

ANNUAL REPORT 2018





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Photo Credit: Craig Grocke





CHAIR'S REPORT

**NAIS, Northern Connector, Agricultural Technologies,
Gawler Innovation Hub, Wine, Culinary Tourism,
Education, Equine - our economic diversity is maturing.**

The conclusion of the 2017-2018 Financial Year saw the region in a very positive position, with a number of opportunities poised to unfold.

The Northern Adelaide Irrigation Scheme begins implementation phase with an estimated 3700 jobs to flow over time. Substantial investment opportunities present across the horticultural supply chain with other agricultural investment including livestock and aquaculture on the horizon. There is a great deal of work to be done to maximise the infrastructure and support business growth and job creation, but the opportunity is definitely there. New housing development and associated businesses to support new residents in Two Wells is timely to support the workforce required for the new investment.

Construction of the Northern Connector is a significant step in connecting regional business to Port Adelaide and the Adelaide International Airport. It will also provide an important link for east-west traffic in the region, albeit not a direct line. Creating greater certainty in transport times and making it easier to get to the region from the airport will be a substantial boost to regional supply chains and tourism.

Roseworthy Campus of the University of Adelaide continues to grow and is supported by population growth in and around the town of Roseworthy. New specialisations and capabilities within the University will increase high level jobs and competitiveness of our industries. The University's growth is complemented by agri-tech and agri associated industry leaders based in the Roseworthy Industry parks, at once creating export ready businesses and new capabilities within industry.

The Gawler Connect project nears completion with a new civic heart and business centre in Gawler. Strong population growth in the town sees it challenge for South Australia's second largest town with advantages of adjacency to both Adelaide and the Barossa.

Strategic planning for this growth will influence the demographic mix and businesses attracted.

The Barossa Wine Industry continues to feed on its own success with consistent growth in export values driving expanded plantings within the GI. We need to maintain momentum to remain a globally leader and this requires a whole of industry, cooperative commitment. RDA continues to support the wine industry through strong strategic and working relationships with industry association BCWA and supporting businesses with services and expertise,

including Export and Succession Planning and I note the contribution of Board Member Tony Clark with succession planning mentoring.

Water remains a priority, again requiring regional collaboration and cooperation for best solutions for sustainable water. The region is positioning itself well but there is always more to do.

Culinary tourism is booming globally. The Barossa has appeal to attract tourists on the strength of its reputation and global reach and the whole region can benefit through working with tourism operators to incorporate experiences and offers to diversify the activities available and promote the natural, cultural and culinary offer. Reputations are as strong as the weakest link and it remains so very important that everyone provides consistent quality and connection with the region. Barossa Partnerships this year developed professional brand narratives and positioning materials for all to use in a consistent way that amplifies the Barossa story to the world.

Emerging opportunities also include a strengthening of our Education Industry, including equine and culinary education, innovative aged and disability care and services, including jobs and business opportunities, growth in the creative and entertainment industries (another global giant) and leveraging our strong manufacturing capabilities in new directions and formats. In terms of markets, China is Australia's biggest trading partner and an important one for the wine industry. We have had huge interest from the Chinese market and seek to manage this interest in the best interests of the region, welcoming delegations for trade and business investment, directing enquiries and interest towards creating new economic activity, where there is opportunity. We are currently working with regional partners to refresh our strategy for China trade and engagement, to target the most mutually beneficial opportunities.

With direct Board Representation, our local governments are key partners in this work, facilitating and interfacing with investors and business owners as they seek to grow and extend. RDA supports Councils' work in a number of ways including access to the expertise of board members and senior staff to augment the resources and expertise available to small regional councils.

2018-2019 has begun with a lot of optimism, and I commend the achievements of 2017-18 to you.

Ivan Venning, Chair



Photo Credit: Craig Grocke





CEO'S REPORT

Key priorities for our funding partners are always front of mind and in addition to job creation, these include decentralisation, exports growth, water and energy solutions, supply chain enhancements, investment projects development, partnerships and infrastructure identification and demand aggregation.

2017 - 2018 has been a year where we see the results of previous years planning and strategy development moving into project development stage for some substantial projects, particularly for local government:

The Barossa Big Project, The Freeling Agricultural Centre, Kapunda Town Square, Northern Adelaide Irrigation Scheme, Gawler Connect Civic Centre redevelopment and Innovation Hub. Substantial private investment boosted the tourism, grain and beverage production capabilities of the region and such investments keep giving as they provide leverage to other investment and other business opportunities along the supply chain.

Through our monitoring, working with business, business surveys and media announcements we have tracked \$ 450 million in public investment (in addition to the \$156 million investment in NAIS) and \$152 million in private business investment over the past 18 months with \$ \$186 million proposed investment in the pipeline. Whilst investment may not of itself equal growth, it is a good indicator.

As an organisation we have identified industries with substantial opportunity based on the region's comparative advantage and natural and industrial assets and workforce capabilities. Three sectors targeted for economic diversity and in-demand jobs are Knowledge Work, Creative and Entertainment Sectors, and Food - value adding to primary production, including culinary tourism. Education and Equine industries offer longer term opportunities that are also being nurtured and developed.

A key product of our Knowledge Sector Strategy is the B2B Program, developing the businesses of professional services providers to grow jobs such as web designer, IT worker, digital marketer, human resources worker, accountant, business services. The number of jobs created in this sector continues to grow and at 22 represents sustainable, quality jobs growth.

Art Music Design projects have seen significant business opportunities for Artists supported, with at least one taking up a full-time career as an Artist. We have facilitated not only paid opportunities for musicians but promotion, recording and production opportunities and the development of the live music economy.

The night time economy is seen as a driver of population retention of younger people and increasing the presence and variety of music on offer is an important part.

Whilst assisting businesses with their culinary tourism offer, in particular readiness for the Chinese Markets, it became clear that the offer would grow best with growth in the variety of value added products available and greater access to markets. We have assisted wine and food businesses to present at trade expos for business migration and to hold a stall at the Adelaide Central Market as regional producers in residence. This was valuable exposure and four of the producers participating secured ongoing distribution at the Central Markets.

In addition to targeted projects, RDA offers a suite of services to assist business to grow in scale and scope. We also offer frequent and meaningful networking for business with regular business breakfasts in Gawler and Nuriootpa and, recently Two Wells or Mallala. Our major conference "Transforming Business" was again a success and we co-hosted the South Australian Regional Development Conference with RDA Yorke and Mid North which event was complimented by an EDA Masterclass on Economic Development. We established the Barossa International Business Network in collaboration with BGWA with a view to engaging our recently arrived business residents into the regional business community. B2B and G2G engagement with Chinese markets has further opened up opportunities.

Our digital communications have been augmented, and include a regional WeChat account, positioning regional promotional materials in Adelaide International Airport and new website in the making. We presented regularly on BBBFM, developed and extended our social media networks and e-newsletters. Our Economists "In Residence" series has brought new thinking and context to the community and new ways to engage in the work of RDA. Its been busy, but the outcomes are palpable and growing. I thank the Chair, Board and Staff for their commitment and passion to the work of RDA and, along with other regional stakeholders (there are many), supporting our ambition for the region.

Anne Moroney
CEO & Director of Regional Development



BOARD MEMBERS

Ivan Venning

Chairman

Born in Crystal Brook, Ivan Venning is a 4th generation farmer was elected to State Parliament in 1990 and served as the Region's local member until 2014. Prior to his election he was involved with Local Government, agricultural advisory boards and the State Board of the RSL.

Alex Zimmermann

Deputy Chairman

Alex is a member of the South Australian Police Force. He was the Local Service Area Commander for the Barossa region. Alex is the Chairman of the Police Credit Union Board, PCU Financial Planning and also Workskil (an employment services provider). As well, he is the Deputy Chairman of the Federation of Police Mutuals.

Rolf Binder

Rolf Binder is an iconic name from the Barossa Valley, known amongst true wine collectors and connoisseurs as a producer of rich Shiraz of cult status. Rolf is a strong believer in place and people, and in the value of the Barossa region and its future generations.

Tony Clark

For over thirty years, Tony has been involved in the operational and general management of large fast moving consumer goods manufacturing, from plastics to the growing, processing and packaging of food, to the making of concrete roof tiles. He is highly experienced in business change, restructuring and strategic planning. Tony has worked worldwide exporting Australian product and know how.

Martin McCarthy

Martin was appointed as the CEO of The Barossa Council in 2012 and brings a wealth of experience in state and local government in finance, economics and business management at senior management level.

Victoria McClurg

Victoria McClurg is the head cheesemaker and owner of Barossa Valley Cheese Company in Angaston. A national and international award winning producer of artisan cheese, Victoria is committed to the integrity of the Barossa Valley and its primary producers.

Andrew Morphet

Andrew Morphet is an experienced businessman in Financial Services and Hospitality Management. Andrew is also a grazier and current co-owner of Anlaby Station, the Australian mainlands oldest continuously operating Merino stud.

Lynette Seccafien

Lynette grew up in Two Wells and came to the board as a former member of the Sturt Area Consultative Committee and local community and economic development committee, the Two Wells Regional Action Team for a number of years. Lynette is interested in collaborative community development, advancement and achievements.

Brian Carr

Brian has extensive local government leadership experience and is currently CEO at Light Regional Council. Brian has previously provided consulting services to the public and private sectors within South Australia and was recognised and appointed a Business Ambassador for the State of South Australia.

Henry Inat

Henry was appointed Chief Executive Officer of the Town of Gawler in early 2013. Over his 20 year career he has worked at seven Councils and two State Government agencies, including Planning SA and the Department of Treasury and Finance.

Sarah Goldfinch

Sarah has extensive hotel management experience contributing 17 years within the International Hotel Industry and manages the Novotel Barossa Valley Resort. Sarah studied a Hotel Management degree and upon completing her studies travelled considerably thorough out Europe & Asia while working with Starwood Hotels in London. Sarah aims to maintain her passion for Tourism and Hospitality as a board member.

Annabel Mugford

Having worked in the wine and food industries for more than 25 years, wine and food are in Annabel's blood. Annabel has worked at BCWA, Wine Australia, PIRSA, Adelaide Hills Regional Development and a number of wine companies, always looking for ways of creating value and "wow" experiences for consumers and helping producers to deliver these. She studied Wine Marketing in the 1980's and then completed an MBA, majoring in strategic marketing.

Board Meetings & Workshops 2017 -2018

30th July, 8th August 2017, 4th September, 10th October 2017, 23rd November 2017, 19th December 2017, 3rd March 2018 (adjourned), 7th May 2018 & 4th June 2018.



STAFF MEMBERS

Anne Moroney

CEO & Director of Regional Development

With a background in commercial law and relevant studies in Law, Economics, Economic Development, Mediation, Accountancy and Governance, Anne is responsible for organisational performance and working with the Board to develop and implement regional strategic vision. Anne has overall responsibility for delivery of programs and projects. Anne liaises with the three levels of government and regional industry. Her goal is to influence sustainable, design led growth and adaptive industries.

Elena Shchepina

Investment Attraction and Export

Elena has extensive experience in Economic Development and Investment attraction in Russia. Her specific interests are Start-ups, Entrepreneurship, Industry Clusters and Investment attraction. Elena's qualifications include medicine, business and consultancy.

Suzanne Merry

Executive Assistant/Finance

Sue brings extensive Administration experience having worked closely with Chairs, CEOs and Managers. Sue possesses financial management and project management skills including contract and scholarship management and event organisation.

Craig Grocke

Place, Planning and Infrastructure

With a background in urban and regional planning, tourism development and urban design, Craig is responsible for RDA's role in Spatial Planning (including tourism trails and freight movements) and Place. Craig has had a career in Local & State Government, State Dept of Planning and Local Government, the SA Tourism Commission, the Dept of Conservation and Land Management in WA and Dunedin Council in New Zealand. Qualifications include: B.A. Planning, Grad. Dip. Recreation Planning and Management; M. Appl. Sci. in Parks, Tourism and Recreation Management.

Trevor Taylor

Business Growth & Strategy

Trevor has a wealth of business experience, having held senior positions including Chairman of Australia Marketing Institute (AMI) in South Australia, Marketing Manager Gaming at Adelaide Casino, State Sales Manager of Sony, Business and Marketing Consultant, Senior Steward of Thoroughbred Horseracing and recently Business Manager, Telstra Business Centre North. Trevor challenges business to grow and create jobs.

Meagan Stapleton

Jobs & Skills Project Officer

Meagan undertook a traineeship with RDA working closely with the workforce projects and DSD programs. This experience has given her the skills to step up into this new role working to design and deliver skills training programs with jobs outcomes.

Leah Blankendaal

Arts & Cultural Facilitator

Leah joined RDA as the newly appointed Arts and Cultural Facilitator, in partnership with Country Arts SA. She comes with experience as a performing musician, composer, broadcaster, and teacher. In 2017 she represented Australia in the Classical: Next Fellows Program in Rotterdam. Leah works with the creative sector to grow businesses and jobs.

Caroline McInnes

Administration

In 2014-15 RDA was able to offer a return to work placement for Caroline McInnes. Caroline has made a wonderful contribution to the team in administration support for economic development projects and events. Caroline has stayed on in a part time role providing scheduling and administration services.

Daniel Bailey

IT Guy and Projects

Daniel's skills are applied to investor and business information, mapping investment in the region and supporting new businesses with online presence. He also supports RDA Administration with IT services including website updates.

Ali Devitt-Lansom

Arts & Cultural Facilitator

Ali has been involved in the Australian arts praxis for over 20 years. She is skilled in numerous arts-based areas with BA and Honours in Visual Arts and a Masters of Human Rights and a Country Arts SA Grants Assessment Panellist for a number of years. Alongside of business management in industrial food and wine industries with her husband,

Angie Kruger

Career Coach

Angie is passionate about seeing others achieve their career goals and working with employers to identify and maximise employment opportunities. She continues to look forward to meeting participants throughout the region to assist with their career journey. With a strong background in recruitment and business development, Angie is currently studying a Certificate IV in Career Development.

In 2017 - 2018 we farewelled long time team members, Stephen Birch and Charlotte Williams as well as Shari Chambers and trainee Chloe Heslop. We miss them all and wish them well.

FINANCIAL SUMMARY

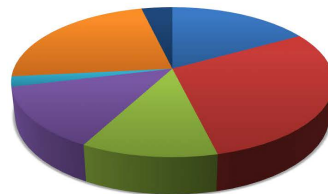
Regional Development Australia Barossa Gawler Light Adelaide Plains Inc.

Profit & Loss Statement

for the year ended 30 June 2018

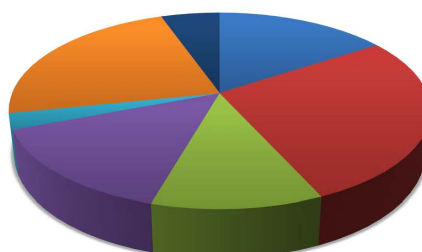
| | <u>Note</u> | <u>FY 2018</u> (\$) | <u>FY 2017</u> (\$) |
|--------------------------------|-------------|--------------------------|--------------------------|
| <u>Income</u> | | | |
| Funding - RDA Barossa | 2 | 949,905 | 944,109 |
| Bank Interest | | 4,265 | 5,433 |
| Project Income | | 178,368 | 240,533 |
| Sundry Income | 3 | 162,494 | 140,975 |
| Total Income | | 1,295,033 | 1,331,051 |
| <u>Expenses</u> | | | |
| Employment Expenses | 4 | 891,750 | 866,504 |
| Depreciation | | 11,436 | 11,738 |
| Project Expenses | | 257,569 | 254,093 |
| Rent & Outgoings | | 44,727 | 47,001 |
| Other Operational Expenses | 5 | 171,022 | 160,550 |
| Total Expenses | | 1,376,505 | 1,339,885 |
| <u>Net Surplus / (D</u> | | | (8,834) |

Income



■ DIRD ■ RegionsSA ■ Local Government ■ DSD ■ Youth Training Grant ■ Projects ■ Arts

Expenditure



■ DIRD ■ RegionsSA ■ Local Government ■ DSD ■ Youth Training Grant ■ Projects ■ Arts



FINANCIAL SUMMARY

Regional Development Australia Barossa Gawler Light Adelaide Plains Inc.

Statement of Financial Position

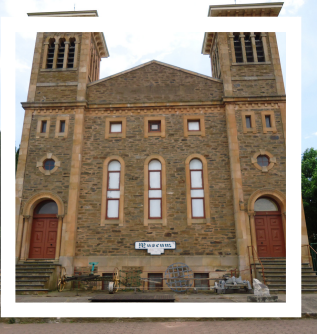
AS AT 30 June 2018

| | <u>Note</u> | <u>FY 2018</u> | <u>FY 2017</u> |
|----------------------------------|-------------|----------------|------------------|
| CURRENT ASSETS | | (\$) | (\$) |
| Cash & Cash Equivalents | 6 | 720,947 | 671,804 |
| Trade & Other Receivables | | 139,305 | 311,008 |
| TOTAL CURRENT ASSETS | | 860,252 | 982,812 |
| NON CURRENT ASSETS | | | |
| Plant & Equipment @ WDV | 7 | 13,328 | 19,704 |
| TOTAL NON CURRENT ASSETS | | 13,328 | 19,704 |
| TOTAL ASSETS | | 873,580 | 1,002,516 |
| CURRENT LIABILITIES | | | |
| Trade & Other Payables | 8 | 386,493 | 437,032 |
| Provision for Long Service Leave | | 36,901 | 33,826 |
| TOTAL CURRENT LIABILITIES | | 423,394 | 470,858 |
| NET ASSETS | | 450,187 | 531,659 |
| MEMBERS FUNDS | | | |
| Retained Surplus | | 531,659 | 540,493 |
| Current Surplus / (Deficit) | | (81,472) | (8,834) |
| TOTAL MEMBERS FUNDS | | 450,187 | 531,659 |



2017 - 2018 RDA KEY BUSINESS ACTIVITIES

| Business Centre | Activities | Outcome |
|------------------------------------|--|--|
| Regional Strategic Direction | Regional data analysis, trends identification, policy alignment, consultation, ideation strategy development | Regional Economic Development Strategy |
| B2B (logo) services | Through RDA Management and Coordination, 35 regional business professionals offer supported assistance to SMEs | 155 businesses grow and employ, are robust, resilient and adaptive |
| B2B Events | Business Breakfasts, Workshops, Seminars, Transforming Business Conference Series | 49 events, 1582 attendees, growth in the business ecosystem |
| Business Investment assistance | Investment attraction information and materials, Regional Investment Geo map, site selection, data and analysis, assistance with planning & govt information, Grants and business case development. Key projects development. | \$152 m private investment; \$186m in the investment pipeline |
| Exports Growth | Free Trade agreement analysis, export markets analysis, trade start services, international liaison, exporting expos and market appropriate collateral development. WeChat and Chinese language materials and assistance | 105 exporters and potential exporters assisted |
| Innovation & Entrepreneurship | Thought Leadership Series – Economists in Residence Start Ups support, Social Enterprise and the care sector, creatives in business programme, digital business (AASBAS) Connections, partnerships, specialisations identified | Innovation and Entrepreneurship Ecosystem boosted |
| Creative Industries businesses | Working with artists, musicians, designers, film makers and their value chains to develop viable, profitable businesses in the entertainment and creative sectors. | New businesses in sectors with tourism spinoff |
| Food Industries & Culinary Tourism | NAIS enabled business expansion, Native Foods, Barossa Regional Food, Ag Technologies businesses. Cultural readiness for international visitors, Central Markets Food stall | NAP Cluster and Masterplanning; 25 food businesses assisted to grow. |
| Infrastructure | Cycling Trails, Road Freight Routes, Telecommunications black spots, better broadband, energy projects support | 3 submissions, 2 trails, 2 energy projects |



TRENDS: INVESTMENT AND JOBS

Growth Industries:

Professional Services
Education
Wine Tourism
Horticulture
Agri-Technologies

Employment Growth:

Aged and disability care
Health and Allied Health
Agri-technologies and machine maintenance
Tourism, food and hospitality

Investment Sectors:

Professional Services
Agricultural Services
Horticulture and Services
Wine Tourism and Accommodation
Water Infrastructure
Wine Services
Housing

Emerging Opportunity:

Recreation
Equine
Education
Food Production – niche and high value products



2018 -2019 PRIORITIES

Barossa Campus: a regional outreach campus delivering programs through major Universities and linking to innovation hubs in Gawler from 2018 and in the future potentially Kapunda, Roseworthy and Two Wells.

Gawler Innovation Hub: working with Hub manager to activate and create value to the local economy through the Hub.

Agri-preneurs Program: growing the number and value of food businesses across the region.

Culinary Tourism: value adding to food production across the region with insights and capabilities development.

Equine Hub: continue to develop the Business case for an International Equine Multipurpose Centre at Roseworthy, connected to and providing opportunities for equine facilities and businesses across the region.

Agricultural Technologies Centre: supporting and working with University of Adelaide and associated industries for the establishment and growth of research and entrepreneurship in Agricultural Technologies.

Horticulture Value Chains: working with all stakeholders to masterplan, attract investment and realise the opportunity in the Northern Adelaide Irrigation Scheme and associated Developments.

International Profiling and Engagement: in collaboration with Barossa Grape & Wine and other globally facing industries, establish a robust framework for international engagement and G2G relationships.

Continuing in 2018-2019

China business facilitation: continue to refine our welcome and business and trade offering for the China market in anticipation of changing demands and tastes in that market.

Other Export Markets: analyse and review Free Trade opportunities and markets relevance for regional exportable products and tourism traffic.

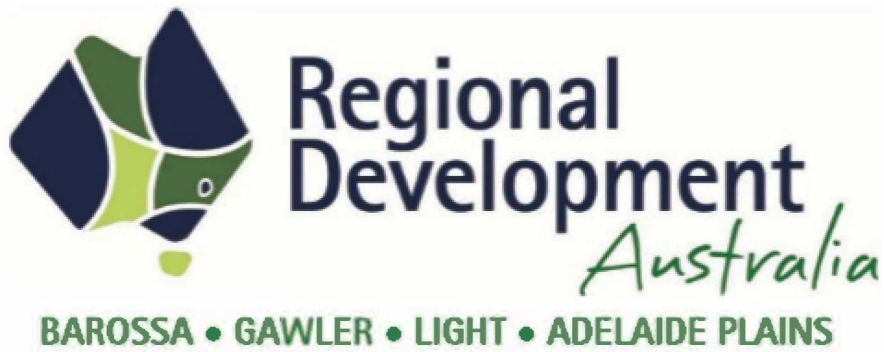
B2B Program and Events: develop regional entrepreneurship and business performance whilst growing Knowledge Industries in the region including expanding the program into neighbouring regions in collaboration with relevant RDAs.

Infrastructure Demand aggregation and project development: continue to monitor infrastructure gaps and demand for submissions and project development.

Creative Businesses: grow the capacity of creatives to develop creative businesses with a particular focus on the live music and video sector and activity at the Barossa Culture Hub.



Board members take to the road in 2018 to better understand growth industries and key infrastructure projects



An Australian Government Initiative



Government of South Australia
Primary Industries and Regions SA



**Government
of South Australia**

Department of
State Development



Gawler

