



**REGIONAL
AUSTRALIA**
INSTITUTE

ANNUAL REPORT

2012 - 2013

ABOUT THE REGIONAL AUSTRALIA INSTITUTE

Launched in February 2012, the Regional Australia Institute (RAI) is an independent, not-for-profit organisation developing real solutions to key policy issues through research and an ongoing conversation with Australian communities.

While acknowledging and celebrating the many successes of regional Australia, the RAI does not believe that it has reached its full potential, or that we can rely on current approaches for the sustainable future of our country. We can and will do better.

Our mission is two-fold: to help regions understand and capitalise on their potential, and to share with Australia the fact that our regions are vibrant, adaptable and integral to our future. We run a tightly focused research and policy agenda, improving the quality of and access to knowledge on how we can ensure the prosperity of Australia's regions, and our nation as a whole.

We won't stop until we have an informed and connected community, a stronger and more sustainable economy and a better quality of life for all Australians, both now and in the future.

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MESSAGE FROM THE CHAIRMAN

The Regional Australia Institute was established to better the lives of those who live in regional Australia, and I think any fair minded person would say our last 12 months has seen significant steps forward to achieve that end.

Now, as I present the RAI's second Annual Report, I am proud to look back on a year with strong runs on the board for regional Australia.

Keeping on track with our mission to help regions understand and capitalise on their potential, the RAI has used our unique position to engage with communities, policy-makers and governments alike.

Several research projects have been completed in this past year, and the ensuing interest from different levels of government, industry, community organisations and the media has been exceptional. The RAI's name has been gathering national recognition, advancing the interests of regional Australia. Our list of highlights provides a good run-down of some strong achievements.

Throughout quite a dramatic period in politics, the RAI has remained firmly focussed on developing real solutions to key policy issues through research and an ongoing conversation with the Australian community. And while one of our key research areas – the competitiveness of our regions – has made valuable headway into the awareness of policy-makers, we remain adamant that productivity and competitiveness needs to be a long-term agenda, not a political one.

The interests of our regions, and our country as a whole, are intrinsically linked, and the RAI is in a very unique place to be able to influence policy and make a difference.

Our regions must be equipped with the tools, knowledge and relationships they need to make informed decisions and pursue their full potential, and this is where our work is making a tangible difference.

As we continue to expand our research and continue the conversation with regional Australia, the RAI is being driven forward by the hard work of our dedicated Board and staff.

We are lucky to have a diverse group of eminent Australians as our Board members, with a shared passion for regional Australia and a commitment to building vibrant communities. Combined with the energy and informed approach of our Chief Executive Su McCluskey, the RAI is an unstoppable force.

Inspired by the changes we have already set in motion and the feedback we are receiving from communities far and wide, the RAI remains committed to building a stronger economy and better quality of life in regional Australia – for the benefit of all Australians.



Mal Peters



REPORT FROM THE CEO

If the Regional Australia Institute's inaugural year was one of carefully laid plans and anticipation, then our second year has been one of immense hard work and realisation.

Our role as Australia's first independent body for regional Australia has quickly carved us a unique space in the world of research and policy-development. We are proud to be in a position where we can convey regional issues to those in our nation's capital while also continually travelling across the country to listen to the needs and concerns of regional Australia.

While several research projects have been completed in the past 12 months, it is impossible not to highlight one in particular as a major accomplishment in the evolution of our work.

The release of [In]Sight: Australia's regional competitiveness index, marks the most nationally significant project the RAI has completed to date. We can, for the first time, clearly see the challenges facing Australia's economy, and where they exist.

The adage that knowledge equals power is very true, and we are committed to continuing to empower our regions through combining our research with local knowledge and community perspectives. Our conversation with regional Australia continues, and we will carry on building partnerships with the many organisations and people who represent and work so hard for regional communities.

As I write this, I am travelling throughout regional Western Australia – a story for next year's annual report perhaps – and I am struck by the willingness of people in communities, many of which may be far away from metropolitan centres, to share their contribution and sense of place in this big country. It has also highlighted to me that while you can have national policy outcomes, you must have local solutions and enable decision making at the ground level.

The research priorities as the RAI enters its next phase are strongly delineated and again, shaped in large part around the conversations we are having across the nation. We look forward to the opportunity to work with a new government, and will continue to support the development of regional policy that reflects both the best objective evidence and the needs, aspirations and potential of regional Australia.

The future for regional Australia looks bright, and the whole team of staff and Board members here at the RAI are committed to making it brighter still.



Su McCluskey



HIGHLIGHTS OF 2012-13

BETTER INFORMATION FOR REGIONAL AUSTRALIA

The Regional Australia Institute has focused significant effort over the past 12 months on making regional knowledge and data more readily accessible to the regional development community, policy makers and the general public.

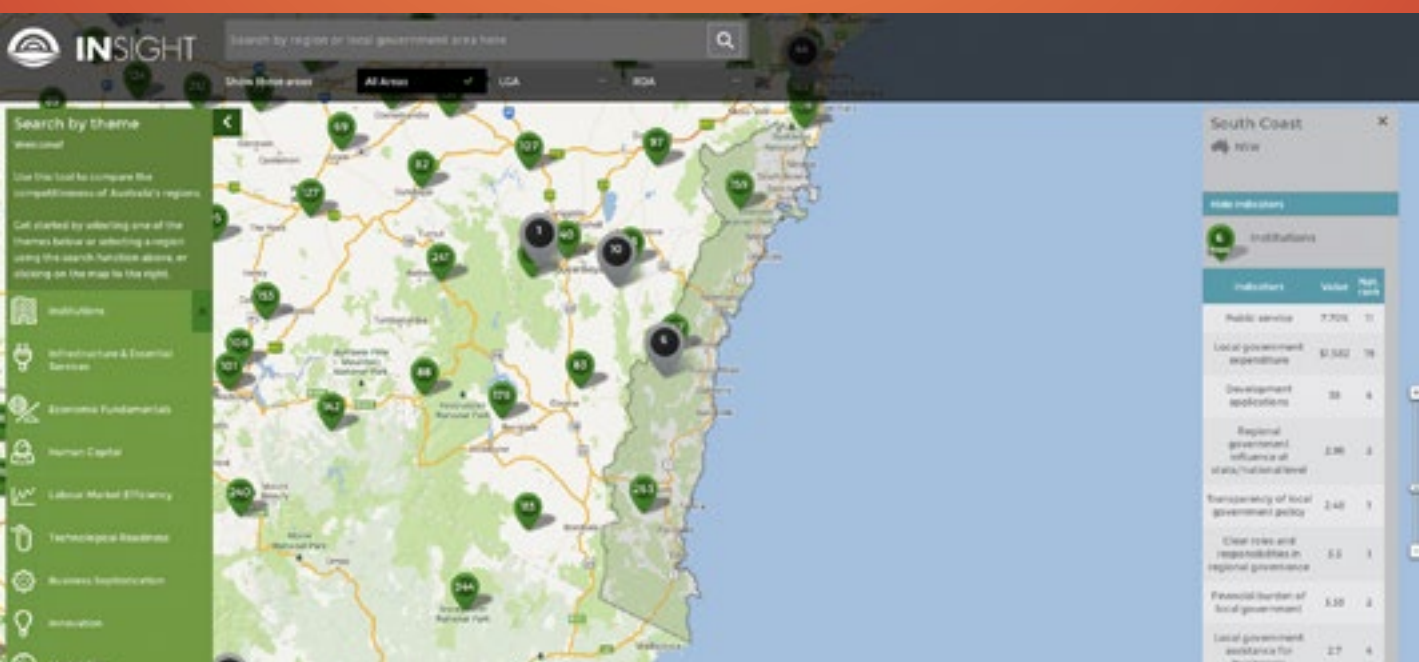
Two major pieces of work in 2012-13 underpin RAI's on-going commitment to the sustainability and prosperity of Australia's regions. These were driven by feedback from policy-makers, regional leaders and the research community in 2012 as being the most important initial focus of the RAI's work.

Launch of [In]Sight: Australia's Regional Competitiveness Index

June 2013

To bridge the gap between knowledge and debate over the potential and future pathways for regional Australia, the RAI launched [In]Sight – the nation's first online index and interactive map tracking the competitiveness of Australia's 560 Local Government Areas (LGAs) and 55 Regional Development Australia (RDA) regions.

[In]Sight spans ten themes and 59 indicators that reflect the fundamentals of sustainable growth in Australia, capturing the competitiveness of LGAs and RDAs according to current economic performance and drivers of future success.



Launch of [In]Form: Australia's Online Library of Regional Research

October 2012

This free searchable database provides links to more than 1,500 research reports undertaken on Australian - and some international - regional issues since the year 2000. Developed through the comprehensive Stock of Regional Research project in 2012, [In]form provides easy access to current literature on regional issues.



NEW POLICY IDEAS AND ISSUES ANALYSIS

From Disaster to Renewal: Natural Disaster Recovery in Regional Australia

May 2013

In May last year, the RAI released a report detailing case studies of four regional Australian towns recovering from natural disasters and how their experiences can assist communities struck in the future. Built on the insight of regional leaders, business owners and the community, we're proud to have completed this important piece of work and set in motion a process of ongoing community consultation and policy recommendations on disaster recovery.

Local Infrastructure Australia

December 2012

To address the \$15 billion local infrastructure deficit undermining the prosperity of regional Australia, the RAI conducted independent research on reforms that could set constructive renewal in motion through the establishment of a new national organisation, Local Infrastructure Australia.

Regional Australia in the Asian Century

January 2013

To provide a framework for understanding Australia's regions in the context of the Asian Century, this policy brief examines the implications of regional Australia in the Asian Century White Paper and the imperatives for better regional analysis to understand the spatial distribution of opportunity in regional Australia.

Benefits of the Boom?

April 2013

The brief examines emerging evidence about the outcomes of the resources boom in regional communities. The paper emphasizes that local government and business leadership is critical to capturing local benefits, and explores current approaches involving local communities in resource projects.

PROMOTING DEBATE

Wagga Wagga Community Forum

October 2012

RAI held its inaugural Regional Research Forum at the Charles Sturt University. The event played host to a range of academics and professionals who presented their views on the future direction and challenges of regional research. In addition to RAI Fellows and Board members, representatives from Telemedicine Australia and Charles Sturt University were involved.

Natural Disasters Policy Forum

May 2013

A Natural Disasters Forum held in Marysville, Victoria, brought together a diverse group that contributed constructively to the debate about the longer term recovery and renewal from natural disasters. The forum enabled the RAI to test and expand concepts and generate further ideas.

Website and online

Ongoing

In June 2013, the RAI updated its website to reflect the vibrant and positive action of the RAI, and to better connect with the RAI's digital audience. Social media channels, including Facebook, Twitter and YouTube were also rebranded and integrated into the digital media strategy to foster greater conversation with regional Australia.

Media Engagement

Ongoing

Throughout 2012-13, the RAI worked within the media landscape to bring regional issues to the forefront of national policy and debate through press releases, blogs, opinion pieces and reactive media announcements. Most notable in this space was the launch of [In]Sight, which attracted reporting from a range of print, radio, online and television coverage, and dramatically raised the public profile of the RAI.



OUR PEOPLE

REGIONAL AUSTRALIA INSTITUTE BOARD

The Regional Australia Institute 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 knowledge of research and policy implementation at the local, state and federal levels, and strong community links.

- Mr Mal Peters (Chair)
- Professor Ngiare Brown
- Professor Sandra Harding
- Mr Grant Latta



- Mr Tim Shackleton
- Rt Hon Ian Sinclair
- Mr Christian Zahra

THE RESEARCH ADVISORY COMMITTEE

The Research Advisory Committee provides advice to the RAI Board on research matters. The Committee helps to identify priority issues and concerns in regional Australia, and develop and commission research projects that reflect the RAI vision and highest of research standards.

- Professor Sandra Harding (Chair)
- Professor Andrew Beer
- Professor Ngiare Brown

- Professor Graeme Hugo
- Professor John Tomaney
- The RAI CEO is an ex-officio member of the Research Advisory Committee

REGIONAL AUSTRALIA INSTITUTE FELLOWS

The RAI Fellows are recognised experts in the field of regional development. Fellows help to raise awareness of the RAI and its work in their professional networks and within the public debate of regional issues and research.

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

STAFF

This year saw a considerable expansion of the RAI staff, as an array of new skills and areas of expertise were brought on board. Our staff members come from a range of policy, advocacy, research and development backgrounds and are committed to a vision of a vibrant future for regional Australia.

- Su McCluskey, Chief Executive Officer
- Jack Archer, General Manager of Research & Policy
- Julie Wilson, Research Manager
- Vanessa Barnett, Policy Manager
- Rebecca Barratt, Business Support Manager
- Holly Reid, Communications Manager
- Claire Delahunty, Media and Public Affairs Officer
- Jessie Davies, Research Assistant
- Belinda Miller, Research Assistant
- Tai Nguyen, Researcher
- Morgan Rennie, Research Assistant

REGIONAL INFORMATION AND ISSUES ANALYSIS

SNAPSHOT OF MAJOR FINDINGS

[In]Sight: Australia's Regional Competitiveness Index

Size isn't everything. All regions can be internationally competitive and contribute to Australia's future economic success.

Human capital, technological readiness and innovation are the themes that position any region (regardless of size and location) to respond to international markets and grow over time.

It is also within these three themes, that some of the biggest gaps (inequality) between regions in Australia can be found. Australia risks paying a productivity and fiscal penalty unless it can improve human capital (health and education), technological readiness and innovation across regional Australia.

Different parts of regional Australia have different strengths:

- Our largest regional centres can compete alongside the cities based on their technological readiness, business sophistication and infrastructure.
- Inner regional areas can leverage human capital, infrastructure and essential services and innovation themes to develop their economies.
- Outer regional, remote and very remote areas can build on their labour market efficiency, institutions and natural resources to take advantage of international market opportunities.

The Regional Australia Institute has continued its work in identifying and solving major challenges for regional Australia. Information and issues analysis completed over the last 12 months provides a strong foundation for future work, through which the RAI has developed a framework for policy and research direction.

[IN]SIGHT: AUSTRALIA'S REGIONAL COMPETITIVENESS INDEX

In June 2013, the RAI launched the nation's first online index and interactive map tracking the competitiveness of Australia's regions.

[In]Sight provides socio-economic data for each Local Government Area (LGA) and Regional Development Australia (RDA) region across ten themes and 59 indicators. Altogether, [In]Sight holds nearly 80,000 pieces of information ranging from labour market efficiency, business sophistication to infrastructure and essential services.

[In]Sight is a rich source of data for regional Australia which is already being used by regional development practitioners and policy makers alike to inform their strategies and decisions.

To assist users with the interpretation of data and to demonstrate the broad application of [In]Sight, the RAI research team has prepared a user guide, summary report and a series of papers and reports on the findings.

The data is also underpinning further work by the RAI. Alongside the release of the online interactive map, the RAI released a paper which identified four key findings. These will continue to provide a foundation for exploring future works including the diversity experienced across and between regions, the importance of endogenous growth factors and the marked differences in characteristics between inner and outer regions.

Research papers stemming from [In]Sight that have recently or are soon to be released refer to the following topics:

- Snapshot of Major Findings for 2013;
- Economic Diversity in Regional Australia;
- The East Coast 'Corridor of Competitiveness' (forthcoming); and
- Regional Development in Northern Australia (forthcoming).

The research team will continue to interrogate the data and assist other users in exploring, understanding and applying the findings and ideas founded through [In]Sight. Where data permits, [In]Sight will be updated annually so that information remains current and longitudinal data series can be developed. Further work is also being undertaken in consultation with users to ensure the data is used effectively and actively in strategic development and decision making.

STOCKTAKE OF REGIONAL RESEARCH

In 2012, the RAI released an extensive stocktake of research on regional issues since the year 2000. The Stocktake of Regional Research was the first step in addressing the on-going challenge of connecting people with relevant existing knowledge about regional development, and led to the creation of [In]Form: Australia's online library of regional research. Other products included:

- Stocktake Summary and Gap Analysis;
- 50 Most Influential Pieces of Regional Research; and
- Literature Reviews for each of the RAI Research Agenda Themes:
 - o Position and Potential: developing a clearer understanding of the potential for new growth and prosperity in each region;
 - o Realising Opportunity: understanding how communities can seize opportunities for growth and prosperity, what the policy decisions are to make this happen;
 - o Successful Transitions: developing better strategies for communities in transition to cope with change; and
 - o Services and Engagement: identifying new ideas and solutions for regional service delivery and community engagement.

The project found that there is a substantial amount of research in regional Australian policy development but a relatively limited level of research that explores the potential for positive change and specific opportunities for growth and development.

The database and stocktake will be updated in 2013-14 to ensure it remains a relevant and up to date resource for the regional development community.



FROM DISASTER TO RENEWAL: THE CENTRALITY OF BUSINESS RECOVERY TO COMMUNITY RESILIENCE

Regional Australia is a frequent victim of natural disasters yet there is limited information about how communities recover and whether we have the right policies in place to help them get back on their feet and looking to the future.

From 'Disaster to Renewal' draws on the experiences of four regional Australian towns and how their experiences can assist communities struck by natural disasters in the future. The fieldwork and analysis was led for the RAI by a team from Griffith University.

The key finding of the report is that the resurrection of the local economy is crucial to getting communities back on track after a natural disaster, but this is often overlooked in favour of rebuilding physical infrastructure and returning a town to 'normal' even though key economic drivers may have been permanently altered.

The research emphasises the importance of local economic recovery in the community recovery process and highlights a number of ways in which the short, medium and long term practices in natural disaster recovery can be devised to optimise outcomes for affected communities.

After launching the report, the RAI continues to engage with stakeholders to ensure that the findings of the report are considered in future local, state and federal policy.

THE CASE FOR LOCAL INFRASTRUCTURE AUSTRALIA

A long standing and growing \$15 billion local infrastructure deficit is undermining the prosperity of regional Australia. The RAI has conducted independent research on reforms that could set constructive local infrastructure renewal in motion.

This research, released in December 2012, reviews the case for a new national organisation to be established to take charge of local infrastructure at the national level and could put a series of the project's recommendations into action. An assessment of the associated costs and risks of establishing 'Local Infrastructure Australia' for governments is also included in the project.

FORTHCOMING WORK

POPULATION DYNAMICS IN REGIONAL AUSTRALIA

Australians are increasingly mobile people, and there are many different perceptions about how we move around our country and why. In response to a significant interest in population change and movements during RAI stakeholder engagement, the RAI initiated a project to provide a summary analysis of major trends in population dynamics across Australian regions.

Using the latest ABS 2011 Census data, this project will provide policy makers with an understanding of recent trends in population mobility, with a focus on regional adjustment. It will also identify the policy responses that can be used at a local, state or national level to promote population growth and change for regional development. The project was led for the RAI by the Australian Population and Migration Research Centre at the University of Adelaide, and explores the population movements, composition and the resulting policy implications for regional Australia.

The forthcoming reports and findings will prove a valuable tool for exploring the current and future trends of our regional populations and to inform a wide range of stakeholders about the opportunities and challenges that flow from our dynamic and increasingly mobile regional populations.

STRUCTURAL ADJUSTMENT IN REGIONAL AUSTRALIA

This report, undertaken in partnership with the Rural Industries Research and Development Corporation, examines the history of structural economic change in Australia. Major changes in the Australian economy over the last 30 years have included shifts in employment towards the services sector and away from agriculture and manufacturing, and major population growth in urban areas and large regional centres away from small towns.

This project will propose a clearer policy framework for understanding structural change and developing associated policy responses. It will also provide an overview of recent adjustment experiences as a platform for thinking about future shifts in the economy and how governments and communities can best respond to these to maximise outcomes at the regional and national levels.



FORWARD AGENDA

The RAI has continued to build on the initial research strategies set by the Board in 2011-2012. This has involved further honing of research and policy strategy as well as a deeper foundational direction to regional Australia development processes and paradigms.

The RAI team will continue to explore the findings bound within [In]Sight and to look for new areas where it can be applied. The team will also explore the key concepts emanating from [In]Sight, the OECD and other sources surrounding the centrality of endogenous growth factors in regional competitiveness and development.

The RAI will be exploring policy issues surrounding what the ultimate goals of regional development are and should be, and how these can be achieved for different regions. The team will also examine the role governments play in regional development, how regions are impacted by government and private sectors directly and indirectly and what measures and configurations would optimise benefits for the regions and Australia as a whole.

As new research and findings begin to emerge, the RAI Research and Policy team will continue to assess and culminate these findings in their overall strategy for a more vibrant and empowered regional Australia.



FINANCIAL STATEMENTS

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 55 152 955 667

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REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

DIRECTORS REPORT

Your directors present their report on the company for the financial period ended 30 June 2013.

DIRECTORS

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

Names	Position	Appointed
Malcolm John Peters	Director, Chairman	22 September 2011
Professor Ngilane Joy Brown	Director	22 September 2011
Professor Sandra Lee Harding	Director	22 September 2011
Grant Frederick Latta	Director	22 September 2011
Rt Hon Ian McCahon Sinclair	Director	14 November 2011
Christian John Zahra	Director	22 September 2011
Timothy Walter Shackleton	Director	24 August 2012

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

PRINCIPAL ACTIVITIES

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

The company'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 will develop 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 will be the development of a competitiveness index that looks at the status of regional Australia and trends in the key indicators of its success. This product will provide a foundation of knowledge and insight for policy makers. Supporting this will be 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 has been formed to assist 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 will develop and present 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.
- **Financial sustainability based on a diversity of memberships and investment from government, corporations, philanthropists and interested individuals**
A fundraising strategy has been developed that identifies a diverse membership and investment pool for a range of government, corporate and philanthropic sources.
- **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 have been established. Internal policies and procedures to ensure appropriate transparency and manage the operations of the business have been put in place, including a Board Charter, delegations and operational policies.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

DIRECTORS REPORT

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.

INFORMATION ON DIRECTORS

Malcolm John Peters	– Director, Chairman
Experience	– Chair of Regional Development Australia Northern Inland, Mayor of Inverell, Member of Ministerial Advisory Council on Regional Australia and former President of NSW Farmers Association
Special Responsibilities	– Chairman, Chair, Remuneration and Nomination Committee
Ngiare Joy Brown	– Director
Qualifications	– Bachelor of Medicine, Masters in Public Health and Tropical Medicine
Experience	– Foundation CEO of the Australian Indigenous Doctors Association, Associate Professor and Director of the Poche Centre of Indigenous Health, Fellow of the Royal Australian College of General Practitioners
Special Responsibilities	– Member, Research Advisory Committee
Sandra Lee Harding	– Director
Qualifications	– BSc (Hons) ANU, MPubAdmin UQ, PhD NCSU, Hon Doc JIU, FACE, FQA, FAICD, FAIM
Experience	– Vice-Chancellor and President of James Cook University; Chair of Universities Australia, Council Member of the Australian Institute of Marine Science; Director of North Queensland Cowboys NRL club; Member of the Defence Science and Technology Organisation (DSTO) Advisory Board; the Australian Research Council (ARC) Advisory Council; Director of Townsville Enterprise and of Advance Cairns (regional economic development bodies)
Special Responsibilities	– Chair, Research Advisory Committee
Grant Frederick Latta	– Director
Qualifications	– CPA, MBA, B.Bus, C.Eng., FAIM, AAIM, FAICD
Experience	– Executive Chairman of GCMCorp Pty Ltd, Australian Capital Strategies Pty Ltd and Director of SunRice (Ricegrowers Limited), McWilliam's Wines Group Ltd, The Sealy Group and Coleambally Irrigation Co-operative Limited. Member of the Australian Competition Tribunal.
Special Responsibilities	– Company Secretary and Chair, Finance, Audit and Risk Committee

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 55 152 955 667

DIRECTORS REPORT

Ian McCahon Sinclair	- Director
Qualifications	- BA, LLB
Experience	- Former Leader of the National Party, Chairman of the Foundation for Rural and Regional Renewal, President of Scouts Australia (NSW), Co-Chair of NSW Health Care Advisory Council.
Christian John Zahra	- Director
Qualifications	- B.Economics, M.Assessment and Evaluation, FAICD
Experience	- Executive Director at Pacific Strategy Partners, Chairman of Regional Development Australia Fund Advisory Panel, Member of the Ministerial Advisory Council on Regional Australia and Director of Waardl Limited.
Special Responsibilities	- Member, Finance, Audit and Risk Committee, Member, Remuneration and Nomination Committee.
Timothy Walter Shackleton	- Director
Qualifications	- Company Directors' Diploma, Post Graduate Diploma in Health Administration, Bachelor of Physical Education, Accounting Certificate.
Experience	- Director, Wheatbelt Development Commission

MEETINGS OF DIRECTORS

During the financial year, 5 meetings of directors were held. 3 meetings of the Finance Audit and Risk Committee and 4 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
Mal Peters (Chairman)	5	5
Professor Ngiane Brown	5	2
Professor Sandra Harding	5	5
Grant Latta	5	5
Rt Hon Ian Sinclair	5	5
Christian Zahra	5	5
Tim Shackleton	4	4

	Finance, Audit and Risk Committee Meetings	
	Number eligible to attend	Number attended
Grant Latta	3	3
Christian Zahra	3	3

	Research Advisory Committee Meetings	
	Number eligible to attend	Number attended
Professor Sandra Harding	4	4
Professor Ngiane Brown	4	2

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 965 667

DIRECTORS REPORT

MEMBER'S GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company 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 company. As at 30 June 2013, the total amount that members of the company are liable to contribute if the company is wound up is \$10.00.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the period ended 30 June 2013 has been received and can be found on page 8 of the financial report.

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 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM Bird Cameron Partners



G M STENHOUSE
Partner

Canberra, Australian Capital Territory
Dated: 19 September 2013

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
REGIONAL AUSTRALIA INSTITUTE LIMITED**

We have audited the accompanying financial report of Regional Australia Institute Limited ("the company"), which comprises the balance sheet as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Regional Australia Institute Limited would be in the same terms if given to the directors as at the time of this auditor's report.

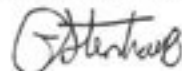
Opinion

In our opinion the financial report of Regional Australia Institute Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

RSM Bird Cameron Partners

RSM Bird Cameron Partners



G M STENHOUSE
Partner

Canberra, Australian Capital Territory
Dated: 19 September 2013

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

STATEMENT OF COMPREHENSIVE INCOME
AS AT 30 JUNE 2013

	NOTE	2013 \$	2012 \$
Revenue	2	2,054,065	644,164
Depreciation and amortisation expense		(12,043)	(385)
Board meeting and travel expenses		(34,622)	(30,969)
Salaries, wages and directors fees	3	(861,328)	(298,711)
Consulting expenses	3	(141,612)	(129,458)
Other expenses		(213,382)	(98,504)
Research costs		(790,678)	-
Reimbursement of establishment costs		-	(86,117)
Profit before income tax	3	-	-
Income tax expense		-	-
Profit for the year		-	-
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		-	-

The accompanying notes form part of these financial statements

REGIONAL AUSTRALIA INSTITUTE LIMITED

STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2013

	NOTE	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,975,044	1,666,948
Financial assets	5	3,000,000	6,500,000
Trade and other receivables	6	164,236	-
Other current assets	7	8,171	2,000
TOTAL CURRENT ASSETS		6,147,451	8,168,948
NON-CURRENT ASSETS			
Property, plant and equipment	8	19,659	2,613
Intangible assets	8	28,557	-
TOTAL NON-CURRENT ASSETS		48,216	2,613
TOTAL ASSETS		6,195,667	8,171,559
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,064,438	2,074,616
Provisions	11	34,122	2,936
TOTAL CURRENT LIABILITIES		1,098,560	2,077,552
NON-CURRENT LIABILITIES			
Other payables	10	5,095,597	6,093,931
Provisions	11	1,510	76
TOTAL NON-CURRENT LIABILITIES		5,097,107	6,094,007
TOTAL LIABILITIES		6,195,667	8,171,559
NET ASSETS		-	-

The accompanying notes form part of these financial statements.

REGIONAL AUSTRALIA INSTITUTE LIMITED

STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2013

	Retained earnings \$	Total \$
Balance at 1 July 2011	-	-
Surplus attributable to members	-	-
Balance at 30 June 2012	-	-
	Retained earnings \$	Total \$
Balance at 1 July 2012	-	-
Surplus attributable to members	-	-
Balance at 30 June 2013	-	-

The accompanying notes form part of these financial statements.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 55 152 955 667

STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2013

	NOTE	2013 \$	2012 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members, sponsors and financial institutions		814,072	8,279,987
Payments to suppliers and employees		(2,948,327)	(110,043)
Net cash (used in) / provided by operating activities	14	<u>(2,134,255)</u>	<u>8,169,944</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(57,647)	(2,998)
Net cash used in investing activities		<u>(57,647)</u>	<u>(2,998)</u>
Net increase/(decrease) in cash held		(2,191,902)	8,166,946
Cash and cash equivalents at beginning of the financial year		8,166,946	-
Cash and cash equivalents at the end of the financial year	4,5	<u>5,975,044</u>	<u>8,166,946</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 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General information

The financial statements cover Regional Australia Institute Limited as an individual entity, incorporated and domiciled in Australia. Regional Australia Institute Limited is a company limited by guarantee. The company was incorporated on 21 September 2011.

(b) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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 financial statements were authorised for issue on xx September 2013 by the directors.

(c) 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.

(d) 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.

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).

(e) 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 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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%
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.

(f) 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.

(g) Employee benefits

Provision is made for the company'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.

(h) 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 company 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.

(i) Income tax

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

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 162 965 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(j) 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.

(l) 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 company.

(m) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the company:

Reference	Title	Summary	Application date (financial year beginning)	Expected impact
2012-3	<i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Adds application guidance to AASB 132: <i>Financial Instruments: Presentation</i> to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132	1 January 2014	Not expected to have a material impact on the entity.
AASB 9	<i>Financial Instruments</i>	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39	1 January 2015	Not expected to have a material impact on the entity.
2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12 as a result of the issuance of AASB 9	1 January 2015	Not expected to have a material impact on the entity.
2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 2, 5, 10, 12, 19 and 127 for amendments to AASB 9 in December 2010	1 January 2015	Not expected to have a material impact on the entity.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
NOTE 2: REVENUE AND OTHER INCOME		
Revenue		
- Government grants	1,644,224	614,178
- Sponsorship and licencing fees	80,000	-
- Interest received from investments	329,841	29,986
Total revenue and other income	2,054,065	644,164
NOTE 3: SIGNIFICANT EXPENSES FOR THE YEAR		
No profit was derived during the year.		
Significant expenses		
- Salaries, wages and directors fees	861,328	298,711
- Research costs	790,678	-
- Consultancy expenses	141,812	129,458
- Rental expense	25,429	-
- Auditors' remuneration	10,950	9,000
- Reimbursement of establishment costs	-	86,117
NOTE 4: CASH AND CASH EQUIVALENTS		
CURRENT		
Cash at bank	2,975,044	1,666,948
NOTE 5: FINANCIAL ASSETS		
Held-to-maturity financial assets comprises of:		
Term deposits	3,000,000	6,500,000
NOTE 6: TRADE AND OTHER RECEIVABLES		
Trade receivables	27,500	-
Accrued interest receivable	75,292	-
Net GST receivable	51,117	-
Rental bonds receivable	10,327	-
	164,236	-
NOTE 7: OTHER CURRENT ASSETS		
CURRENT		
Office deposit receivable	-	2,000
Prepayments	8,171	-
Total	8,171	2,000

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 8: NON-CURRENT ASSETS

	2013	2012
	\$	\$
Plant and equipment		
Computer equipment		
At cost	28,404	2,998
Less accumulated depreciation	(8,745)	(385)
Total plant and equipment	<u>19,659</u>	<u>2,613</u>
Intangible assets		
Website development		
At cost	32,240	-
Less accumulated amortisation	(3,683)	-
Total intangible assets	<u>28,557</u>	<u>-</u>
Total non-current assets	<u>48,216</u>	<u>2,613</u>

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	Total
	\$	\$	\$
2013			
Balance at the beginning of the year	2,613	-	2,613
Additions	25,405	32,240	57,646
Depreciation and amortisation expense	(8,360)	(3,683)	(12,043)
Carrying amount at the end of year	<u>19,659</u>	<u>28,557</u>	<u>48,216</u>
2012			
Balance at the beginning of the year	-	-	-
Additions at cost	2,998	-	2,998
Depreciation expense	(385)	-	(385)
Carrying amount at end of year	<u>2,613</u>	<u>-</u>	<u>2,613</u>
	2013	2012	
	\$	\$	

NOTE 9: TRADE AND OTHER PAYABLES

CURRENT

Grants received in advance	646,000	1,291,890
Trade payables	181,778	2,903
Other payables	54,842	779,823
Sponsorship in advance	181,818	-
	<u>1,064,438</u>	<u>2,074,616</u>

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	\$	\$
NOTE 10: OTHER PAYABLES		
NON-CURRENT		
Grants received in advance	5,095,597	6,093,931
	<u>5,095,597</u>	<u>6,093,931</u>
NOTE 11: PROVISIONS		
CURRENT		
Short term employee benefits	34,122	2,936
NON-CURRENT		
Long term employee benefits	<u>1,510</u>	<u>78</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.

NOTE 12: CAPITAL AND LEASING COMMITMENTS

	2013 \$	2012 \$
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	75,025	-
- between 12 months and 5 years	150,050	-
Payable - minimum lease payments:	<u>225,075</u>	<u>-</u>

Operating lease commitments comprise of rental of a part area of Level 2, 53 Blackall Street, Barton. The amounts shown are for a 3 year lease, with an option to extend for a further two years.

NOTE 13: RELATED PARTY TRANSACTIONS

a. Key management personnel	2013 \$	2012 \$
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.		
Key management personnel compensation		
- short-term benefits	387,535	37,555
- post-employment benefits	33,178	2,965
	<u>420,713</u>	<u>40,520</u>

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 14: CASH FLOW INFORMATION

	2013	2012
	\$	\$
Reconciliation of cash flows from operations with profit after income tax		
Profit after income tax	-	-
Non cash flows		
Depreciation and amortisation	12,043	385
Changes in assets and liabilities		-
(Increase) in trade and other receivables	(185,200)	(2,000)
(Decrease)/increase in trade and other payables	(1,809,995)	8,153,667
(Decrease)/increase in provisions	(151,101)	17,692
	<u>(2,134,255)</u>	<u>8,169,944</u>

NOTE 15: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and payable and leases.

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:

	2013	2012
	\$	\$
Financial assets		
Cash and cash equivalents	2,975,044	1,666,946
Held-to-maturity investments		
- term deposits	3,000,000	6,500,000
Total financial assets	<u>5,975,044</u>	<u>8,166,946</u>
Financial liabilities		
Trade and other payables	1,064,438	2,074,616
Total financial liabilities	<u>1,064,438</u>	<u>2,074,616</u>

Financial risk management policies

The directors' risk management strategy seeks to assist the company in meeting its financial targets whilst 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.

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.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 55 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 15: FINANCIAL RISK MANAGEMENT (continued)

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. The following table provides information regarding credit risk relating to cash and money market securities based on Standard & Poor's counter party credit ratings.

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 next page 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.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 152 955 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 15: FINANCIAL RISK MANAGEMENT (continued)

Financial liability and financial asset maturity analysis

	Within 1 year		1 to 5 years		Total contractual cash flow	
	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade and other payables (excluding estimated leave and amounts received in advance)	(1,064,438)	(785,662)	-	-	(1,064,438)	(785,662)
Total contractual outflows	(1,064,438)	(785,662)	-	-	(1,064,438)	(785,662)
Total expected outflows	(1,064,438)	(785,662)	-	-	(1,064,438)	(785,662)
Financial assets - cash flows realisable						
Cash and cash equivalents	2,975,044	1,666,946	-	-	2,975,044	1,666,946
Held-to-maturity investments	3,000,000	6,500,000	-	-	3,000,000	6,500,000
Total anticipated inflows	5,975,044	8,166,946	-	-	5,975,044	8,166,946
Net (outflow)/inflow on financial instruments	4,910,606	7,381,284	-	-	4,910,606	7,381,284

Net fair values

Fair value estimation

The fair values of financial assets and financial liabilities approximate their carrying values as presented in the statement of financial position and notes to the financial statements. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below.

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.

The fair values of financial assets and financial liabilities as disclosed in the statement of financial position and in the notes to the financial statements have been determined based on the following methodologies: Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for leave entitlements and amounts received in advance which are not considered to be financial instruments.

REGIONAL AUSTRALIA INSTITUTE LIMITED
ABN 65 162 965 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 16: MEMBERS GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company 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 company. As at 30 June 2013, the total amount that members of the company are liable to contribute if the company is wound up is \$10.00.

NOTE 17: 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

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 12 to 21, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the period ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



MALCOLM JOHN PETERS
Chairman

Dated this day Thursday 19th of September 2013



GRANT FREDERICK LATTA
Chair, Finance, Audit and Risk
Committee

Dated this day Thursday 19th of September 2013



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. The Regional Australia Institute was established with the support of the Australian Government.

regionalaustralia.org.au