

Annual Report

2016-17



**REGIONAL
AUSTRALIA**
INSTITUTE



About us

The Regional Australia Institute (RAI) is a think tank devoted to issues concerning regional Australia.

- We gather and analyse the best information available on regions and make this readily accessible to people around the country.
- We work with regional leaders around the nation to understand their challenges and help them identify opportunities for future development that they can implement.
- We talk to governments at all levels providing them with independent, evidence based advice about the options they have to make regions even greater.

The RAI is a not-for-profit organisation established as a public company limited by guarantee and we are an Approved Research Institute for tax purposes. The Institute was founded in 2012 with seed funding from the Australian Government. Our current operations depend upon a mix of Commonwealth and State government support, partnerships with a range of companies and projects working directly with regions.



KNOWLEDGE



POLICY



PRACTICE

SOLUTIONS FOR OUR REGIONS

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Message from the Chairman



I'm pleased to present the Regional Australia Institute's 2016-17 Annual Report.

This year, the Regional Australia Institute (RAI) has strengthened its impact on regional issues.

In the last year, the RAI has played an important role in major policy changes for regions including the announcement of a regional stream for City Deals and national decentralisation policy. Our approach to measuring people's connections in regions has been included in the National Cities Performance Framework and we've led a national conversation on international migration as a priority for small town population growth which has begun to influence State policy settings.

The Productivity Commission has also supported the RAI's recommendation that broadband be included in a new Universal Services Obligation, and specifically referenced our work in their study on the transition of regional economies following the resources boom.

This year the Australian Government also announced an Independent Review into Rural Regional and Remote Education. The RAI's new work on learning cultures and the education divide is specifically referenced in the inquiry's discussion paper setting the direction for this inquiry.

In regions, we've run national campaigns to find the best regional businesses using the internet to grow, and the brightest ideas for strengthening local communities.

Our regional Pathfinder projects have also kept us busy working in regions. This year, we delivered three economic development strategies in partnership with leaders in Queensland, identifying \$3 billion in additional regional growth opportunities that can be pursued by locals in partnership with government.

The Institute is also pleased to have brought together Federal, State and Local government policy makers and Universities to prioritise and focus on key concerns of regional Australia.

It's certainly been a big year, and I would like to thank our CEO, Jack Archer and his team for all their hard work. I also commend the work of my fellow board members assisting with effective governance and strategy.

I would particularly like to thank Professor Sandra Harding, who ably served as a Director since the RAI was created until October 2016. We are pleased to welcome Professor Annabelle Duncan to the RAI Board, appointed 1 June 2017. Professor Duncan holds the position of Vice Chancellor, University of New England, and assumes the role of RAI Research Advisory Committee Chairperson.

It's been a great year and the RAI has big plans for 2017-18. The challenges and opportunities for regional Australia are substantial, and the momentum we've developed this year is a strong platform for the years ahead.

Mal Peters

A handwritten signature in black ink, appearing to read 'Mal Peters', written in a cursive style.

Report from the CEO



It's been a challenging but ultimately successful year for the RAI in 2016-17. Our profile, networks and influence continue to grow in regional policy and public debate and we are building our capacity to influence the national issues that impact the future of regions.

In 2016-17, the RAI highlighted the bad combination regions face with automation and job disruption set to increase, while an entrenched education divide makes it hard for regions to respond. Our work has influenced the direction of the national regional education review, transitioning regional economies inquiries, and built stronger public knowledge of these issues that we will be grappling with in regions over the decade to come.

This year the RAI has also played a leading role in the national discussion of decentralisation policy through submissions to inquiries and by taking a proactive position in the public debate. Our work has provided an independent, evidence driven perspective in what has become hotly contested political issue.

In 2016-17 we have led the debate about the role of regional cities in national urban policy. Events, reports, data and analysis and direct engagement with regional city leaders and policy makers has underpinned a leading contribution in this area. Securing a commitment to a regional City Deals stream has been the highlight of an area that will be an ongoing focus for the RAI.

The confidence shown in the organisation by the Australian Government in making a substantial investment in the RAI in late 2016 has been crucial to our achievements this year. Supporting contributions from State Governments including the Western Australian Government, the Queensland Government and the Northern Territory Government have also been vital, as has been the support of corporate and regional partners. We will be seeking to extend these relationships and grow the value the RAI provides to our partners in the coming year.

It continues to be an enormous privilege to lead this organisation. I am grateful for the incredible work of the RAI team and the support of the Board, our now diverse investors and the regional people who contribute to and use our work.

Jack Archer

A handwritten signature in black ink, appearing to read 'Jack Archer'. The signature is stylized and somewhat abstract, with overlapping loops and a long horizontal stroke at the end.

Our People

REGIONAL AUSTRALIA INSTITUTE BOARD

The RAI is governed by a diverse group of independent thinkers, who bring together the right mix of knowledge, expertise, skills and experience. The Board has extensive capacity in research and policy implementation at local, state and federal levels, and strong community links.



**MR MAL PETERS OAM
(CHAIR)**



MR TIM SHACKLETON



MR CHRISTIAN ZAHRA



RT HON IAN SINCLAIR AC



**PROFESSOR SANDRA HARDING
(RESIGNED 31 OCTOBER 2016)**



MR GRAHAME MORRIS



**PROFESSOR ANNABELLE DUNCAN
(APPOINTED 1 JUNE 2017)**

FELLOWS

The RAI's Fellows are recognised experts in regional development and provide input on the direction of our research. Our Fellows come from a range of community, government, industry and academic platforms, and are committed to the vision of the Institute.

- Professor John Tomaney (Inaugural Fellow)
- Professor Andrew Beer
- Professor AJ Brown
- Professor Ngiare Brown
- Professor Chris Cocklin
- Professor John Martin
- Professor Fiona Haslam McKenzie
- Adjunct Professor Tony Sorensen

THE RESEARCH ADVISORY COMMITTEE

The Research Advisory Committee assists the board in the development and implementation of the RAI's Research Agenda.

The Committee is responsible for ensuring that our research aligns with the research vision, framework and priority areas of the Institute.

- Professor Sandra Harding (Chair) (to 31 October 2016)
- Professor Annabelle Duncan (Chair) (from 1 June 2017)
- Professor Andrew Beer
- Professor John Tomaney
- Mr Tim Shackleton

STAFF

This year saw new skills and expertise brought into the team. Our staff join the RAI from a range of policy, advocacy, research and development backgrounds and are committed to a vision of a vibrant future for regional Australia.

- Jack Archer, Chief Executive Officer
- Julie Anderson, Business Manager
- Richard Beaton, Senior Data Analyst
- Dr Kylie Bourne, Senior Researcher
- Dr Kim Houghton, General Manager Research and Policy
- Geraldine How, Research Assistant (P/T)
- Dr Emily Longstaff, Senior Researcher
- Andrew Nash, Research Assistant (P/T)
- Dr Leonie Pearson, Leader, Major Research Projects
- Shannon Rennie, Digital Media and Communications Coordinator
- David Spear, General Manager Partnerships and Communications
- Ben Vonthehoff, Researcher

Our work

The RAI's work during 2016-17 has focused on five key agenda areas: Regional Jobs of the Future, Great Small Cities, Small Town Change, Older and Successful, and Regions in Transition. The Australian Government has been our major funding partner in 2016-17 with important contributions from the governments of Queensland, Western Australia and the Northern Territory.

Additional work has also been undertaken in collaboration with Bendigo and Adelaide Bank, Centre for Cities, LinkedIn, Prime7 and GWN7 Television, Foundation for Rural and Regional Renewal (FRRR), nbn, Rural Bank, NRMA and Google.

Find out more about each of the projects below.

THE NUMBERS

44

BLOGS

11

REPORTS

6

SUBMISSIONS

2

**CAPACITY BUILDING
PROGRAMS**

1

EVENT

Image: Darwin, Northern Territory





[In]Sight – Innovation: Spreading the Ideas Boom

The RAI partnered with Bendigo and Adelaide Bank revealing a fresh approach to measuring innovation capacity in Australia.

Talking Point: The Missing Migrants

Offering insights into international migration trends and explaining why proactive, locally led strategies to attract migrants to regional areas need to be a top priority.

Connecting Our Great Small Cities

In partnership with LinkedIn, the RAI looked at five regional cities to understand how the skill mix is evolving, how professionals are connected within and outside the cities, and which skill sets are most in demand.

Tamworth’s Health Sector: Regional Impacts of Health Infrastructure Investments

The objective of the project was to develop evidence of the economic contribution of hospitals to their communities. It was a pilot to develop a robust method for assessing the regional impacts of investments in health infrastructure.

To be released by partner.

The Future of Work – Setting Kids up for Success

In partnership with nbn, the RAI created a set of practical online resources for parents and children to use to build the skills and attributes they will need for the future. www.thefutureofwork.net.au

The Townsville and North Queensland Pathfinder Action Plan

Collaboration with Townsville and North Queensland regional leaders identified the economy will grow to \$17 billion by 2031, and a further \$1.5 billion can be harnessed by targeting actions developing new industries and opportunities in nearby Asian markets.

Human Capital: Learning Culture in Regional Australia

In partnership with Bendigo and Adelaide Bank, the report identifies lifelong education, and bridging the education divide, as the key to securing the skills and capabilities needed to help our regions prosper.

21st Century Farmers

Survey and report conducted in partnership with Rural Bank aimed at building a deeper knowledge and understanding of Australian family farm businesses.

To be released by partner.

Blueprint for Investing in City Deals: Are You Ready to Deal?

A guide to help regional cities and key City Deal players prepare to leverage their economic potential.

Lighting Up our Great Small Cities: Challenging Misconceptions

Analysis report challenging the common negative misconceptions about regional Australia’s great small cities.

NRMA Discussion Paper: Community Concerns Across NSW

Developed in partnership with NRMA to guide their social investment strategy.

To be released by partner.

NRMA Capital Region Discussion Paper

Developed in Partnership with NRMA to identify the key social and economic issues and trends in the NRMA Capital Region.

To be released by partner.



Submission to the Productivity Commission Inquiry into the Telecommunications Universal Service Obligation

Outlines why a new USO on broadband and mobile is crucial to the future of regional Australia.

Department of Prime Minister and Cabinet's draft Guidelines for the Smart Cities and Suburbs program

Outlines how regional areas need considered reference for national policy delivery related to isolation, spatial density and low competition for space.

Department of Infrastructure and Regional Development's Value Capture Report

Outlines value capture opportunities and challenges in regional Australia.

Transitioning Regional Economies: Contribution to a study on the transition of regional economies following the resources boom

Examines the regional geography of Australia's economic transition since the mining investment boom, and identifies which regions may face challenges in transitioning to a more sustainable economic base.

Inquiry into the operation, effectiveness, and consequences of the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016

Explores the potential benefits, cost and risks of decentralising Public Service jobs.

Senate Inquiry into the impact of Defence training activities and facilities on rural and regional communities

Outlines how the government can support much stronger outcomes for regions that host Defence activities and facilities.

CAPACITY BUILDING PROGRAMS



Regional Online Heroes 2016

In partnership with Google Australia, this program recognises outstanding regional innovators and encourages small and medium sized businesses around the country to realise the potential of mobile and online technologies for growth.

Lightbulb Moments

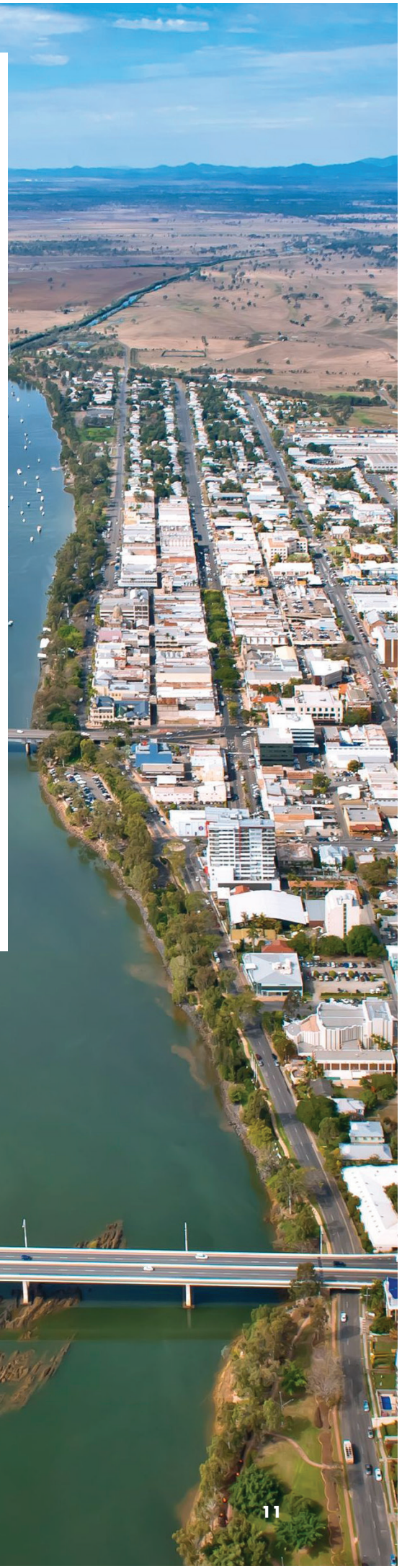
In partnership with Prime7/GWN7 and the Foundation for Rural and Regional Renewal (FRRR) the program captures the best ideas for community and economic development from all over regional Australia and helps to get them going.

EVENTS



Five + Thirty-one City Deals

Representatives from all levels of government, the not-for-profit sector and leading experts came together to explore how the Government's City Deals can help our Great Small Cities to prosper.



Our Impact

KNOWLEDGE. POLICY. PRACTICE.

This year the RAI has built even stronger research capability, policy influence, engagement and ultimately, impact. Highlights include:

Recommendation to the Productivity Commission for a new regional **telecommunications Universal Services Obligation (USO)** including broadband adopted.

Work on **decentralisation** which was included in the list of Major Research informing the Australian Government's inquiry into the location of corporate commonwealth entities and a leadership role in the public debate.

The impact of learning cultures and the education divide in regional Australia included in the Australian Government's Independent Review into Regional, Rural and Remote Education.

National policy leadership advocating City Deals for the nation's 31 great small cities followed by The Australian Government's announcement of a regional stream of City Deals including first deals in Townsville and Launceston.

Innovative mapping of regional city connections resulted in the Department of Prime Minister and Cabinet including this approach in the Smart Cities Plan National Cities Performance Framework.

Busting myths about regional city performance has reframed the national discussion about growth and investment potential, with evidence they are comparable in economic performance to major cities across key measures of output, growth, participation and productivity.

Regional business engagement with the digital economy resulting in participants' successes like signing a children's television series deal, engaging new staff to cope with expanding demand, development of online stores expanding sales in domestic and export markets, new food and cosmetic products to meet demand and new remote telehealth services.

Local action on farm succession planning, an online market place for remote work, new telehealth remote psychology services, a rodeo and camp draft country music festival incorporating social outreach programs, and a collaborative organisation supporting girls in regions to take up entrepreneurship, science, technology, engineering, the arts, maths and maker education.

Work on **regional economies in transition** influenced the design and initial conclusions of the Productivity Commission's study on the transition of regional economies following the resources boom.

Facilitated **intergovernmental collaboration** by convening a series of States and Territories Regional Development Secretaries' and Directors' Forums with improved information exchange, collaboration and shared priority setting between governments the result.

Work with regional leaders developing **'Pathfinder' economic development strategies** in the Townsville, North Queensland and Remote Area Planning and Development regions, defining initiatives that can facilitate an additional \$3 billion in economic growth opportunities.



Leading the national conversation on **international migration as a first priority for regional growth** including supporting the Great South Coast region of Victoria's engagement with communities on how to bring migrants to their own towns, and wider policy development in Victoria.

Provided advice through **more than 400 regional meetings and events**.

The RAI's media and network engagement led a consistently **positive national narrative** about opportunities for prosperity in regional Australia - more than 311 media mentions, 39,213 website visits, a subscriber list of 8,924 people and television target audiences totaling 6.4 million people.



39,213
WEB VISITORS
(up 287.44%)



311
MEDIA MENTIONS



2438
TWITTER FOLLOWERS
(up 21%)



1378
FACEBOOK FOLLOWERS
(up 74%)



656
LINKEDIN FOLLOWERS
(up 113%)



6.4
MILLION TV OUTREACH TO POTENTIAL TARGET AUDIENCES

THE NUMBERS

Engaging with 3 levels of government, businesses and communities

2 States and Territories Regional Development Secretaries' forums

4 States and Territories Regional Development Policy Directors' forums

12 PUBLIC SECTOR PARTNERS

10 PRIVATE SECTOR PARTNERS



17
E-NEWSLETTERS



8924
E-NEWSLETTER SUBSCRIBERS

150 LIGHTBULB MOMENTS ENTRIES
10 NATIONAL FINALISTS
1 NATIONAL WINNER

Winner Cultivate Farms



Winner AGDATA Australia

170 REGIONAL ONLINE HEROES ENTRIES
10 NATIONAL FINALISTS
1 NATIONAL WINNER

Financial statements

Image: Kalgoorlie, Western Australia

**REGIONAL AUSTRALIA
INSTITUTE LIMITED
ABN 65 152 955 667
FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2017**



REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

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REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

DIRECTORS' REPORT

Your Directors present their report on the Institute for the financial period ended 30 June 2017.

DIRECTORS

The names of each person who has been a Director during the year and to the date of this report are:

Names	Position	Appointed
Malcolm John Peters OAM	Director, Chairman	22 September 2011
Professor Sandra Lee Harding	Director (Resigned 31 October 2016)	22 September 2011
Rt Hon Ian McCahon Sinclair AC	Director	14 November 2011
Christian John Zahra	Director	22 September 2011
Timothy Walter Shackleton	Director	24 August 2012
Grahame Allan Morris	Director	1 January 2017
Professor Annabelle Duncan	Director	1 May 2017

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activity of the Institute during the financial period was conducting research into priority policy issues impacting all areas of Australia lying outside capital cities.

The Institute's objectives are to:

- To conduct research into priority issues impacting on regional Australia, with the aim of identifying solutions that enhance the prosperity, and sustainability of regional Australia.
- To promote the results of policy research to governments and the wider community
- To foster debate on policy issues impacting regional Australia.
- To engage in other such activities of a like nature as may be identified as contributing to regional Australia.

SHORT TERM OBJECTIVES

- **Authoritative research resulting in widely used information products**
RAI develops a program of research and information products that are widely used and recognised by our stakeholders as authoritative sources of knowledge on regional issues. The foundation for achieving this goal is the development of a regional competitiveness index that looks at the status of regional Australia and trends in the key indicators of its success. This product provide a foundation of knowledge and insight for policy makers. Supporting this are smaller, short term research projects to provide timely input to policy debates and explore new concepts and issues that have the potential to be important for regional policy in the future. A Research Advisory Committee assists the RAI Board in developing and implementing projects under the research agenda.
- **Influential policy advice and promotion of an informed debate on regional issues**
RAI develops and presents advice in a range of formats including through products on the RAI website, formal briefings, actively engaging in public debate through public commentary, opinion pieces and forums and by presentations at conferences. A communication and stakeholder engagement strategy underpins this.

DIRECTORS' REPORT

SHORT TERM OBJECTIVES (cont'd)

- **Financial sustainability based on a diversity of memberships and investment from government, corporations, philanthropists and interested individuals**

The RAI has benefited from a significant short-term investment by the Australian Government as well as a range of corporate partnerships and projects with regions and State Governments in 2016-17.

Securing longer-term agreements with the Australian Government and State Government partners is crucial for the organisation to substantially meet its objectives beyond this coming financial year. The RAI is actively seeking longer-term commitments from the Australian Government and a range of other partners in 2017-18 to ensure the operations and contribution of the RAI to regional Australia can continue.

- **Operational and governance structures that are efficient and meet stakeholder expectations.**

Governance structures that reinforce the RAI's position as an independent, apolitical contributor to policy are established. Internal policies and procedures to ensure appropriate transparency and manage the operations of the business are in place, including a Board Charter, delegations and operational policies.

LONG TERM OBJECTIVES AND STRATEGIES

1. **Enabling regions to achieve their potential for the benefit of all Australians**

To achieve this will require better informed discussion about the status of regional Australia and where we want it to be in the future. It will require new policy approaches, different thinking amongst governments and industry leaders and the empowerment and engagement of regional communities so that they can better shape their own futures.

2. **To be Australia's pre-eminent authoritative source of independent information and policy advice on issues impacting regional Australia**

We will do this by building the evidence base and informed public debate and by developing new ideas, by harvesting the best approaches used around the country and internationally and by working to help others involved in the debate and in decision making, to be more effective in what they do. We will proactively provide advice to governments and regional leaders on future policy options and the best approaches to implementation of their policies for regional Australia.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

DIRECTORS' REPORT

DIRECTORS INFORMATION

Malcolm John Peters OAM	Director, Chairman
<i>Experience</i>	Chair, Northern Basin Advisory Committee MDBA; Past President, NSW Farmers Association; Inaugural Board Member, Australian Farm Institute
<i>Special Responsibilities</i>	Chairman, Chair, Remuneration and Nomination Committee, finance, audit and risk committee member.
Sandra Lee Harding	Director
<i>Qualifications</i>	BSc (Hons) ANU, MPubAdmin UQ, PhD NCSU, Hon Doc JIU, FACE, FQA, FAICD, FAIM
<i>Experience</i>	Chair, Universities Australia; Member, Northern Australia Advisory Group; Member, Trade and Investment Policy Advisory Committee; Member, the Australia-China Council Board; Co-Vice Chair, the New Colombo Plan Reference Group; Member, International Education and Training Advisory Council Queensland; Council Member, the Australian Institute of Marine Science; Director, North Queensland Cowboys NRL club; Member, Defence Science and Technology Organisation (DSTO) Advisory Board; Member, Australian Research Council (ARC) Advisory Board; Director of Townsville Enterprises and of Advance Cairns (regional economic development bodies); and; a Governor of the Committee for Economic Development of Australia (CEDA).
<i>Special Responsibilities</i>	Chair, Research Advisory Committee
Rt Hon. Ian McCahon Sinclair AC	Director
<i>Qualifications</i>	BA, LLB,(Syd); Hon Docs UNE; SCU
<i>Experience</i>	Chairman of the Institute for Rural and Regional Renewal (FRRR); President of Scouts Australia (NSW); Adj Prof Social Sciences (UNE); former Member for New England; Minister for Social Services; Shipping and Transport; Primary Industry; Special Trade Representations; Communications; Defence; Leader of the House; Speaker of the House of Representatives; Leader of the National Party; President Murray Darling Basin Commission.
<i>Special Responsibilities</i>	Member, Finance, Audit and Risk Committee
Christian John Zahra	Director
<i>Qualifications</i>	B.Economics, M.Assessment and Evaluation, FAICD
<i>Experience</i>	Chief Executive Officer of Wunan Institute, one of Australia's leading Indigenous organisations. Formerly a Director in KPMG's Strategy Group, Executive Director at Pacific Strategy Partners, Partner at Government Relations Australia, Chairman of the Federal Government's \$1B Regional Development Australia Fund Advisory Panel and Director of Waardi Limited.
<i>Special Responsibilities</i>	Chair, Finance, Audit and Risk Committee, Member, Remuneration and Nomination Committee.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

DIRECTORS' REPORT

DIRECTORS INFORMATION (cont'd)

Timothy Walter Shackleton

Director

Qualifications

BPE, Post Grad Dip Health Admin, AFACHSM, GAICD
CEO Rural Health West, CEO Royal Flying Doctor Service (Western Operations), Director Virtual Health, Chair WA Pastoral Lands Board, Chair Wheatbelt Development Commission, Chair Western Australian Regional Development Council, Director WA General Practice Education and Training.

Experience

Special Responsibilities

Member, Research Advisory Committee.

Grahame Allan Morris

Director

Experience

Federal Director of Barton Deakin Government Relations, based in Canberra. Formerly Chief of Staff to Prime Minister John Howard, Partner at PricewaterhouseCoopers; Chairman of PwC's Office of Federal Government Services and head of the PwC Government Strategy Unit based in Canberra; CEO of leading issues management firm Jackson Wells Morris, Strategic Policy Director for News Ltd; Deputy Federal Director, Liberal Party of Australia and State Director, South Australian Liberal Party. Associate Professor Pennsylvania State University, and Journalist.

Annabelle Duncan

Qualifications

B.Sc. Otago (NZ) 1975; Postgraduate Diploma of Science, (with Credit) Otago (NZ) 1976; M.Sc. Otago (NZ) 1978; Ph.D. La Trobe (Australia) 1987; DSc Murdoch (Honoris causa) (Australia) 2005

Experience

Professor Annabelle Duncan is the Vice-Chancellor and Chief Executive Officer of the University of New England. She joined the University in September 2010, initially as Deputy Vice-Chancellor Research and then as Deputy Vice-Chancellor.

Prior to joining UNE, Professor Duncan spent 16 years in the CSIRO, including 6 years as Chief of the Division of Molecular Science. She has also served in managerial roles within the Bio21 Institute at University of Melbourne and AgriBio Institute at La Trobe University.

Professor Duncan acted as an advisor to the Department of Foreign Affairs and Trade on biological weapons control, representing Australia at international arms control meetings and acting as a biological weapons inspector with the United Nations in Iraq.

Special Responsibilities

She was awarded a Public Service Medal in 1996, and Honorary Doctor of Science (DSc) from Murdoch University in 2005 for her work in arms control.

Chair, Research Advisory Committee

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

During the financial year, 5 meetings of Directors were held. 2 meetings of the Finance Audit and Risk Committee and 1 meetings of the Research Advisory Committee were also held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Malcolm John Peters OAM (Chairman)	5	5
Professor Sandra Lee Harding	1	1
Rt Hon Ian McCahon Sinclair AC	5	5
Christian John Zahra	5	5
Timothy Walter Shackleton	5	3
Grahame Allan Morris	5	5
Annabelle Duncan	1	1

	Finance, Audit and Risk Committee Meetings	
	Number eligible to attend	Number attended
Christian John Zahra	4	4
Rt Hon Ian McCahon Sinclair AC	4	4

	Research Advisory Committee Meetings	
	Number eligible to attend	Number attended
Professor Sandra Lee Harding	1	1
Timothy Walter Shackleton	1	1

MEMBER'S GUARANTEE

The Institute is incorporated under *Corporations Act 2001* and is an Institute limited by guarantee. If the Institute is wound up, the constitution states that each member is required to contribute a maximum of \$10.00 each towards meeting any obligations of the Institute. As at 30 June 2017, the total amount that members of the Institute are liable to contribute if the Institute is wound up is \$70.00.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2017 has been received.

Signed in accordance with a resolution of the Board of Directors:



MALCOLM JOHN PETERS OAM
Chairman

Dated this 21st September 2017

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Regional Australia Institute Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM Australia Partners

RSM AUSTRALIA PARTNERS



RODNEY MILLER
Partner

Canberra, Australian Capital Territory
Date: 22 September 2017

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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INDEPENDENT AUDITOR'S REPORT To the Members of Regional Australia Institute Limited

Opinion

We have audited the financial report of Regional Australia Institute Limited, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the financial report of Regional Australia Institute Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2017 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Regional Australia Institute Limited in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Regional Australia Institute Limited's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing Regional Australia Institute Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Regional Australia Institute Limited or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

RSM Australia Partners

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'Rodney Miller'.

RODNEY MILLER

Partner

Canberra, Australian Capital Territory

Date: 22 September 2017

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		\$	\$
Revenue	2	2,535,726	1,982,143
Depreciation and amortisation expense		(1,764)	(8,249)
Board meeting and travel expenses		(10,542)	(21,189)
Salaries, wages and directors fees		(1,342,944)	(1,350,582)
Consulting expenses		(76,772)	(306,173)
InSight expenses		-	(3,989)
Other expenses	3	(304,172)	(290,163)
Research cost		(23,827)	(1,798)
Profit for the year		775,705	-
Other comprehensive income		-	-
Total comprehensive income for the year		775,705	-

The accompanying notes form part of these financial statements

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,190,205	1,405,515
Trade and other receivables	5	6,877	25,397
Prepayments	6	8,573	-
TOTAL CURRENT ASSETS		<u>2,205,655</u>	<u>1,430,912</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,254	1,546
Intangible assets	7	-	-
TOTAL NON-CURRENT ASSETS		<u>2,254</u>	<u>1,546</u>
TOTAL ASSETS		<u>2,207,909</u>	<u>1,432,458</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	222,442	137,357
Provisions	9	46,068	49,614
Other liabilities	10	1,143,790	1,001,314
TOTAL CURRENT LIABILITIES		<u>1,412,300</u>	<u>1,188,285</u>
NON-CURRENT LIABILITIES			
Other liabilities	10	-	234,899
Provisions	9	19,904	9,274
TOTAL NON-CURRENT LIABILITIES		<u>19,904</u>	<u>244,173</u>
TOTAL LIABILITIES		<u>1,432,204</u>	<u>1,432,458</u>
NET ASSETS		<u>775,705</u>	<u>-</u>
EQUITY			
Retained earnings		-	-
Current year earnings		775,705	-
TOTAL EQUITY		<u>775,705</u>	<u>-</u>

The accompanying notes form part of these financial statements.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

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

	Retained earnings \$	Total \$
Balance at 1 July 2015	-	-
Surplus attributable to members	-	-
Balance at 30 June 2016	-	-
Balance at 1 July 2016	-	-
Surplus attributable to members	775,705	775,705
Balance at 30 June 2017	775,705	775,705

The accompanying notes form part of these financial statements.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members, sponsors and financial institutions		2,438,673	577,414
Payments to suppliers and employees		(1,678,594)	(1,994,832)
Interest income		27,083	44,957
Net cash provided by/ (used in) operating activities	13	<u>787,162</u>	<u>(1,372,461)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		<u>(2,472)</u>	-
Net cash used in investing activities		<u>(2,472)</u>	-
Net increase/(decrease) in cash held		787,162	(1,372,461)
Cash and cash equivalents at beginning of the financial year		<u>1,405,515</u>	<u>2,777,976</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>2,190,205</u></u>	<u><u>1,405,515</u></u>

The accompanying notes form part of these financial statements.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Regional Australia Institute Limited as an individual entity, incorporated and domiciled in Australia. Regional Australia Institute Limited is a Institute limited by guarantee.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Institute is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Revenue and other income

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the state of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Other revenue is recognised when it is received or when the right to receive the payment is established.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amounts of goods and services tax (GST).

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present. Plant and equipment that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed assets	Depreciation rate
Computer equipment	40%
Leasehold improvements	10%
Furniture and fittings	10%
Website development	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Impairment of assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset

Employee benefits

Provision is made for the Institute's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Trade and other payables

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

Income tax

No provision for income tax has been raised as the Institute is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Goods and services tax (GST)

Revenues, 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 (ATO).

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 statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Institute.

Key judgement - Estimation of useful lives of assets

The Institute determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Key judgement - Impairment

The Institute assesses impairment at each reporting date by evaluating conditions specific to the Institute that may lead to impairment of assets. Should an impairment indicator exist, the determination of the recoverable amount of the asset may require incorporation of a number of key estimates. No impairment indicators were present at 30 June 2017.

Key judgement- Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2017. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the company.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the company.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New Accounting Standards and Interpretations not yet mandatory or early adopted (cont'd)

AASB 1058 Income of Not-for-Profit Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 1004 Contributions and clarifies the treatment of the receipt of income by not-for-profit entities.

Income received where there is an associated performance obligation should be recognised in line with the principles of AASB 15, whereas donations with no future obligation may be recognised immediately. In cases where assets or services that were received below market value, such assets or services should be recognised at fair value. When an entity receives volunteer services and can reliably measure the fair value of those services, the entity may elect to recognise the services as an asset (provided the relevant asset recognition criteria are met) or an expense. Local governments, government departments, general government sectors (GGs) and whole of governments are required to recognise volunteer services if they would have been purchased if not provided voluntarily and the fair value of those services can be measured reliably. The company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the company.

2017 **2016**

\$ **\$**

NOTE 2. REVENUE AND OTHER INCOME

Revenue

Government grants	2,139,862	1,336,369
Sponsorship, research and licencing fees	329,456	282,227
Interest received from investments	27,083	44,957
Other income	39,325	318,590
	2,535,726	1,982,143

In prior years, the company recognised the government seed grant as revenue in line with expenses incurred as per the revenue recognition policy detailed in note 1. During the current year the company sourced alternative government funding, and as a result the remaining unrecognised seed funding of \$380,369 was recognised as revenue. For new government grant funds the company continues to recognise grant revenue in line with expenses incurred.

NOTE 3. OTHER EXPENSES

Other expenses

Rental expense	90,320	82,892
Auditors' remuneration	10,655	10,000
IT Expense	36,500	12,519
Insurance	18,135	17,066
Telephone	23,548	15,741
Flights and accommodation	75,269	56,698
Bookkeeping	16,381	22,798
Other	33,364	72,449
	304,172	290,163

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 4. CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Cash at bank	2,190,205	1,405,515

NOTE 5. TRADE AND OTHER RECEIVABLES

Trade receivables	-	18,520
Rental bonds receivable	6,877	6,877
	6,877	25,397

NOTE 6. PREPAYMENTS

Prepayments	8,573	-
	8,573	-

NOTE 7. NON-CURRENT ASSETS

Plant and equipment

Computer equipment		
Computer equipment at cost	39,678	39,678
Less accumulated depreciation	(39,678)	(38,132)
	-	1,546

Leasehold improvements

Leasehold improvements at cost	2,017	-
Less accumulated depreciation	(177)	-
	1,840	-

Furniture and fittings

Furniture and fittings at cost	455	-
Less accumulated depreciation	(41)	-
	414	-

Intangible assets

Website development		
Website development at cost	32,240	32,240
Less accumulated amortisation	(32,240)	(32,240)
Total intangible assets	-	-
	2,254	1,546

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 7. NON-CURRENT ASSETS (CONT'D)

Movements in carrying amounts

Movement in the carrying amounts for each class of non-current asset between the beginning and the end of the current financial year:

	Computer equipment	Website development	Leasehold improvements	Furniture and fittings	Total
	\$	\$	\$	\$	\$
2017					
Balance at the beginning of the year	1,546	-	-	-	1,546
Additions	-	-	2,017	455	2,472
Depreciation and amortisation expense	(1,546)	-	(177)	(41)	(1,764)
Carrying amount at the end of year	-	-	1,840	414	2,254
2016					
Balance at the beginning of the year	6,273	3,522	-	-	9,795
Additions	-	-	-	-	-
Depreciation and amortisation expense	(4,727)	(3,522)	-	-	(8,249)
Carrying amount at the end of year	1,546	-	-	-	1,546

	2017	2016
	\$	\$
NOTE 8. TRADE AND OTHER PAYABLES		
Trade payables	3,091	12,629
Net GST payable	96,386	17,155
Other payables	122,965	107,573
	<u>222,442</u>	<u>137,357</u>

NOTE 9. PROVISIONS

CURRENT

Short term employee benefits	46,068	49,614
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NON-CURRENT

Long term employee benefits	19,904	9,274
	<u>65,972</u>	<u>58,888</u>

Provision for long term employee benefits

A provision has been recognised for employee entitlements relating to long service leave. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to these financial statements.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 10. OTHER LIABILITIES	2017	2016
	\$	\$
CURRENT		
Sponsorship and other income received in advance	-	52,313
Grants received in advance	1,143,790	949,001
	<u>1,143,790</u>	<u>1,001,314</u>
NON-CURRENT		
Grants received in advance	-	234,899
	<u>1,143,790</u>	<u>1,236,213</u>

NOTE 11. CAPITAL AND LEASING COMMITMENTS

Operating lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements.

Payable – minimum lease payments:

- not later than 12 months

-	6,500
<u>-</u>	<u>6,500</u>
<u>-</u>	<u>6,500</u>

Operating lease commitments comprise of rental of a part area of Level 2, 53 Blackall Street, Barton. The entity holds a one month lease which can be negotiated at the end of each term.

NOTE 12. RELATED PARTY TRANSACTIONS

a. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Institute, directly or indirectly, including any Director (whether executive or otherwise) is considered key management personnel.

Key management personnel compensation

short-term benefits	258,513	341,059
post-employment benefits	11,539	47,292
	<u>270,052</u>	<u>388,351</u>

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13. CASH FLOW INFORMATION

Reconciliation of cash flows from operations with profit after income tax

	2017	2016
	\$	\$
Profit after income tax	775,705	-
Non cash flows		
Depreciation and amortisation	1,764	8,249
Changes in assets and liabilities		
Decrease in trade and other receivables	18,520	17,103
(Increase)/Decrease in prepayments	(8,573)	9,806
Increase in trade and other payables	85,085	56,312
(Decrease) in other liabilities	(92,423)	(1,408,734)
Increase/(Decrease) In provisions	7,084	(55,197)
	787,162	(1,372,461)
	787,162	(1,372,461)

NOTE 14. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, receivables and payables and lease liabilities.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note		
Financial assets			
Cash and cash equivalents	4	2,190,205	1,405,515
Total financial assets		2,190,205	1,405,515
Financial liabilities			
Trade and other payables	8	222,442	137,357
Total financial liabilities		222,442	137,357

The directors' risk management strategy seeks to assist the company in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management is approved and reviewed by the finance committee. These include credit risk and future cash flow requirements.

Specific financial risk exposures and management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the board's objectives, policies and processes for managing or measuring the risks from the previous period.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 14. FINANCIAL RISK MANAGEMENT (CONT'D)

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed through the maintenance of procedures ensuring to the extent possible, that customers and counter parties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the invoice date. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. The company has no significant concentration of credit risk with any single counter party or group of counter parties Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions managed by the finance committee in accordance with approved Board policy.

b. Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- maintaining a reputable credit risk profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables on the below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 year		1 to 5 years		Total contractual cash flow	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade and other payables	(222,442)	(137,357)	-	-	(222,442)	(137,357)
Total contractual outflows	(222,442)	(137,357)	-	-	(222,442)	(137,357)
Total expected outflows	(222,442)	(137,357)	-	-	(222,442)	(137,357)
Financial assets - cash flows realisable						
Cash and cash equivalents	2,190,205	1,405,515	-	-	2,190,205	1,405,515
Net inflow/(outflow) on financial instruments	1,967,763	1,268,158	-	-	1,967,763	1,268,158

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 14. FINANCIAL RISK MANAGEMENT (CONT'D)

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Year ended 30 June 2017		
+/- 1% in interest rates	19,678	19,678
Year ended 30 June 2016		
+/- 1% in interest rates	12,682	12,682

No sensitivity analysis has been performed on foreign exchange risk as the company has no material exposures to currency risk.

Net fair values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the above table and can be compared to their carrying amounts as presented in the statement of financial position.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments which are carried at amortised cost are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

NOTE 15. MEMBERS GUARANTEE

The Institute is incorporated under the *Corporations Act 2001* and is an Institute limited by guarantee. If the Institute is wound up, the constitution states that each member is required to contribute a maximum of \$10.00 each towards meeting any obligations of the Institute. As at 30 June 2017, the total amount that members of the Institute are liable to contribute if the Institute is wound up is \$70.00.

NOTE 16. ENTITY DETAILS

The registered office of the entity is:
Regional Australia Institute Limited
Level 2, 53 Blackall Street
Barton ACT 2600

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

DIRECTORS DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board.
- the attached financial statements and notes give a true and fair view of the Institute's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



MALCOLM JOHN PETERS OAM
Chairman

Dated this day 21st of September 2017



CHRISTIAN JOHN ZAHRA
Chair, Finance, Audit and Risk Committee

Dated this day 21st of September 2017

A big thank you to our wonderful partners



About the Regional Australia Institute

Independent and informed by both research and on-going dialogue with the community, the Regional Australia Institute develops policy and advocates for change to build a stronger economy and better quality of life in regional Australia – for the benefit of all Australians.