managed to facilitate several major projects during this period.

#### › *Port Lincoln Airport Development*

The \$13.3 million upgrade of Port Lincoln Airport is arguably the most important infrastructure project undertaken in the region and was the highest priority Board project during 2011-13. The upgrade involved the construction of a new terminal building with facilities befitting a major regional gateway. Other works included the provision of a new taxiway and apron and reconfiguration of the airport entranceway, landscaping and car parking.

Increased passenger use in recent years created the need to develop a project that would address the situation, which was able to proceed due to the District Council of Lower Eyre Peninsula, with assistance from RDAWEP, was successful in securing significant grant funding from the Australian and South Australian Governments. RDAWEP provided support by preparing the business case for the project.

Construction of the airport began in May 2012 and the facility commenced operation on Tuesday 6 August 2013. The airport was formally opened on 29 January 2014 after being inspected by Deputy Prime Minister and Minister for Infrastructure and Regional Development, the Hon Warren Truss MP the previous day. The Hon Gail Gago MP, South Australian Minister for Regional Development, addressed the audience at the opening. The Mayor and the CEO of the District Council of Eyre Peninsula publicly acknowledged the role of RDAWEP in assisting the project, which has enhanced the profile of the organisation.

› **Elliston Coastal Trail**

In June 2013 the District Council of Elliston received \$802,593 from Round 4 of the RDAF for the development of the Elliston Coastal Trail. This initiative will provide an important tourism facility on the spectacular west coast of the Eyre Peninsula and includes strategies to enhance and protect the fragile coastal environment and pursue reconciliation with Wirangu Native Title Claimants. The trail infrastructure will manage the environmental impact of visitors from indiscriminate pedestrian and vehicle movement and improve the safety of users. The design and construction of a reconciliation sculpture by Wirangu people will value add to an existing 'Sculptures on the Cliffs' trail and provide a major focus for an Indigenous Tourism Trail which has been developed along the Eyre Peninsula coastline.

RDAWEP provided substantial assistance to this project through grant application advice and preparation of the business case about the merit and community and economic benefits associated with the initiative.

In December 2013, the Minister for Infrastructure and Regional Development announced that RDAF projects without a signed Funding Agreement would not be honoured. This affected the Elliston Coastal Trail because the funding agreement had not been signed by both parties before the Australian Government went into caretaker mode prior to the September election. The announcement was a bitter blow to the Elliston community, who invested countless voluntary hours into ensuring that the project met all of the conditions to qualify for RDAF support.

The decision was later reversed as a result of community and political pressure, and the Elliston Coastal Trail is proceeding with project completion anticipated in November 2015.

RDAWEP has ongoing involvement with the project and participates on the Elliston Coastal Trail Project Committee formed in March 2014 to oversee the project design development and implementation. This role will continue during 2014-15.

› **Whyalla Airport**

The Whyalla Airport required a substantial upgrade to improve its operational effectiveness and cater for increasing passenger use from the mining, tourism, defence and business sectors. Whyalla Airport has extensive potential but the terminal building was small, had few facilities for travellers and passenger use exceeded the capability and capacity of the infrastructure, which was substandard for a regional gateway.

With anticipated industrial and mining growth in the Upper Spencer Gulf region the upgrade of Whyalla Airport became urgent. The legislative requirements for passenger and carry-on baggage security screening infrastructure at regional airports exacerbated the need to upgrade the terminal.

The City of Whyalla had considered a range of development options over many years and had completed a number of preliminary studies. The airport development was accelerated in August 2013 with a \$300,000 grant from the RDAF and a \$600,000 State Government grant from the Enterprise Zone Fund Upper Spencer Gulf and Outback.

RDAWEP assisted the project by providing the wording for key sections of grant applications. The \$3m airport upgrade was scheduled for completion in July 2014.

› **Lukin Quays Development**

With assistance from RDAWEP, a Wharf Relocation Committee was formed in 2012 to facilitate the development of a purpose built offloading facility for the fishing industry at Port Lincoln. This development was necessary to overcome inefficiencies experienced by fishing industry use of the Port Lincoln wharf. The committee, comprising representatives of the fishing industry and RDAWEP, supported a *Ports Master Plan* (2009) proposal to develop a facility at the former BHP wharf in Proper Bay and undertook preliminary consultation about the site potential.

The wharf proposal is part of a larger initiative by the Lukin family company (Port Lincoln Proper Pty Ltd) to develop adjacent land with an industrial park, residential development and a shopping precinct. The Port Lincoln fishing industry has provided input into the wharf design and adjacent land, which is earmarked for seafood processing industries.

During 2013-14 RDAWEP facilitated the project development in liaison with the City of Port Lincoln. A key element of the proposal is the inclusion of a new western link road to address traffic problems in the Port Lincoln CBD, particularly heavy vehicle movement between Port Lincoln wharf and Port Lincoln Marina where most of the fishing vessels are based. The Marina has an extensive residential development and this has resulted in use conflicts between fishing industry operations and the amenity of residents from noise, odours and other problems from vessel loading and unloading activities. The western link road will assist in allaying these issues.

The City of Port Lincoln is supporting the Lukin Quays proposal because numerous benefits will be derived from the project, and as a result prepared a Development Plan Amendment (DPA) to rezone part of the Deferred Urban Zone to accommodate the development. RDAWEP provided a supportive submission about the proposal. The DPA was endorsed by the City Council on 19 May 2014 for the purpose of submitting the proposal to the Minister for Planning for development approval. The endorsement was subject to an Infrastructure Agreement with Port Lincoln Proper regarding the funding and future management of the western link road.

#### ➤ *Pumped Hydro Technology Pilot Initiatives*

The demand for electricity and increasing use of large scale wind generation systems is creating opportunities for the commercial application of renewable energy storage systems. Pumped hydro energy storage (PHES) technology is relatively well established (approximately 160GW capacity installed worldwide) and is highly suitable for meeting challenges created by variable demand and intermittent supply. PHES technology uses a mixture of wind and water to generate electricity. Wind generators power pumps to transfer water to reservoirs, which is then passed through turbines to generate power. The combination of wind and hydro technologies arguably produces a more efficient means of power generation as the hydro component can maintain power production during low wind periods.

2 potential pilot project sites have been identified in the region, with one using fresh water and the other using sea water. The Tod Reservoir near Port Lincoln is the freshwater site. The reservoir is owned and operated by SA Water, who has agreed to support a feasibility study for the project. The sea water site is to the north of Mount Greenly, which is leased by Australian company Pacific Hydro.

Pacific Hydro is seeking to partner with a Chinese entity, the State Grid Corporation of China, which has established 30 pumped hydro plants in China during the last 6 years. The partnership will utilise Chinese engineering expertise to undertake the design and feasibility study. The freshwater option is being investigated in liaison with SA Water and provides an opportunity for the constructive use of a large body of water that is no longer suitable for human consumption.

RDAWEP has been facilitating the development and hosted site visits by a technical delegation from the State Grid Corporation of China in August 2013. The outcomes from the site visits and potential partnerships are unknown at this stage, but will be pursued during 2014-15.

#### ➤ *Fishing Industry Trade Waste*

The Port Lincoln fishing industry faces a significant challenge with the sustainable disposal of saline trade waste. Saline waste is generated from a number of processing activities, largely from the sardine and tuna sectors. The trade waste water is mainly saline and generally does not have a high nutrient load. SA Water owns and operates a waste water treatment plant at Billy Light's Point, which collects most of the waste along with the city of Port Lincoln waste water. The water undergoes a biological process before being discharged out to sea. The existing infrastructure has not been able to cope with saline water volumes and SA Water has set levels for disposable solids to a point where industry cannot comply.

This issue has been causing challenges for stakeholders for over 10 years. Individual companies have invested significant resources in factory infrastructure to become compliant however the treatment plant cannot handle additional waste volumes. In addition, there are a number of fish processors on Pine Freezers Road who are unable to connect to the SA Water system and have been discharging waste into Proper Bay. The Environmental Protection Authority has advised that this practice can no longer continue because there is insufficient tidal movement in Proper Bay to disperse the waste water.

A Port Lincoln Seafood Processors Action Group has been formed to proactively seek a sustainable solution. RDAWEP is working with the Action Group, SA Water, EPA, DMITRE and the City of Port Lincoln to find an acceptable solution. Options are currently being considered to resolve this dilemma, including a wetlands area to process the water through natural filtration and irrigate the Port Lincoln Racecourse.

› **Whyalla Northern Coastline Development**

In 2012, the Whyalla Target Team identified the need to develop Whyalla's northern coastline at Point Lowly. The Point Lowly Peninsula is approximately 34kms northwest of Whyalla and offers spectacular views of Spencer Gulf and the Southern Flinders Ranges. Point Lowly has been used historically by the Whyalla community and visitors for holidays, fishing and other recreational activities as it is arguably the best and most attractive section of coastline near Whyalla. Point Lowly has a small amount of recreational and tourism infrastructure including toilets, a cold water shower, playground, rubbish bins and a sheltered boat ramp. Bush camping is available at 3 designated areas with minimal facilities provided.

The free camping areas have become increasingly popular with travellers, particularly the self-equipped and growing RV market. In March 2012 occupancy had reached levels which caused the City of Whyalla to investigate the need for some form of regulation. A range of control measures were subsequently introduced including daily camping fees, designated go and no-go areas, and a 14-day limitation on camp site use.

At present, very few facilities are available to support people who snorkel to observe the well-known cuttlefish aggregation in False Bay. The access point has some basic interpretive signage and a stairway to the beach, but visitors have to change into wetsuits in the open or their vehicles.

The 1980's marked the beginning of industrialisation at Point Lowly when the SANTOS facility was established in November 1983 for the export of gas and petroleum products from the Cooper Basin. Large sections of Point Lowly are now zoned industrial and many development projects are pending, including a bulk commodities export facility at Port Bonython to support mining operations, and a fuel supply terminal to bolster industrial and mining initiatives. The construction of a refinery and an explosives factory have also been muted, along with a desalination plant for BHP Billiton's proposed expansion of Olympic Dam, which has been given development approval. These projects require the construction of supportive wharf and rail infrastructure.

The extent of industrial development planned at Point Lowly has polarised sections of the Whyalla community because many people believe the peninsula should be reserved for tourism and recreation purposes and be rezoned accordingly.

The Northern Coastline development project aims to make the area a high quality recreation and tourism destination by providing facilities such as walking and bike trails, lookouts, fishing jetties and camp ground upgrades. Opportunities to re-establish aquaculture businesses in Fitzgerald Bay are also envisaged.

The project requires the preparation of a master plan for the coastline development inclusive of detailed cost estimates for infrastructure development and maintenance. The plan is to identify prioritised staged development to spread the capital development cost over several years. It is preferable that the staged development is comprised of discrete smaller projects, which might attract funding from a range of sources including open space, recreation, tourism, arts, environmental, infrastructure and private sector funding.

RDAWEP prepared the master plan project brief, which is at present being considered by the City of Whyalla.

› **Whyalla Aged and Disability Care Master Plan**

The need for an Aged and Disability Care Master Plan was identified by the Whyalla Target Team in 2012 as a high priority project. This project recognised the increasing demand for services and infrastructure by older and disabled people in Whyalla and identified that some services were experiencing critical shortages.

Demographic data indicates that the ageing of the regional population will continue and that increased service demands should be expected. RDAWEP prepared the project brief to secure the services of a specialist consultant to develop the master plan. It was essential that the plan is based on evidence, identifies the level of existing services, infrastructure and human resources, and identifies service gaps and future needs.

Stakeholder consultation and engagement was seen as being critical to the project, particularly the views of people who are currently working and expected to reach retirement in 10-15 years.

In March 2014 the RDAWEP Board resolved to fund the consultancy with \$79,000 from reserved Whyalla project funds. The draft project report was lodged for consideration in June 2014, with the final report due for completion in July.

Whilst the Aged and Disability Care Master Plan is specific to Whyalla, some of the recommendations might be relevant to the region as a whole and provide useful information for aged care and disability service provision in other townships.

The application of the project outcomes to other parts of the region will be considered by a Community Services Target Team when it is established in late 2014.

› **Oyster Basket Recycling**

The South Australian Oyster Growers Association (SAOGA) with support from the Environment Protection Authority (EPA) was successful in obtaining \$40,000 from the DMITRE Eco Innovation Scheme to fund a feasibility study into the recycling of plastic oyster baskets to minimise waste and environmental impact. The project supports the operations of the South Australian oyster industry by investigating sustainable, cost effective options for the disposal of oyster basket waste. Waste oyster baskets were being stock-piled in significant numbers and the oyster industry had preference to recycle the materials rather than disposal as land fill.

Due to most of South Australia's oyster production occurring on the Eyre Peninsula (at Coffin Bay, Cowell, Denial Bay, Haslam, Smoky Bay and Streaky Bay) RDAWEP was invited to facilitate and administer the project on behalf of SAOGA in liaison with the EPA and DMITRE. The project commenced in May 2013 and was undertaken by consultants RAWTEC and Econsearch.

The project report, *Feasibility Study into Recycling Waste Plastic Oyster Baskets in the South Australian Oyster Industry*, was completed in November 2013 and formally launched at the SAOGA industry information day at Port Lincoln in February 2014.

The project made 4 key recommendations, which are being carefully considered by the industry due to their varying operational cost implications. This is an extremely innovative project, which is being closely observed by the New South Wales and Tasmanian oyster industries as they are experiencing the same waste issues.

## Major Projects Unable to Proceed

Despite the best facilitation efforts of RDAWEP, the competition for limited government funding in a changing political climate prevented 2 projects from being progressed as anticipated.

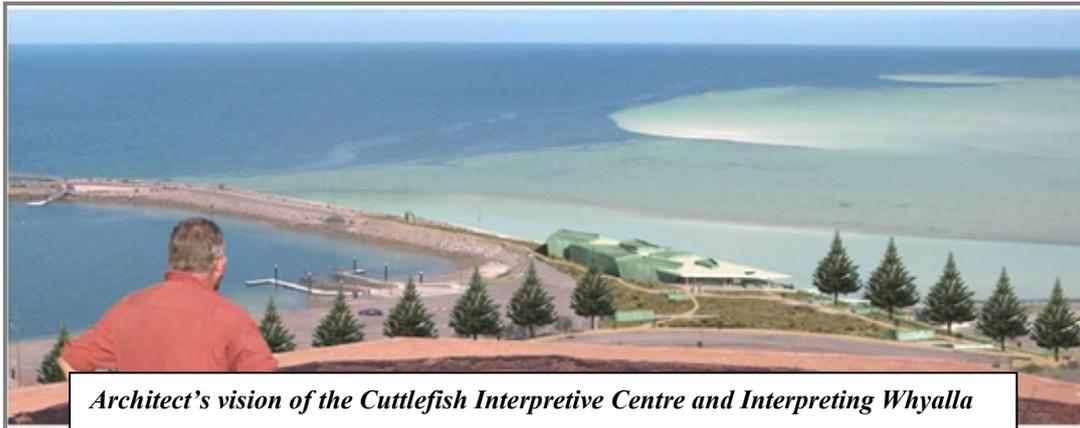
› **Cuttlefish Interpretive Centre and Interpreting Whyalla**

In 2012-13 a design concept was prepared to develop a high quality, world class interpretive facility at Whyalla with a working title of 'Cuttlefish Interpretive Centre' (CIC). This project is a joint initiative of RDAWEP and the City of Whyalla.

The aim of the project is to strengthen Whyalla's position as the northern tourism gateway to the region. The concept anticipates the use of the latest high-tech interactive technologies to attract domestic and international visitors, with the intention of targeting younger techno-savvy audiences and the growing Asian tourism sector (notably from China and India). The use of smart technologies will position the CIC as one of the most advanced interpretive centres in the world.

The indicative capital development cost is \$15,530,000 (ex GST) plus the cost of interpretation. RDAWEP is preparing a feasibility study to investigate management, operational and financial models to assess the viability of the proposal. The study commenced in 2013, but has largely been in abeyance. The capital development and operational costs of the interpretive technologies are critical to the feasibility analysis, which cannot be completed until the interpretation costings are known.

RDAWEP and the City of Whyalla are seeking to appoint a specialist consultant to investigate, design and cost the interpretive options. The recommendations are to be based on case studies of world best practice interpretive centres. At the time of preparing the project brief, the City of Whyalla identified the need to upgrade interpretation at the existing Whyalla Maritime Museum. It was decided to undertake both tasks as a single project engaging the same consultant, as this would enable the broader interpretation of Whyalla to be reassessed and bring interpretive synergies between the 2 facilities.



*Architect's vision of the Cuttlefish Interpretive Centre and Interpreting Whyalla*

The project, titled *Interpreting Whyalla*, is estimated to cost \$100,000. RDAWEP and the City of Whyalla have each committed to contributing \$25,000 towards the project and financial assistance is being sought for the remaining \$50,000. 3 grant applications were lodged between December 2012 and August 2013. The first 2 applications (Round 1 of the Tourism Industry Regional Development Fund (TIRF), December 2012 and T-Qual, May 2013) were found to be ineligible on technical grounds, due to the lack of sufficient evidence about the City of Whyalla funding contribution.

The third application to Round 2 of the TIRF program (lodged in August 2013) was not assessed because the incoming Australian Government decided to review all discretionary grant programs for consistency with government priorities and commitments. This decision, whilst understandable, is disappointing because it has delayed the CIC project development by over 18 months. The Interpreting Whyalla and CIC projects are consequently in abeyance, but will be pursued when the new guidelines for Australian Government tourism funding programs are released.

The government's 2014 budget largely spared tourism from the financial cuts announced for other program areas. A new Demand Driver Infrastructure program and a program to develop tourism relations with China have been funded by redirecting TIRF and T-Qual funding. However it is not yet known if the funding will be available for consultancy projects and tourism feasibility studies.

#### › **Renewable Liquid Transport Fuels**

RDAWEP has been assisting the University of Adelaide ARC, Centre of Excellence in Plant Cell Walls (CEPCW) to investigate the use of alternate feedstocks for biofuel production. The project is researching the use of agave, wheat straw and weedy plants for the production of biofuel and includes the integration of solar thermal energy in the production process. The project complements an existing Muradel demonstration project at Whyalla, which utilises saline microalgae as the feedstock.

The CEPCW project has many elements and includes the establishment of agave and other trial sites in Whyalla, liaison with farmer groups for the development of additional trial and production sites, and industry engagement to test the commercial application of the concept and encourage the uptake of renewable transport fuels.

CEPCW lodged a grant funding application for \$1.86 million of the \$3.38 million project cost with the Australian Renewable Energy Agency, (ARENA) Emerging Renewables Fund. In October 2013 the RDAWEP Board resolved to provide \$25,000 cash and \$15,000 in-kind support for the project, but this was conditional upon ARENA grant funding being approved. In February 2014, CEPCW advised that ARENA had not approved the grant funding application but was seeking a revised application for a smaller amount, ie \$660,000.

However in May 2014, as part of Australian Government budget deliberations, it was announced that ARENA was being disbanded. The future of the project to establish an *Integrated Renewable BioEnergy Facility for the Whyalla Region* is unknown at this stage.

## Lessons Learnt for 2014-15

The major lesson learnt by RDAWEP concerns the difficulty of facilitating projects that rely on government funding. RDAWEP acknowledges the highly competitive nature of the government funding environment and recognises that funding cannot be provided to support all project applications. RDAWEP has consequently identified the need for a more concerted effort to improve the quality of grant applications and support materials (particularly business cases and project management plans). The need to encourage project priority alignment in the regional development planning of other organisations is also acknowledged.

Given the experience encountered with the initial *Interpreting Whyalla* project applications, it is clear that greater effort needs to be made to ensure that grant submissions fully comply with all of the necessary technical conditions. RDAWEP will consequently adopt measures to ensure that grant applicants from the region have their proposed funding contributions formally endorsed at management level meetings to provide incontrovertible proof concerning the funding commitment.

The political circumstances experienced in 2013-14 were a little unusual with Australian and State Government elections being held in the same financial year. At best, this alignment might only occur every 4 years, but it is clear that the policy implications for grant funding programs and impact on project implementation can be profound.

The post-election hiatus in grant program provision needs to be factored into RDAWEP forward planning of projects.

## Tourism Development

The RDAWEP Tourism Development Manager is funded under a partnership agreement between Eyre Peninsula Councils, the South Australian Tourism Commission, Outback Communities Authority and RDAWEP. The manager is responsible for driving the growth of regional tourism with input from the Tourism Target Team.

Tourism took a significant step forward when RDAWEP secured *Brand Eyre Peninsula – Australia's Seafood Frontier* as the primary brand for the region and launched the *Tourism Eyre Peninsula Prospectus* in June 2012. This marketing program links the tourism industry with the extremely successful food industry development program and is the conduit for connecting with consumers, trade and the media - a partnership which has delivered notable returns to the region. Under the program tourism operators have the opportunity to collaborate on marketing initiatives to position the Eyre Peninsula as one of the world's premium culinary tourism destinations.

RDAWEP was successful in securing funding of \$185,000 from the State Government Regional Development Fund to deliver 9 projects during 2013-14 to build the Eyre Peninsula as a world class food region. Matching funding from the region's food and tourism industries provided a total of \$370,000 to undertake initiatives to increase the economic benefit of both industry sectors. In addition to ongoing projects, key tourism development initiatives achieved during 2013-14 included:

### › *Eyre Peninsula Culinary Adventure Guide*

This comprehensive guide identifies opportunities for consumers to immerse themselves in the culinary delights of the region. The guide aims to revitalise the Eyre Peninsula Seafood Trail and bring trade publications, such as *The Seafood of the Eyre Peninsula*, to consumer level. The high quality booklet guides consumers on a sensory journey through the Eyre Peninsula, highlighting premium food and wine and provides links to tourism destination and food websites.

### › *Tasting Australia*

Tasting Australia is the largest food and wine event in South Australia. Eyre Peninsula's seafood and tourism experiences were showcased at the event in Adelaide during May 2014, in collaboration with local chefs and tourism operators.

The event was very successful with over 1,400 meals sold over 4 days. The menu prepared by local Chefs included BBQ Spencer Gulf King Prawns, marinated local Blue Mussels, Sashimi Southern Blue Fin Tuna and Pacific Oysters from Cowell. In total more than 200kg of Blue Mussels, 190 dozen Oysters, 84kg of King Prawns and 60kg of Southern Blue Fin Tuna was prepared during the function.

Tasting Australia event raised consumer awareness of the region's seafood and sustainable fishing practices. The Eyre Peninsula stand attracted a large media contingent as well as a number of high profile chefs who were keen to learn more about the region's quality seafood produce. The region's seafood was also used by a number of other chefs at the event.



› ***Culinary and Tourism Ambassador Program***

The Culinary and Tourism Ambassador program assists people with attaining the skills necessary for employment in the tourism and food industry. The program supplies experiential training to help participants make informed decisions about their career pathways. In addition it provides participants with a sound knowledge of local features and attractions so that they can serve as Ambassadors to provide tourists with an informative experience.

› ***Culinary New Product Support Program***

The Culinary New Product Support program aids operators with product development and marketing to ensure that high quality and diverse product is available for culinary tourists. The program aims to seek "Best of Breed" operators from across Australia to either establish product in the Eyre Peninsula or act as mentors to regional operators. These initiatives aim to facilitate and drive Eyre Peninsula's position as a world class food region.

› ***Seafood Lovers Weekends***

In 2012-13 RDAWEP and the SATC successfully secured a new tour company (Australian Air Holidays) to deliver direct 3-day interstate air tours to the lower Eyre Peninsula to highlight the region's culinary and seafood experiences. The '***Seafood Lovers Weekend***' tours have been highly successful and continued during 2013-14 with groups from Sydney, Brisbane, Melbourne, Perth and Canberra.

› ***Helicopter Transfers for Fowlers Bay Whale Eco Tours***

In 2013 RDAWEP assisted Fowlers Bay Eco Whale Tours, HeliFarm and the Ceduna Foreshore Hotel to develop and market whale watching adventure helicopter packages from Ceduna. This product successfully operated during the July to August whale season and will be further enhanced during the 2014 season.

› ***Cruise Tourism***

RDAWEP, in partnership with the City of Port Lincoln and SATC, was successful in attracting 2 additional cruise companies to Port Lincoln for the 2014-15 season. Royal Caribbean and P&O Cruise lines visited Port Lincoln as a destination port in their itineraries.

Both companies confirmed overnight visits to Port Lincoln, increasing the economic benefit to the region. The success of the cruise tourism strategy brought an additional 6,400 passengers and crew to Port Lincoln in 2014 - a significant 4,000% increase from 450 people in 2013 to 18,200 in 2015.

› **Regional Tourism Website and Online Presence**

RDAWEP successfully launched a new regional tourism website [www.exploreeyrepeninsula.com.au](http://www.exploreeyrepeninsula.com.au) providing a single point of contact for consumers seeking information about the region's tourism experiences and products. The website helps local businesses to enhance their online presence through advertising and provides commission free direct booking capability. The online presence is enhanced through the incorporation of social media platforms, ie Facebook, Instagram and Twitter.



› **Conference Tourism**

RDAWEP initiated a *Building Eyre Peninsula as a Conference Destination Program* in late 2012. In 2014 this was developed into a Corporate Events Planner Guide, which was distributed in hard copy, on USB and digitally published for viewing online on the business event website [www.eventseyrepeninsula.com.au](http://www.eventseyrepeninsula.com.au).

› **Nullarbor Guide**

RDAWEP, in partnership with the SATC and Tourism WA, produced the 9th edition of the highly popular Nullarbor Guide. The guide highlights the iconic driving route from Adelaide to Perth and provides tourism and associated businesses with a cooperative marketing opportunity to feature individual experiences and products on the Nullarbor.

› **Eyre Peninsula Visitor Guide**

RDAWEP worked with the SATC and HWR Media to develop the copy for the *Eyre Peninsula Regional Visitor Guide*. This document is 1 of 11 regional guides used by the SATC to market regional tourism experiences in South Australia. The guide is the primary source of marketing collateral used at trade and consumer expositions in Australia and overseas.

› **Best Backyards Campaign**

RDAWEP worked with the SATC to develop the South Australian Best Backyards intrastate marketing campaign. This resulted in the Eyre Peninsula being the only region to produce a television commercial in 2013-14 which was aired across major free to air channels in South Australia. The commercial utilised the tagline – “*Eyre Peninsula, a little bit scary, but loads of fun.*”

› **Image Gallery**

RDAWEP has established a quality image gallery, which has proved extremely successful in attracting quality media and highlighting the region's unique attributes. Activities to improve the image library included hosting Randy Larcombe Photography on a regional photographic shoot and sponsoring a regional photographic competition, which resulted in over 200 quality submissions. The image gallery will be further developed during 2014-15.

› **Opinion Leaders Program and Famils**

RDAWEP continued its highly acclaimed Opinion Leaders Program, which led to extensive media coverage for Eyre Peninsula domestically and internationally during 2013-14. The program was assisted by the SATC and Tourism Australia.

› **Cooperative Print Marketing**

RDAWEP successfully facilitated a number of cooperative print marketing campaigns with major features included in *Australian Geographic*, *Destinations for the Discerning Traveller*, *Australian Traveller*, the *QANTAS Spirit* magazine and various newsprint media.

## Food Industry Development

The RDAWEP Food Industry Development program has been invaluable in the development of the regional food brand, “*Eyre Peninsula - Australia’s Seafood Frontier*”. The program aims to build long term business relationships and value chains to secure long term sales and increased price points. The success of the program has grown through collaborative marketing and value chain development, with the seafood industry recognising the business benefits and increased returns. Joint initiatives with the RDAWEP tourism development program have been extremely important to position the Eyre Peninsula as a premium tourism and culinary destination. Key food industry program achievements during 2013-14 include:

### › *Digital Strategy*

RDAWEP developed digital collateral with a technical marketing focus. Digital medium is the optimum platform to deliver sophisticated content and raise awareness of the factual and environmental factors, which underpin claims about the region’s safe and sustainable food production. The strategy included the production of a 3 minute video-graphic promoting regional companies and a second video presenting the values of the regional brand and technical information about different seafood production areas.

The videos were launched at a high profile brand dinner function at the Port Lincoln Hotel in May 2014. The event was also used to launch the *Eyre Peninsula Culinary Adventure Guide* and *Corporate Events Planning Guide*. The guest speaker was Keith Palmer, Chief Executive of the Wakatu Incorporation, a leading food and beverage company on New Zealand. Mr Palmer spoke about his experience of doing business with China, and the food and tourism product relationship in New Zealand.

### › *Seafood Expedition*

The Seafood Expedition is a 3 day, trade-orientated mission to the region designed to enhance and add value to the benefits received from *Tasting Australia* and other company marketing activities. The expedition comprises an educational tour to showcase premium seafood product which targets Sydney, Melbourne and Brisbane based wholesalers, distributors and food industry influencers, such as renowned chefs. The expedition aim is to increase sales and price points in key interstate markets by encouraging greater trade knowledge and appreciation of the region’s seafood, industry innovation and best practice fisheries management. 2 Seafood Expeditions have been scheduled for 2014-15 with the first occurring in June 2014.



### › *China Business Strategy*

RDAWEP and several seafood industry stakeholders have been assessing China as a target export market. Working with regional business partners, PIRSA and Food SA, RDAWEP hosted several delegations of Chinese business representatives during 2014, including companies such as Ocean Park, Australia Original Food Centre, Fujian Ming Cheng Group and the Hong Kong Association of Restaurateurs. RDAWEP will continue this initiative during 2014-15 as China strengthens its trading position with Australia.

› **Trade Website, Eyre Peninsula – Australia’s Seafood Frontier**

The trade website was refreshed during 2014 with information highlighting the point of difference with the Eyre Peninsula Brand and products. The website upgrade emphasised the unique and pristine qualities of the regional ecosystem, ie reliance on ocean fed nutrients and no impact from land wash off, the rich diversity of product from a single region, and quality assurance from world best practice product preparation, handling and production methods.

› **World Aquaculture Conference**

The World Aquaculture Conference was held in Adelaide 7-11 June 2014. The conference is a world aquaculture event and attracted many international delegates. RDAWEP used this opportunity to showcase the region to an international audience by hosting a post conference touring program. The program was held 12-14 June for approximately 40 delegates at Port Lincoln and included a welcome function at the Axel Stenross Maritime Museum and tours of local aquaculture enterprises.

› **Opinion Leaders Program**

The food industry hosted a range of high profile tours during 2013-14 for media representatives and domestic and international buyers. The program showcased the food industry through print, radio and television media to increase the brand message and support the local industry. Potential buyers were strategically selected to help local industry maximise new market opportunities.

Key activities included hosting a visit by restaurateur chain owner and Chef, Jimmy Shu, in December 2013 and a delegation of leading Chefs, hoteliers and restaurateurs from Hong Kong in April 2014. Iron Chef Wong, the leader of the Hong Kong delegation, expressed interest in purchasing seafood directly from regional producers and developing regional culinary experiences for people from Hong Kong.

## **Business Development**

RDAWEP employs 2 Business Development Advisors to support small to medium business enterprises (SME’s) and there was strong demand for services during 2013-14.

RDAWEP obtained funding of \$200,000 from the AusIndustry Small Business Advisory Services (SBAS) program to deliver a Small Business Training and Mentoring program.

The program provided a series of 1 day workshops with experts on topics including strategic and business planning, business systems, business finance, marketing communications, selling and servicing local markets. An optional mentoring program was offered to assist business managers implement changes and improvements within their enterprises.

During 2013-14 44 workshops were delivered to 160 businesses at Whyalla, Port Lincoln, Ceduna, Wudinna and Cleve. The project built the capacity and skills of owners and managers to ensure that local businesses are sustainable and can diversify and grow with other industries.

Additional workshops were programmed in Whyalla to help businesses become major project ready and access larger projects servicing the mining and resources sector. The assistance provided included meeting the rigorous prequalification conditions of the mining industry and included workshops on tender preparation, project management, marketing and the preparation of capability statements.

During 2013, RDAWEP was also successful in securing funding from DMITRE to deliver a “Regional Business Online” program. The program was developed to address a critical shortfall identified by State and Australian Governments on the use of cloud based technology by SME business owners in regional areas.

The program delivered workshops during 2013-14 in Port Lincoln, Ceduna, Wudinna and Whyalla to 56 participants from 43 businesses. Demand in Port Lincoln led to a second workshop being scheduled in April 2014. Workshop feedback was positive and demonstrates the capacity of the RDAWEP Business Unit to successfully develop and deliver quality programs to business clusters.

## Indigenous Economic Development

The Indigenous Economic Development Program helps Aboriginal people gain employment and assists Aboriginal groups to undertake commercial activities. The Indigenous Economic Development Strategy has initiatives to increase Aboriginal involvement in mining, land based activities (agriculture, horticulture, and natural resources management), water-based activities (commercial fishing and aquaculture), tourism, the arts and small business. Projects facilitated in 2013-14 include:

### › *Wanilla Forest Training Centre*

Numerous strategies have been implemented in recent years to create Aboriginal employment in the mining sector, but additional training programs are needed for skills development. RDAWEP facilitated the establishment of a training centre at Wanilla Forest, 20kms north of Port Lincoln.

The centre is available for mining and broader employment related training, eg catering, transport, security, fire fighting, land care, and will be managed as a commercial activity by Port Lincoln Aboriginal Community Council Inc (PLACC). The facility provides accommodation for 16 people, a training room, commercial kitchen, and an external site for hands-on experience with heavy plant and machinery. The facility was under construction in June 2014 at a cost of \$576,000.

### › *Koonibba Community Development*

During 2013-14 RDAWEP provided the Koonibba Community with governance and administrative assistance. This included tourism development initiatives linked with the Eyre Peninsula Indigenous Tourism Trail and support to extend the community's share farming enterprise with the introduction of livestock in 2015.

### › *Property Developments*

The resolution of caveats and other restrictions on Aboriginal land has enabled joint venture property developments to be pursued. The PLACC *Cove Heights* project at Port Lincoln provides 105 allotments and will exceed \$10 million in gross income, which will substantially improve the economic position of PLACC through a profit sharing arrangement. The *Tod View* development at Poonindie is a smaller PLACC initiative that will provide 9 housing allotments. Both developments provide Aboriginal job seekers with opportunities to gain employment skills in civil construction and environmental projects. The *Cove Heights* agreement requires all contractors to employ a minimum of 20% Aboriginal people and landscaping work will be contracted to PLACC's Labour Hire program.

### › *Fishing and Aquaculture*

Munda and Wanna Mar, a family-based organisation at Smoky Bay, has obtained a 20 hectare water lease to develop an abalone aquaculture venture. Benthic reports indicate high nutrients and suitable weed to encourage the establishment of an artificial reef for abalone production. RDAWEP is supporting the venture with the preparation of a business case to procure an aquaculture licence and research grant. RDAWEP is also providing assistance to obtain finance for the capital development.

### › *Aboriginal Tourism*

An Indigenous Tourism Trail has been established along the Eyre Peninsula coastline as part of the Indigenous Economic Development Strategy. The trail showcases Aboriginal culture and aims to retain visitors for additional nights and improve the viability of Aboriginal tourism ventures through collective critical mass. RDAWEP is facilitating further project development with initiatives to position the Nullarbor Plain as a tourism destination, with a focus on the Head of Bight whale watching venture.

### › *City of Whyalla Initiatives*

The City of Whyalla was not part of the RDAWEP region when the Indigenous Economic Development Strategy was initiated in 2008. Under current RDA arrangements Whyalla constitutes a fourth Indigenous sector and RDAWEP is pursuing initiatives to address the needs of Aboriginal people in Whyalla. This involved numerous meetings during 2013-14 to ascertain the aspirations of the Whyalla Aboriginal community and clarify governance. Some issues concerning Aboriginal owned property assets have yet to be resolved, but will be pursued during 2014-15.

## Workforce, Employment and Skills Development

RDAWEP plays a major role in the facilitation and delivery of government funded employment and skills development programs. During 2013-14 RDAWEP housed the DFEEST Regional Manager, hosted Aboriginal Workforce Participation Coordinators at Whyalla and Port Lincoln, employed an Aboriginal Economic Development Officer, housed the DEEWR RESJ Coordinator and had a close working relationship with the PEA Local Employment Coordinator. In addition, RDAWEP employed 2 Employment and Skills Development Managers to manage and implement the *Skills for Jobs in Regions* program in Port Lincoln and Whyalla. The managers are also responsible for providing executive services to regional support networks, coordinating the development of cross-agency partnerships and leveraging funding from a wide range of partners for other training and employment related programs.

Employment and skills development programs delivered during 2013-14 included:

› ***Employment Access Fund***

The Employment Access fund supplies one-off grants of up to \$1,000 to assist people with half of the costs to access employment prerequisites such as licences, tickets, protective clothing, trade tools and travel.

› ***Career Development Services***

This services provides people with support to overcome barriers to labour force participation, targeting people with limited education, skills and work experience.

› ***Primary Industry Skills Shortage***

The Primary Industry Skills Shortage program delivers courses to address skill shortages in key areas of the regional economy, ie the shearing and aquaculture industries. The shearing course included 4 weeks of subsidised work exposure with professional shearers. The aquaculture course provided participants with a certificate in 'Elements of Shipboard Safety', which is necessary for employment in the oyster industry and a prerequisite for progression to Coxswain certification.

› ***Pre-Employment Industry Cluster Program***

This program, which is delivered in Whyalla, tutors participants in job ready skills and work experience in industries including aged care and health, resources and infrastructure, retail, business administration and civil construction.

› ***Youth Exploring Potential***

The Youth Exploring Potential initiative provides 60 Aboriginal and non-Aboriginal participants with career development planning and supported work experience, targeting young people disengaged from learning or work and those transitioning from school to further training and employment.

› ***Connecting Families***

Connecting Families is a Whyalla based program that gives support and assistance to families to help break the cycle of long term joblessness.

› ***Whyalla Career Development Centre***

The Career Development Centre provides a career planning support service for people with limited education, training and work experience.

› ***Vocational Training Transition Program***

This Whyalla based program assists the adult Community Education participants with transition to the Skills for Jobs training program.

› ***Heavy Industry Training Program***

The Heavy Industry Training program is a 15 week full time intensive skills and personal development course that provides 28 unemployed people with 'hands on' heavy industry skills.

› ***Certificate II in Driver Operations***

This course delivers professional driver training and a Certificate II in Driving Operations for participants.

› **Work Exposure**

Assisting young people to explore career possibilities through work experience at participating industries.

› **Wheels in Motion**

The Wheels in Motion program assists young people with obtaining their driver's licences and therefore increasing the probability of gaining employment.

› **Skills on Eyre**

Skills on Eyre supplies a web-based training directory to assist with the recruitment of a skilled workforce.

› **Whyalla Aged Care Program**

The Whyalla Aged Care program supplies 40 participants with the necessary training to pursue employment in the aged care and health industries.

› **Retail Employment Project**

30 participants were trained to gain skills and competencies to gain employment in specialty stores at the upgraded Westland Shopping Centre in Whyalla. The program enhanced job readiness through mentoring and work experience with major retailers including Coles, Target, Woolworths, and independent supermarkets.

The Eyre Peninsula was also 1 of 4 regions in Australia selected to implement the *AgriFood National Regional Initiative*. AgriFood is an 18 month government funded program designed to drive sustainable skills development and employment in primary industries, focussing on the agriculture and mining sectors.

The Primary Industry Skills Shortage program was a joint RDAWEP and AgriFood initiative delivered through TAFE and one of a range of initiatives undertaken to address workforce gaps in the primary industry sector. Another project sought to overcome the seasonal nature of work in the primary industry sector by providing aquaculture employees with the skills and tickets necessary for employment at Viterra silos during the grain harvest season.

The AgriFood program commenced in 2013 and will continue until December 2014.

## Mining Industry Development

Mining is beginning to have an economic impact in the region. Mining is diversifying the region's economic base from traditional primary industries and creating opportunities for employment. The mining sector is small in comparison to other industries, but is the fastest growing regional industry with 79.2% growth during 2001-2011 largely due to mining exploration on the Eyre Peninsula.

The region incorporates the provinces of the Gawler Craton, Eucla Basin and part of the Officer Basin. These areas are becoming Australia's most promising mineral frontiers. Exploration in recent years has identified numerous mineral prospects including iron ore, heavy mineral sands, kaolin, gold, silver, nickel, copper, and coal in the northern and western parts of the region, and iron ore, graphite and manganese on the eastern, central and lower parts of the region. The economic impact of mining will grow markedly in forthcoming years as enterprises in iron ore, mineral sands, kaolin, graphite and uranium progress from exploration to operation.

At this stage the region presently has 5 operating and approved mines, 10 developing mines and 12 prospective ventures. The developing mines and prospects are at different development and approval stages, with definitive feasibility studies completed in some instances.

RDAWEP is in continuous liaison with mining companies about the progress of their projects and is facilitating the provision of supportive infrastructure where appropriate.

› **Mining, Oil and Gas Community Development Task Force**

Growth of the mining sector and concern about the potential impact on the region led the Local Government Association of South Australia (LGASA) to hold a Mining Round Table in Port Lincoln on 8 November 2013. The purpose was to investigate the likely impact of mining from a Local Government perspective and help Councils to be better prepared to meet the challenges of population growth and demand on housing, community infrastructure and services. Round Table participants included the EPLGA 11 Member Councils, RDAWEP, DMITRE, EPNRM Board, SACOME, RESA, PIRSA, SA Arid Lands NRM, the Local Member for Flinders and representation from the mining, oil and gas sectors.

The Round Table determined that an integrated planning approach was necessary to maximise the benefits from mining and resources development and that a regional group should be established to provide leadership. The recommendations were that:

- A Mining, Oil and Gas Community Development Taskforce be established to (1) provide a single forum for information about the impacts of mining development; (2) assist Councils with planning for housing and support services; and (3) provide a focus for relevant State Government agencies.
- The task force should take a regional perspective in developing the mining industry, and the consideration of environmental, infrastructure and emerging issues which require joint Local and State Government decisions.
- Representation could include membership of the LGA, EPLGA, RDAWEP and the South Australian Chamber of Mines and Energy (SACOME). (Local Government Association of South Australia, *Mining Round Table Summary Notes*, November 8 2013).

The need for a high level, independent Chair (based on the Olympic Dam Task Force model) was also identified.

RDAWEP worked closely with the EPLGA to develop the terms of reference and both organisations will take leadership in facilitating task force operations during 2014-15.

## Innovation

The pursuit of innovative technologies, cutting edge research, the development of new and value-added products and identification of more efficient processing and supply systems are important to give the region comparative advantages and strengthen the economy through further diversification of its business and product base.

The region is fortunate in having numerous organisations pursuing research activities. Agricultural research is being undertaken by the Eyre Peninsula Agricultural Research Foundation, Lower Eyre Agriculture Development Association and Minnipa Agricultural Centre. The University of SA Regional Sustainability Centre is researching options for long term sustainability, and TAFE SA Regional has developed facilities at Whyalla to provide courses in renewable energy technologies.

The aquaculture industry is characterised by a high level of innovation, particularly in the tuna sector. This includes value adding initiatives with Southern Bluefin Tuna breeding and the direct marketing of fresh fish to Japan. In turn, the success of the tuna industry in developing such ideas has been the catalyst for new research in marine science by bodies such as SARDI and the Lincoln Marine Science Centre in Port Lincoln.

During 2013-14 the SA Oyster Growers Association, in liaison with RDAWEP, investigated options for recycling oyster basket waste and is pursuing research and development for the establishment of a spat hatchery to safeguard the industry into the future.

The region's seafood sector is renowned internationally for its premium seafood, which is appreciated by some of the world's most respected Chefs. The industry has demonstrated innovative value-adding initiatives over the years including farming techniques, processing, packaging and marketing initiatives.

During 2013-14, RDAWEP provided support to Muradel and the University of Adelaide, Centre of Excellence in Plant Cell Walls with their research and development of biofuel production from microalgae and plant feedstocks. RDAWEP also facilitated a technical delegation from the State Grid Corporation of China, who inspected sites for pilot pumped hydro plants using a mixture of wind and water for power generation, and has been assisting the development of Guar Bean crop sites to support oil and gas exploration.

More recently, RDAWEP has been liaising with Valence Industries regarding the development of an advanced manufacturing plant at the Uley graphite mine near Port Lincoln for the production of high quality, large flake graphite suitable for graphene applications. This facilitation will be pursued during 2014-15.

RDAWEP will continue to encourage and support the development of innovative projects by assisting organisations and business enterprises to access funding programs which foster innovation.

The application of innovative approaches to development solutions will improve business competitiveness, position the region as a centre of excellence for new processing systems and technologies, and strengthen the region's growing reputation as a producer of diversified and high quality product.

## Exports

The region is highly export orientated with the main exports currently being grains (wheat, barley, oats and canola), seafood, heavy mineral sands, iron ore, gypsum and salt.

On average, approximately 97% of the region's annual grain production is exported. However, the current level of mineral exports is not significant on a State or national scale. The region's resources exports during the period 2011-14 were:

### > *Iron ore*

Arrium exported 8-9 million tonnes of haematite from Whyalla Port in 2013 but a port facility upgrade increased export capacity to 12-13 million tonnes per annum, which was achieved in 2014.

### > *Heavy mineral sands*

Iluka Resources exported 400,264 tonnes of heavy mineral sands from Thevenard Port during 2011, but reduced this to 246,887 tonnes in 2012. This level of mineral sands export has largely been maintained however it is predicted to increase to over 800,000 tonnes per annum in future years, subject to commodity prices.

### > *Gypsum*

GRA exported 1.69 million tonnes of gypsum from Thevenard Port in 2011 but the annual average is approximately 1.9 million tonnes.

### > *Salt*

Cheetham exported 120,334 tonnes from Thevenard Port in 2011 however the annual average is approximately 130,000 tonnes. Data about the export of salt products from Whyalla by Olsson Industries is unknown at present, but will be pursued.

These volumes do not give a true indication of the region's minerals export potential in future years. With new mines likely to proceed, the export of magnetite, haematite, graphite and kaolin will substantially increase the region's export capacity. Based on the assumption that several mines will move into operation during 2016-18, and the mines will achieve their average production targets, the gross value of the region's minerals exports could reach approximately \$7.0 billion per annum by 2018.

Whilst the export volumes of some commodities are well documented, the volume and value of the region's exports as a whole is difficult to determine. Export information provided by the ABS is presently collected on a national and State basis without a regional breakdown and industry specific export data is collected on a national basis without a State or regional breakdown. This is particularly problematic for determining the volume and value of exports from the fishing and aquaculture industries. Economic reports do not provide export data other than to state that "A large proportion of the South Australian aquaculture production, particularly tuna, is exported overseas" and "a significant export destination for South Australian tuna is Japan." Export estimates are not available for other fishing and aquaculture sectors.

RDAWEP is aware of these data shortcomings and has pursued this matter during 2014 in consultation with industry however is able to confirm that:

- less than 1% of abalone production is sold within Australia;
- 99% of king fish production is exported from the region, with 80% sold to the domestic market; and
- approximately 2% of oysters are sold locally.

The Spencer Gulf and West Coast Prawn Fisherman's Association advised that it does not have access to such data and information from the tuna sector indicates that more than 90% of tuna is exported but this figure has yet to be confirmed.

RDAWEP recognises the need to compile accurate data about the export volumes and values because this will verify the regional contribution to gross State product. Options to pursue this matter have been identified and will be investigated during 2014-15.

## Continuous Improvement

During 2013-14 RDAWEP initiated strategies to engage a culture of continuous improvement in the organisation. The strategies included major reviews of organisational operations, financial systems, information communication technology, and strategic planning.

### › *Organisational Review*

The organisational review was requested by the EPLGA and 11 Member Councils as a condition of the provision of future Local Government core funding provision. Some Councils had expressed concern about the value and benefits received and believed that the overall performance of RDAWEP could be improved.

The purpose of the review was to investigate the efficacy of RDAWEP operations and identify options to improve the operational position and capacity to deliver greater benefits to Local Government. The review needed to ensure that RDAWEP has the capacity and resources to meet its desired future strategic direction, the framework of which was pursued as part of this study. The review objectives were to position RDAWEP as an organisation with:

### › *Organisational Culture*

Creation of customer focus with a continuous improvement culture.

### › *Service Delivery*

An improved, cost effective service delivery model.

### › *Operations*

An improved operating position through one or more of the following means:

- › reduced costs through operational savings;
- › cost recovery wherever possible, eg fee for service options such as project management fees, business case preparation and grant writing fees; and
- › restructured organisation bringing greater operational efficiencies.

### › *Sustainability*

Financial sustainability, with long term strategic and operational plans.

### › *Board Effectiveness*

A more effective and strategic Board with capacity to better meet stakeholder needs and deliver improved regional outcomes.

### › *Workforce*

A sustainable, efficient and effective work force with capacity to maintain service delivery.

### › *Workplace Improvement*

Improved personal career development and pathways for employees, including improved work/life balance and equitable workloads to make RDAWEP a better place to work.

The RDAWEP Organisational Review was carried out by Dr Kristine Peters (DipT, MBA, PhD) reporting to a steering Group comprised of RDAWEP Chair J Pollock, EPLGA Executive Officer Tony Irvine and RDAWEP CEO Dion Dorward. Staff and stakeholders, including Australian Government representatives, were interviewed, a staff skills audit undertaken and an "issues and opportunities" paper delivered to the steering group, which formed the basis for workshops held with the staff and Board Members. This, together with further investigation and analysis, led to an improvement and efficiency agenda, which was put back to management, Board Members and key stakeholders for further comment and amendment, followed by delivery of the final report.

Core messages contained within the report included:

New project or funding opportunities must be carefully considered against 2 questions:

1. *Will it help shift core business back to what we believe is important?* If so, it may be worthwhile pursuing an opportunity that does not necessarily generate good returns - provided it does not have a negative effect on the organisation's assets or ability to deliver core business.
2. *Will it make money?* It can be worthwhile to take on projects that generate a surplus, provided they do not draw the organisation away from core business.

If the answer to both of these questions is 'no', there needs to be a very good reason to pursue the 'opportunity'. Sometimes all that is needed is a different and more cost-effective way of delivering the project, in which case change generates innovation. But if there are no benefits, it is prudent to politely decline.

The priority in recruiting new staff is therefore to seek out people who have established skills, but can be flexible and effective when presented with new roles and responsibilities.

The delivery of AusIndustry's *Small Business Advisory Service* on Eyre Peninsula has mainly been outsourced to consultants and trainers, with follow-up mentoring by RDAWEP. This separation of roles is expensive, weakens the exposure and leverage of RDAWEP services, and undermines opportunities to achieve economies of scale. Where possible, programs such as SBAS should be delivered in-house, which would provide better cost efficiencies and contribute to an expanded staff skill-set.

RDAWEP's *Target Team* approach is an excellent framework for gathering regional intelligence, as is direct reporting to the EPLGA, and staff contact with industry and councils when working across the region.

The RDAWEP *Regional Plan* is considered by DIRD and Member Councils to be a sound document, and RDAWEP is strengthening the attention paid to forecasting regional, national and international trends and interpreting how the region can respond to these. The good working relationship between the EPLGA Executive Officer and the RDAWEP is an important strategic connection, and planning for simplified reporting of KPIs to EPLGA will allow more time for communications that focus on how the region can address its future challenges and opportunities.

The report recommended a restructure of the RDAWEP Board, reducing the number of members to no more than 10 (as has been recently done at the RDA Adelaide Hills Fleurieu and Kangaroo Island), and prioritising industry and skills over Local Government representation (a number of RDAs limit Local Government representation to 2 Board Members).

#### Summary of Recommendations

1. Focus on changing the culture of the organisation to move toward a high performing team with shared goals and improved cooperation.
2. Review position descriptions and set KPIs to deliver priorities in the planning hierarchy, particularly the Action and Business Plans.
3. Implement a structured staff development and performance management process. Undertake a Training Needs Analysis to ensure staff have the right skills for the future, including prioritisation, project and time management.
4. Centralise corporate services functions, implementing an ICT solution to deliver business continuity and reduce administrative time.
5. Negotiate a per capita/per property local government funding model that delivers greater equity in local government funding. Include the existing commitment to tourism development in a single local government funding model. Extend the period of the funding agreement to five years, contingent on meeting KPIs.
6. Restructure the RDAWEP Board, reducing it in size and increasing the proportion of industry members. Review the volume and nature of reporting to the Board to support more strategic leadership. Address Board risk governance, employment, compliance and commercial obligations.
7. Implement strategies (e.g. Finance Committee, Business and Finance Manager) to oversee governance and compliance with legal, risk and regulatory requirements.
8. Continue the practice of cross-functional team meetings to gain benefit from shared knowledge and ideas. Move project surpluses into general revenue to encourage a 'whole of business' approach to budgets and profitability.
9. Undertake a business plan to explore options to capitalise on the organisation's capabilities in commercial research and analysis services.

10. Establish a Marketing and Communications role to coordinate and oversee communications consistency and quality. Develop and implement a communications strategy and an internal communications framework.
11. Concentrate RDAWEP functions at the front of the Whyalla offices and hand back the un-used space to the City of Whyalla.
12. Undertake a review of the Target Teams to develop a strategic management framework, establish consistent Terms of Reference and meeting frequency, and determine the process of reporting industry intelligence to the RDA.

RDAWEP is pleased to report strong progress on implementation of the recommendations contained within the report.

› **Financial Review**

A review of RDAWEP financial systems and operations was conducted separately from the organisational review by an independent auditor during March-April 2014. The Board endorsed the recommendations with the main outcome being that payroll and associated HR services were to be provided externally. This solution was found to be cost effective and had the benefit of enabling the RDAWEP Finance Officer to focus on other organisational priorities. The new financial systems will be implemented from 1 July 2014.

› **ICT Review**

A separate review was also undertaken of Information Communication Technology (ICT) systems. ICT had been identified as a major issue affecting the efficiency and morale of RDAWEP staff. At the time, ICT services were being provided in an ad-hoc manner by a local service provider, which did not have the capacity to deliver the required level of service and advice. An issues log had been implemented to capture and communicate the nature of problems being encountered. The key concerns were that:

- the Whyalla and Port Lincoln offices operated on different servers and were unable to securely operate common files;
- there were frequent service failures;
- backup was unreliable; and
- RDAWEP was constrained by legacy hardware.

The lack of security and backup posed a major threat to operations.

With advice from the EPLGA an ICT service provider was recommended and, after consideration of a detailed ICT proposal, the Board endorsed the appointment of Fourier to provide ICT services. The proposal provided a cloud based solution enabling remote file access by staff and remote application support, resulting in risk mitigation, greater levels of security and improved operational efficiencies. The new systems were commissioned during May-June for operation from 1<sup>st</sup> July 2014.

› **Strategic Planning Review**

RDAWEP undertook a detailed review of its planning regime. This was necessary to meet the requirements of the Australian Government's *Better Practice Guide* and templates for Regional and Business Plans. The purpose of the review was to (1) ensure that RDAWEP plans complied with DIRD planning templates; and (2) achieve efficiencies in the plan preparation process. The review included refinement of the Board vision and the determination of new regional priorities.

› **Regional Resource**

The strategic planning review identified the need for more comprehensive data to provide evidence to support regional planning. As a consequence RDAWEP began the process of preparing a data rich reference document about the region. The *Regional Resource 2014-16* is primarily based on ABS 2011 Census data with a breakdown for each of the 11 LGA's wherever appropriate. Longitudinal trends are identified by comparing Census data from 2001, 2006 and 2011.

The *Resource* preparation process involved a substantial extension of the RDAWEP research library on all matters concerning the region and the development of key industries. This project was initiated in May 2013 with the draft *Resource* finalised in June 2014. It is anticipated that the final report will be available to RDAWEP staff for reference purposes from August 2014.

A new RDAWEP Regional Plan for 2014-16 will be prepared using the *Resource* information and procedures for the release of the *Resource* to third parties are under consideration as RDAWEP needs to determine options to protect its intellectual property investment. The intention is to maintain and update the *Resource* as a living document until 2017, when data from the 2016 Census is released. The *Resource* will then be updated with new data for the period 2017-2021.

## Regional Partnerships and Consultation Network

RDAWEP has established an extensive stakeholder consultative structure to ensure that it is fully informed about regional issues and needs and can respond appropriately. This consultative structure has been developed over many years, from previous operation as the Eyre Regional Development Board and Whyalla Economic Development Board. The consultative structure is comprised of Target Teams, a Regional Consultation Network, and a Business Development Program.

### › **Target Teams**

The target teams are the primary mechanism for consulting with industry across the region. 5 industry-based target teams have been established for tourism, agriculture, seafood, Eyre Peninsula business and Whyalla.

The Tourism Target Team was established in 2009 to support the development of the Eyre Regional Development Board (ERDB) Tourism Plan. The Agriculture Target Team was formed in 2011 to replace the ERDB Drought Target Team, who had fulfilled their role during the regional drought crisis of 2009-10.

The Seafood Target Team was formalised in 2012, with a membership largely comprised of a Marine Parks Advisory Committee formed in 2010 to voice industry concerns about the South Australian Government plan to establish marine parks around the coast of Eyre Peninsula.

The Eyre Peninsula Business Target Team was established in 2011, and the Whyalla Target Team was established in July 2012 to provide business and community advice about economic development in the City of Whyalla.

Members of the target teams represent a breadth of interests within their specific industry sectors. These groups are therefore able to provide the best possible information about the issues and needs of industry, particularly on matters concerning skills shortages and gaps, training, employment and workforce development. The target teams are also able to provide the best possible advice about the infrastructure needs of their sectors and assist with the determination of development initiatives and delivery strategies.

With the exception of the Whyalla Target Team, which has a City of Whyalla focus, the target teams have a whole-of-region focus with membership drawn from numerous townships across the region. RDAWEP Board Members are represented on most of the target teams, which are facilitated by RDAWEP staff. Advice from these groups is provided to RDAWEP through minutes and reports at Board meetings.

### › **Sub-Regional Groups**

As part of the implementation of the RDAWEP *Eyre Peninsula Tourism Destination Management Plan* the Tourism Target Team was enhanced through the creation of sub-regional groups in June 2013. 5 sub-regional groups have been formed for the west coast, lower Eyre, eastern Eyre, central Eyre and Gawler, and the far west and Nullarbor regions. The purpose of the sub-regional groups is to encourage greater levels of industry and community input into the tourism planning and decision making process.

The sub-regional groups include representation from existing target team members, RDAWEP Board Members, tourism operators, business and tourism associations, Local Government, visitor information centres, Aboriginal organisations and government agencies, comprising approximately 60 members. The sub-regional groups were activated during 2013-14 and will continue throughout 2014-15.

### › **RDAWEP Stakeholder Consultation Network**

In addition to facilitating industry-based Target Teams, RDAWEP Board Members and staff participate on numerous regional groups and committees to ensure that the organisation is fully informed about the region's changing circumstances and needs.

The stakeholder consultation network provides RDAWEP with ongoing intelligence from an intra and cross agency perspective. The network has the advantage of government agency participation, thereby providing regional organisations with direct lines of communication to government departments and policy makers. Key stakeholder network groups include:

NETWORK GROUP	PRIMARY PURPOSE
<b>Regional Employment Network</b> Government and non-government agencies in the Eyre Peninsula and Whyalla.	Meet formally and informally to plan and implement employment skills and workforce development initiatives, including project partnerships and the joint funding of training and skills development programs.
<b>Upper Spencer Gulf Common Purpose Group (USGCPG)</b> RDA Boards of Whyalla and Eyre Peninsula, Yorke and Mid North and the Far North, and the provincial cities of Whyalla, Port Augusta and Port Pirie.	Provide leadership and a common front for initiatives to address key economic and social issues in the Upper Spencer Gulf region and improve the quality of life of USG communities.
<b>Eyre Peninsula Regional Facilitation Group</b> A State Government initiative in 2002 to facilitate regional improvements through inter-agency communication, coordination and cooperation at a senior management level.	To achieve targeted service delivery, optimise resource allocation, reduce service duplication and address the regional priorities identified in the South Australian Strategic Plan.
<b>Eyre Peninsula Water Security Reference Group</b> Comprising SA Water, DEWNR, EPNRM Board, RDAWEP, Local Governments and EPLGA. Meets annually (or as required).	Formed in 2007 as a reporting mechanism to the community about matters related to water security and usage and the condition of prescribed groundwater resources.
<b>Marine Parks Advisory Group</b> Formed in 2010 by representatives from all sectors of the regional fishing industry.	Provide industry-based advice about the State Government plan to establish marine parks around the coast of Eyre Peninsula and the potential economic impact on the industries and coastal communities that rely on fishing for their economic sustainability.
<b>Eyre Peninsula Integrated Climate Change Agreement (EPICCA)</b> Formed in 2010 by an agreement between the Government of South Australia, EPNRM Board, RDAWEP and the EPLGA.	Developing a cooperative approach to initiatives to address climate change in the region. EPICCA is currently working on a major climate change adaption plan for the region.
<b>Whyalla Development Focus Group (WDFG)</b> Representatives from <b>State Government:</b> DPTI, PIRSA, DMITRE and the Urban Renewal Authority. <b>Private Sector:</b> Santos, BHP Billiton, Port Bonython Fuels and Flinders Ports. <b>Community Governance Sector:</b> City of Whyalla Mayor and RDAWEP Board.	Acts as a conduit for communications between the Whyalla community, the private sector and the State Government about development and other matters in Whyalla and surrounding areas. Input from the general community is provided via the Whyalla Community Consultation Group.
<b>Eyre Peninsula Local Government Association (EPLGA)</b> Comprised of the 11 Member Councils in the region. (The EPLGA is based in the RDAWEP Port Lincoln office ensuring ongoing cooperation and consultation between the organisations).	Provide a cohesive viewpoint, strong voice and forum for cooperation to assist in the delivery of Local Government services across the region. This includes engagement with and the development of partnerships with the State Government, industry, the community and RDA to promote the economic and social prosperity within the region.
<b>Regional Development South Australia (RDSA)</b> RDSA is comprised of the 7 South Australian regional RDAs plus RDA Adelaide Metropolitan.	As a collective group, the RDAs work together to be regional development practitioners for the State. RDSA meets regularly to share ideas and discuss strategic infrastructure needs across regions to capitalise and maximise development opportunities.
<b>AgriFood National Regional Initiative</b> A Regional Advisory Group comprised of representation from PIRSA, the EPLGA, RDAWEP and the seafood, mining and agricultural industries.	An 18 month Australian Government funded program (established in 2013) to drive sustainable skills development and employment in the primary industry sector (agriculture and mining).
<b>Tumby Bay District Community Consultative Group (TBDCCG)</b> A community-based consultative group formed in January 2013 comprising residents of the Tumby Bay district, DC Tumby Bay and mining companies, with an independent Chair from RDAWEP.	Provide a community forum for the discussion of major development and other projects in the Tumby Bay district and providing community comment and feedback on planning, development and other issues to government agencies, private sector developers, RDAWEP and the District Council of Tumby Bay.

‣ **Business Development Program**

The RDAWEP Business Development Advisory Service conducts an extensive needs-based business development program across the region. The program provides training and skills development workshops to address business needs. These needs are identified through verbal, written and web-based electronic surveys to ensure that workshops meet the expectations of business owners and managers. This process provides another information source to RDAWEP regarding issues and requirements impacting the small business and retail sectors.

The workshop program is additional to the Eyre Peninsula Business Target Team which was formed to provide business owners with a collaborative voice to ensure that their necessities are addressed in RDAWEP business development and regional planning.

‣ **New Partnerships**

The following new partnerships were created during 2013-14:

PROJECT/INITIATIVE	PARTNERS	PROJECT SUMMARY
<b>Elliston Coastal Trail Committee</b> (reactivated in March 2014).	District Council of Elliston, Elliston Coastal Facilities Committee, EPNRM and RDAWEP.	Oversee the Elliston Coastal Trail project design development and implementation.
<b>Tourism Target Team – Sub-Regional Groups</b> (Initiated in June 2013 and activated shortly thereafter).	Tourism operators, Progress and Tourism Associations, Visitor Information Centres, Local Government and government agencies – approximately 60 representatives in total.	Creation of 5 sub-regional Tourism Target Team groups for the west coast, lower Eyre, eastern Eyre, central Eyre and Gawler and the far west and Nullarbor to drive sub-regional tourism development initiatives.

‣ **Proposed Stakeholder Consultation Strategy for 2014-15**

During 2014-15 RDAWEP will maintain existing partnerships and consultative structures, in addition to implementing other initiatives to engage stakeholders in the regional planning process.

‣ **Local Government Communications**

As part of the process of engaging with Local Government and the EPLGA, RDAWEP has determined a schedule of face-to-face meetings with Council members and employees. The purpose of the meetings is for RDAWEP to gather information about the issues, concerns, priorities and desires of individual Councils direct from Elected Members and staff. These meetings will be conducted by the RDAWEP CEO, Economic Development Managers and Special Projects Manager with the distribution of responsibility based on best-fit personal contacts at each Council.

‣ **New Target Teams**

Consultation with regional stakeholders during 2013-14 identified the need to address a range of aged care, health, disability, childcare and transport related issues, such as the:

- ageing of the regional population and increasing demand for aged care services;
- difficulty of attracting qualified and experienced health practitioners to regional locations;
- limited availability of services for disability and child care, especially in smaller townships;
- increasing use of the road network for grain cartage due to the poor state of the rail network, and resultant road maintenance and cost impact on Local Government;
- rising registration and other costs in the agriculture sector from the need to use larger vehicles to achieve economies of scale; and
- need to assess road legislation to enable the use of larger vehicles on more regional roads.

In view of these concerns the RDAWEP Board, at its meeting in March 2014, endorsed the establishment of 2 new Target Teams to provide industry based advice:

1. A Community Services Target Team to investigate and address aged care, health, disability and child care issues.
2. A Transport Target Team to address operational, infrastructure and logistical issues impacting the transport sector.

These target teams will be formed in the latter part of 2014 and will have a whole-of-region focus.

## Upper Spencer Gulf

The Upper Spencer Gulf Common Purpose Group (USGCPG) is an alliance of Local Government, regional development and education representatives focussed on facilitating economic and social growth across the South Australian regional centres of Port Augusta, Whyalla and Port Pirie. The Group was formed in 1998 as a forum for the 3 cities to provide a united voice and work with government, industry and other stakeholders in the interest of improving the long term sustainability of the region. A current focus is building capacity and understanding what is possible for the Upper Spencer Gulf and the 3 cities in accordance with the vision of transforming to a cleaner, more innovative, liveable and economically secure region. At present there are 3 major strategic initiatives:

### **1. Regional Sustainability Project**

The Upper Spencer Gulf is one of 4 sites funded by the former Australian Government to trial developing a more upfront, strategic assessment of environment and sustainability issues in the region, to reduce delays with development approvals and to promote a progressive, sustainable and integrated approach to future growth. Australian Government grant funding of approximately \$400,000 is being invested into the following strategies to support this project.

- Renewable Energy Strategy – aim to identify best options and locations for low carbon industries and renewable energy across the region, including review of existing work, opportunities and constraints.
- Biodiversity Management – aim to identify and evaluate biodiversity in the USG that may be impacted by proposed or anticipated development in the project area.
- Climate Change and Hazard Vulnerability Strategy – aim to better understand how the three cities can mitigate and adapt to climate change and hazard vulnerability.
- Local Government Capacity Building Program – aim to conduct a series of ‘sustainability’ related forums with academic or industry experts related to project themes, along with study tours.

### **2. Regional Development Project**

The Australian Government provided the USGCPG with \$130,000 grant funding through RDAWEP, on behalf of the 3 RDAs, to deliver the ‘Strengthening and Diversifying the Economy of the Upper Spencer Gulf’ project. The key focus of the project is to continue development and implementation of the USG strategic action plan under the Memorandum of Understanding. 2 additional priorities identified by the RDAs and supported by the Australian Government being progressed are issues around energy transmission in the region and development of an USG Education, Skills and Industry Training Hub. More recently, an analysis of the stocks and flows between the 3 cities was endorsed, with Dr Kim Houghton engaged to deliver this project.

### **3. Local Government Collaboration**

The 3 key focus areas of the USGCPG for Local Government Collaboration include the following strategies:

- USG Local Government Resource Sharing.
- United USG Cities Voice - Local Government Association.
- Upper Spencer Gulf Mayors and MP’s Forum.

The appointment of a full time Executive Officer to the USGCPG in February 2014 is improving project focus, will result in more tangible outcomes for the region being delivered faster and is creating a greater political awareness of regional issues.

## FINANCIAL REPORT



2013/2014

## FINANCIAL REPORT

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC.

FINANCIAL REPORT  
FOR THE YEAR ENDED  
30TH JUNE 2014

Liability limited by a scheme approved under  
Professional Standards Legislation

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

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REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA

REPORT OF THE COMMITTEE  
FOR YEAR ENDED 30 JUNE 2014

Your committee submit the financial statements of the Regional Development Australia - Whyalla & Eyre Peninsula Inc. for the financial year ended 30 June 2014.

**Committee Members**

The names of committee members throughout the year and at the date of this report are:

Chairperson: Jim Pollock  
Public Officer: Dion Dorward  
Treasurer: Diedre Turvey  
Committee: Angela Faulkner (Deputy Chair)  
Jack Veithuizen  
Alan Suler  
Malcolm Call  
Bryan Trigg  
Annie Lane  
Colin Carler  
Annette Kirby  
Sarah Adamson  
Clare McLaughlin

In accordance with Section 35 (5) of the Associations Act 1985, the committee hereby states that during the financial year ended 30 June 2014:

- the committee members are paid a sitting fee for the meetings they attend to cover their time and any minor outgoings incurred.

Apart from the above:

- a) (1) no officer of the Association  
(2) no firm of which an officer is a member, and  
(3) no body corporate in which an officer has a substantial financial interest,

has received or become entitled to receive a benefit as a result of a contract between the officer, firm or corporate body and the Association.

- b) No officer of the Association has received directly or indirectly from the Association any payment or other pecuniary value.

**Principal Activities**

The principal activities of the Association during the financial year were to:

- Provide assistance via various external funding activities to the community, industry and business, and Government agencies in the following broad areas:
  - Economic Development
  - Indigenous Economic Development
  - Tourism Development
  - Food Industry Development
  - Employment and Training Programmes
  - Business Development programmes
  - Career Development services

- Note that the complete range of actual programmes is published in our annual plan and can be made available on request

Operating Result	30/06/2014	30/06/2013
	\$	\$
The deficit from ordinary activities amounted to:	(501,936)	455,845

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

Chairperson

Treasurer

Dated this 26<sup>th</sup> day of September 2014

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA  
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Revenue	2	3,981,262	6,700,556
<b>Expenses</b>			
Employee expenses		(1,450,990)	(808,858)
Depreciation expense		(31,701)	(21,653)
Advertising and promotion expense		(44,045)	(14,317)
Rental expense		(79,828)	(72,235)
Project funding expenses		(2,200,926)	(4,993,021)
Sundry expenses		<u>(675,711)</u>	<u>(335,628)</u>
<b>Current year (deficit) / surplus</b>		(501,936)	456,845
Income tax expense		<u>-</u>	<u>-</u>
<b>Net current year (deficit) / surplus</b>		<u>(501,936)</u>	<u>456,845</u>

The accompanying notes form part of these financial statements

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on hand	4	4,387,624	5,477,909
Accounts receivable and other debtors	5	326,776	286,970
<b>TOTAL CURRENT ASSETS</b>		<u>4,714,400</u>	<u>5,764,879</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	128,957	96,163
<b>TOTAL NON-CURRENT ASSETS</b>		<u>128,957</u>	<u>96,163</u>
<b>TOTAL ASSETS</b>		<u>4,843,357</u>	<u>5,861,042</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	7	177,848	358,250
Employee provisions	8	186,975	86,910
Unexpended Grants		1,874,606	2,310,018
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,239,429</u>	<u>2,755,179</u>
<b>TOTAL LIABILITIES</b>		<u>2,239,429</u>	<u>2,755,179</u>
<b>NET ASSETS</b>		<u>2,603,928</u>	<u>3,105,863</u>
<b>EQUITY</b>			
Reserves	9	1,760,997	1,726,900
Retained surplus		842,931	1,378,964
<b>TOTAL EQUITY</b>		<u>2,603,928</u>	<u>3,105,864</u>

The accompanying notes form part of these financial statements

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Retained Surplus \$	General Reserves \$	Total \$
<b>Balance at 1 July 2012</b>		922,119	743,383	1,665,502
Net surplus for the year		456,845	-	456,845
Reclassification	1(j)	-	983,517	983,517
<b>Balance at 30 June 2013</b>		1,378,964	1,726,900	3,105,864
Net deficit for the year		(501,936)	-	(501,936)
Transfer to reserves		(1,208,079)	1,208,079	-
Transfer from reserves		1,173,982	(1,173,982)	-
<b>Balance at 30 June 2014</b>		<u>842,931</u>	<u>1,760,997</u>	<u>2,603,928</u>

The accompanying notes form part of these financial statements

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Grants operating received		1,178,093	1,037,982
Project funding		1,646,306	4,809,846
Other receipts		168,865	301,297
Payments to suppliers and employees		(4,143,997)	(6,492,514)
Interest received		124,943	152,644
Net cash provided by operating activities		<u>(1,025,790)</u>	<u>(90,745)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(64,495)	(35,008)
Proceeds from sale of property, plant & equipment		-	40,000
Net cash used in investing activities		<u>(64,495)</u>	<u>4,992</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		-	-
Proceeds from borrowings		-	-
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash held		(1,090,285)	(85,753)
Cash on hand at beginning of financial year		5,477,909	5,563,662
Cash on hand at end of financial year	4	<u>4,387,624</u>	<u>5,477,909</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 2014

**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 recognised 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 on Hand**

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.

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) Voluntary Change in accounting policy**

On review of the financial statements a different classification was considered to be more appropriate to the users of the financial statements. The change involved reclassifying amounts from Current Liabilities to Reserves in Equity in the Statement of Financial Position.

This change in policy provides reliable and more relevant information and has been applied to the comparative amounts.

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
<b>Note 2: Revenue and Other Income</b>		
Administration grants	1,170,093	1,037,982
Project funding	2,634,303	4,909,846
Interest received	124,943	152,644
Other income	43,923	600,084
	<u>3,981,262</u>	<u>6,700,556</u>
<b>Note 3: Auditors' Fees</b>		
Remuneration of the auditor of the association for:		
Auditing the financial report	7,500	11,750
Other corporate services	7,715	-
	<u>15,215</u>	<u>11,750</u>
<b>Note 4: Cash on Hand</b>		
Cash in hand	400	400
Bendigo Admin Account	3,123,197	3,617,474
Bendigo Eyre Reserve Term Deposit	805,000	1,405,000
Bendigo Whyalla Reserve Term Deposit	300,000	300,000
Bendigo Eyre Reserve 11m	61,187	59,651
Bendigo Whyalla Reserve 11m	67,880	95,364
	<u>4,387,624</u>	<u>5,477,909</u>
<b>Note 5: Accounts Receivable and Other Debtors</b>		
Project debtors	305,745	277,062
Other debtors	1,031	-
GST refundable	-	9,958
	<u>306,776</u>	<u>287,020</u>
<b>Note 6: Property, Plant and Equipment</b>		
Plant & Equipment - at Cost	42,873	42,873
Less Accumulated Depreciation	(37,715)	(39,426)
	<u>5,158</u>	<u>3,447</u>
Office Equipment - at Cost	135,632	123,949
Less Accumulated Depreciation	(118,780)	(112,605)
	<u>16,852</u>	<u>11,344</u>
Furniture & Fittings - at Cost	62,268	62,268
Less Accumulated Depreciation	(53,598)	(51,830)
	<u>8,670</u>	<u>10,438</u>
Project Assets - at Cost	62,817	-
Less Accumulated Depreciation	(16,592)	-
	<u>46,225</u>	<u>-</u>
Motor Vehicle - at Cost	87,281	87,281
Less Accumulated Depreciation	(32,654)	(19,247)
	<u>54,627</u>	<u>68,034</u>
<b>Total Property, Plant &amp; Equipment</b>	<u>128,957</u>	<u>86,163</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 2013	Additions	Disposals	Depreciation Expense	Carrying Amount at 30 June 2014
Plant & Equipment	6,447	-	-	(1,289)	5,158
Office Equipment	11,344	11,683	-	(4,175)	18,852
Furniture & Fittings	10,328	-	-	(2,008)	8,320
Project Assets	-	59,812	-	(16,592)	43,220
Motor Vehicle	68,034	-	-	(13,407)	54,627
	<u>96,153</u>	<u>71,495</u>	<u>-</u>	<u>(31,791)</u>	<u>135,857</u>

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
<b>Note 7: Accounts Payable and Other Payables</b>		
Sundry creditors	97,597	25,520
Project creditors	-	292,000
Credit card control account	8,188	-
GST payable	30,858	-
Payroll liabilities	39,395	40,840
	<u>177,846</u>	<u>359,260</u>
<b>Note 8: Employee Provisions</b>		
Annual leave entitlements	67,169	39,397
Long service leave entitlements	109,808	47,813
	<u>168,975</u>	<u>86,910</u>
<b>Note 9: Reserves</b>		
Project funds investment	-	800,000
Payroll provision holding account	-	177,981
Eyre reserve project allocation	1,123,183	599,882
Capital reserves	-	45,970
Whyalla reserve project allocation	637,814	102,061
	<u>1,760,997</u>	<u>1,725,900</u>

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA

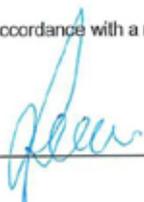
STATEMENT BY MEMBERS OF THE COMMITTEE

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 of pages 3 to 10:

- 1 Presents a true and fair view of the financial position of Regional Development Australia - Whyalla & Eyre Peninsula Inc. as at 30 June 2014 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 26<sup>th</sup> day of September 2014.

  
\_\_\_\_\_  
Treasurer

Dated this 26<sup>th</sup> day of September 2014.



RSM Bird Cameron  
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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF

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

We have audited the accompanying financial report, being a special purpose financial report, of the Regional Development Australia – Whyalla & Eyre Peninsula Incorporated, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income and statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by committee.

#### *Committee's, Responsibility for the Financial Report*

The committee is responsible for the preparation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Associations Incorporation Act (SA) 1985 and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

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scheme approved under  
Professional Standards  
Legislation

Birds and Nominees Pty Ltd  
ABN 33 009 323 377  
Practising as  
RSM Bird Cameron  
ABN 65 379 382 479

Major Offices in:  
Perth, Sydney,  
Melbourne, Adelaide,  
Canberra and Brisbane

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*Opinion*

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Regional Development Australia – Whyalla & Eyre Peninsula Incorporated as of 30 June 2014 and its financial performance for the year then ended in accordance with Note 1 to the financial statements and the Associations Incorporation Act (SA) 1985.

*Basis of accounting*

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Regional Development Australia – Whyalla & Eyre Peninsula Incorporated to meet the requirements of Associations Incorporation Act (SA) 1985. As a result, the financial report may not be suitable for another purpose.

**RSM BIRD CAMERON**  
Chartered Accountants

A handwritten signature in black ink, appearing to read "R MILLER", written over a horizontal line.

**R MILLER**  
Director

Canberra, Australian Capital Territory  
Dated: 29<sup>th</sup> September 2014

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

COMPILATION REPORT TO REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE  
PENINSULA INC.

We have compiled the accompanying special purpose financial statements of Regional Development Australia - Whyalla & Eyre Peninsula Inc, which comprise the assets and liabilities statement as at 30 June 2014, the income and expenditure statement for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1 to the financial statements.

*The Responsibility of the Committee of Management*

The committee of management of Regional Development Australia - Whyalla & Eyre Peninsula Inc is solely responsible for the information contained in the special purpose financial statements and has determined that the basis of accounting used is appropriate to meet its needs and for the purpose that the financial statements were prepared.

*Our Responsibility*

On the basis of information provided by the committee of management we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting described in Note 1 to the financial statements and APES 315: *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the committee of management provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the committee of management. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

9-11 Mortlock Tce, Port Lincoln SA 5606

**RSM Bird Cameron**  
Port Lincoln

Signed  \_\_\_\_\_  
STEVEN JAMES

Dated this 25<sup>TH</sup> day of SEPTEMBER 2014.



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**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 2014. 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 BIRD CAMERON**  
Chartered Accountants

A handwritten signature in black ink, appearing to read "R Miller", written over a horizontal line.

**R MILLER**  
Director

Canberra, Australian Capital Territory  
Dated: 29<sup>th</sup> September 2014

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REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
<b>INCOME</b>			
Hire of Plant		5,777	198
Insurance Recoveries		-	295
Interest Received		81,739	86,555
Interest Received Projects		43,204	64,089
Project Management		-	440,537
Capital Sales		-	40,000
		<u>130,720</u>	<u>633,674</u>
<b>OTHER INCOME</b>			
Administration Grants		1,178,093	1,037,982
Project Funding		2,634,303	4,909,846
EPLGA Revenue		17,000	25,755
Rebates & Credits		-	55,062
Office Subrental		21,146	38,237
Sundry Income		-	-
		<u>3,850,542</u>	<u>6,066,882</u>
		<u>3,981,262</u>	<u>6,700,556</u>

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
<b>EXPENDITURE</b>		
Advertising & Promotion	44,045	14,317
Auditors Fees	15,215	11,790
Bad Debts	-	-
Bank Charges & Taxes	842	486
Board Meeting Expenses	41,874	47,438
Cleaning and Repairs	32,960	19,739
Computer Expenses	15,250	12,363
Consumables	29,808	-
Consultants Fees	543,071	7,582
Contracts	807,297	18,093
Depreciation	31,701	21,653
Electricity & Gas	18,201	18,532
Fringe Benefits Tax	27,138	4,666
Insurance	6,165	12,148
Legal Costs	60,844	7,673
Motor Vehicle	127,164	69,116
Photocopier Expenses	24,709	33,470
Plant Hire	15,693	-
Postage	2,277	3,733
Project Expenses	-	4,909,846
Project Funding	850,557	57,500
Printing & Stationery	11,483	9,890
Publications	1,456	1,498
Rates & Taxes	14,865	8,434
Rent	79,826	72,235
Security	1,161	1,046
Seminars	3,026	1,546
Staff Amenities	4,484	-
Strategic Plan	148	6,649
Subscriptions	11,353	5,922
Sundry Expenses	41,024	4,047
Telephone	50,470	34,945
Training Programmes	8,316	-
Travel & Accommodation	96,379	19,276
Uniforms	327	257
Payroll	1,408,472	713,909
Payroll Overheads	42,518	92,949
Capital Purchases	13,077	963
	<u>4,483,198</u>	<u>6,243,711</u>
<b>Net current year surplus</b>	<u>(501,936)</u>	<u>456,845</u>

## STATEMENT OF DECLARATION

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

- [1] The accounts present fairly the results of the operations of the RDA WEP for the 2013/14 financial year and the state of affairs of the RDA WEP as at the end of the 2013/14 financial year.
- [2] The Board has reasonable grounds to believe that the RDA WEP will be able to pay its debts as and when they fall due.
- [3] That no Board Member of the RDA WEP 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 the RDA WEP.
- [4] That during the 2012/13 financial year no Board Member of the RDA WEP has received directly or indirectly from the RDA WEP 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 \$
J. Pollock	1,050.00	5,000.00
A. Faulkner	2,319.00	1,800.00
D. Turvey	750.00	1,800.00
M. Catt	750.00	1,000.00
A. Suter	2,850.00	1,000.00
J. Velthuisen	2,313.00	1,000.00
A. Kirby	825.00	
B. Trigg	2,868.75	
C. McLaughlin	999.00	
C. Carter	2,785.50	
S. Adamson	1,860.00	
A. Lane	0.00	
S. Wilson	0.00	
E. Donoso	0.00	

Signed:

  
-----  
**Chairperson**

  
-----  
**Chief Executive Officer**





Regional  
Development  
*Australia*

WHYALLA &  
EYRE PENINSULA INC.



**Eyre Peninsula**<sup>TM</sup>  
*Australia's seafood frontier*



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