



26 Mildred Street
PO Box 3326
Port Augusta West SA 5700

Phone 08 8648 5970
Freecall 1800 640 542
Fax 08 8648 5971
Email oca@sa.gov.au
www.oca.sa.gov.au

31 May 2022

Hon Geoff Brock MP
Minister for Local Government
Email: Minister.Brock@sa.gov.au

Dear Minister

Thank you for taking the time to meet with me on 27 April 2022 to brief you on the Outback Futures Project and the direction the Outback Communities Authority (OCA) was seeking to take to complete its final recommendations by the end of May 2022.

Following further community consultation regarding a cost sharing model, the OCA is now able to make these final recommendations in a package carefully drafted to ensure the long-term sustainability of the Outback as its own unique and autonomous region of South Australia.

Together, these mutually inclusive recommendations capture enhanced governance, shared responsibility, community equity, cultural sustainability and most importantly regional self-determination. Drafted following extensive community consultation spanning a period of over three years, the OCA is comfortable that these recommendations reasonably capture the views, interests and aspirations of the Outback Community.

Nevertheless, it is true that the most difficult element of the process has been discussion around cost sharing and the implementation of an Outback Levy. This concept represents a very significant change in Outback culture and tradition and for its ongoing support, it will be critical to guarantee that such a levy releases practical and valued benefits, importantly achieved through implementation of the wider spectrum of the Outback Futures recommendations.

The OCA is therefore recommending that an Outback Levy, if introduced, is capped by CPI, subject to implementation of OCA policy addressing questions of equity and ability to pay and matched in total by an additional appropriation from the State Government.

A concise statement of the OCA's recommendations is attached to this letter along with a report outlining the potential model and framework for an Outback Levy.

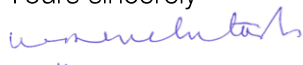
The Outback Futures Project has been a challenging but extremely worthwhile process conducted in good faith and in partnership with the Outback Community. It has highlighted the uniqueness of South Australia's Outback, the value proposition it presents and justifications for increased external investment.

The Authority believes the package of recommendations, if fully implemented can create a landmark in generational and positive change, that is needed, achievable and able to ensure a substantial and sustainable dividend for the State into the future.

The Authority commends the recommendations for due consideration by the State Government.

Should you wish to clarify any aspect of the recommendations, please feel free to contact me at your convenience.

Yours sincerely



Bill McIntosh AM

Presiding Member

Outback Communities Authority

Appendix 1 – Summary of the Outback Communities Authority Recommendations

Appendix 2 – Report – Potential model and framework for an Outback Levy



Concise Statement of Recommendations

SECTION 1

Context

The purpose of this document is to provide a clear and very concise summary of the final recommendations of the Outback Communities Authority's (the Authority's) Outback Futures project. Section 2 lists key findings and rationale supporting the mutually inclusive set of recommendations in Section 3. Section 4 shows more structural detail of a proposed funding model in tabular form.

SECTION 2

Key Findings and Rationale

2.1 What is important to Outback residents?

Clear patterns have consistently emerged from Outback Futures consultation over the life of the project, including:

- the need to reduce the burden on volunteers for the delivery of municipal services
- greater alignment between the Authority and communities, and between communities
- increased service levels and community support across the Outback
- better management of visitor access and free camping in the Outback
- enhanced social and cultural life
- improved transport infrastructure (roads and air in particular)
- utilisation of technologies that improve communications, water and energy security.

2.2 Shared responsibility

The Authority has found clear justification for a shared responsibility financial model that underpins sustainable administration of assets and essential services in the South Australian Outback, based on the following realities:

- a greater level of resources is needed by the Authority to meet an increasing demand for services and support in the Outback region, now and into the future, as it faces significantly increased visitation and issues of sustainability within its resident communities
- the shortfall of resources is best addressed by sharing responsibility in proportion to stake, capacity to pay and/or benefit amongst all stakeholders
- in South Australia’s Outback a significant component of demand for services arises from a visiting tourism and non-resident workforce population, highly disproportionate to the number of residents and potential ratepayers
- Outback residents and businesses do not have the critical mass or capacity to pay the shortfall of funds required for sustainable management of the region going forward
- the Outback region is an exceptional place with a unique range of existing and developing resources vital to the state’s economy, where vibrant residential communities are an integral part of that resource
- the ‘value proposition’ of the Outback justifies a greater level of external funding to support the region, including a substantially increased appropriation from the state government.

2.3 Key Findings

- Legislative and administrative change is required on a scale that guarantees the establishment and maintenance of an enhanced model of Outback governance which addresses change in an equitable and achievable way.
- Development of a shared responsibility financial model is critical in order to underpin sustainable administration of assets and essential services in the South Australian Outback.
- The Authority needs to be able to provide services, support and advocacy that uphold the aspirations, economic development and social and cultural well-being of Outback communities, making transformational change in order to arrest decline and maximise opportunity in the region.
- Any financial model where residents of the Outback make a financial contribution through payment of a levy represents a highly significant cultural change for Outback communities and needs to guarantee equally significant improvements to well being and sustainability of the region, through benefits that are practical and valued by contributors.
- South Australia’s Outback represents a highly significant “value proposition” for the state through its mining, tourism, pastoral, environmental and cultural values; a unique set of assets and opportunities which need to be protected and maximised by improved governance and higher levels of external investment.
- As highlighted in 3.2.1 on page 3, there is a strain on services, facilities and consumables (such as water) from the disproportionately high number of visitor and non-resident workers in the Outback compared with the resident population.
- SA Tourism data projects massive increases in visitor numbers to the Outback by 2025, and proactive approaches to services and infrastructure are required now if this opportunity is not to detract from the character and innate qualities that make it such an attractive destination.

SECTION 3

The Recommendations

These recommendations are presented as a mutually inclusive set that have been developed to work in combination to create the multi-faceted solution and outcomes that the Authority believes are required in its area of responsibility.

3.1 Role and Status of the Authority

The Authority recommends legislative and administrative changes that guarantee the establishment and maintenance of an enhanced model of Outback governance where the Authority:

- employs its own staff, is more independent and empowered and has greater ability to influence and advocate for the South Australian Outback

- has revised selection criteria for membership to improve its ability to maintain close links and represent different sectors of the Outback community
- better integrates its strategic planning with communities' planning and fosters connectivity between communities
- has a mandated role, leading a formal process that delivers more coordinated and effective services

from agencies with responsibilities in the region

- has a formal role in decision making about infrastructure in the Outback, for example roads and water supply
- Increases its focus on strengthening and underpinning the volunteer model, encouraging inclusiveness, good governance and risk management practices.

3.2 Financial Model

3.2.1 Public Benefit Services

The Authority recommends that costs associated with the maintenance of services and facilities in the Outback which primarily benefit visitors or non-residents should be externally funded. Outback residents and communities are in a significant minority (particularly compared with

local governments) in proportion to the high and increasing number of visitors. They consequently do not have the critical mass or capacity to contribute at a level commensurate with service costs.

To address this issue, the Authority further recommends that an Outback

Public Benefit Services program, with specific targeted public benefit expenditures is created and funded by a new State Government appropriation to the value of \$1.6 million. More detail of components of the proposed program is in **Section 4** on page 4.

3.2.2 Resident Benefit Services

The Authority recommends that an Outback Resident Benefit program be created that is jointly funded by resident contributions and an increased State Government appropriation which matches resident contributions. The government appropriation would recognise difficulties within Outback communities associated with critical mass, economies of scale, ability to pay and other special disadvantage associated with remoteness.

The Authority therefore recommends the introduction of an appropriately set Outback levy or rate that establishes and supports the shared responsibility rationale for future sustainable administration of the region, on the proviso that:

- contributions from private residents and landowners are no more than \$250 in the first year
- contributions from primary producers and businesses are no more than \$990 in the first year

- rebate policy is developed and implemented by the Authority addressing questions of equity and ability to pay
- such a levy be capped in the Authority's legislation, with only CPI increases
- there is a guarantee that any levy collected is matched by additional State Government appropriation.

3.2.3 Community Contribution Schemes

The Authority’s legislation allows for community contributions on land in an area of the Outback to raise revenue for the purposes of planning, carrying out, making available, supporting, maintaining or improving an activity that is, or is intended to be, of particular benefit to the Outback community in that area or to visitors to that community.

A community contribution is imposed in the same way as a council imposes separate rates on land in its council area, except that—

- (a) a contribution may only be imposed if it is authorised by a community affairs resourcing and management agreement; and
- (b) a contribution must be based on a fixed charge approved by the Minister.

Two communities, namely Iron Knob and Andamooka, currently have annually negotiated Community Contribution Schemes (CCS) in place. These have been negotiated between the Authority and the town Progress Associations so that service levels can be obtained above those the Authority can provide from within its current budget.

SECTION 4

Shared financial responsibility in action

Shared financial responsibility in action					
Program	Governance	Public Benefit	Resident Benefit	Community Based	User Based
Purpose	Legislative responsibilities for the management and governance of SA’s unincorporated area	Services that primarily benefit visitors and non-resident Outback workers	Services that improve quality of life and well-being for people living in the Outback	Requested higher service levels than those in ‘resident benefit’	Services where the end user is unique and can be identified
Funded by	State Government appropriation	State Government appropriation	Commonwealth funding (Financial Assistant Grants)	Community Contribution Schemes	Charged at cost plus corporate overheads
			Outback levy	Specific grant funds	
			State Government matching of levy		
Examples of services	Board Operations	Maintenance of public toilets	Maintenance of township facilities	Andamooka CCS	Community Waste Management Systems
	Director Role		Special waste management	Iron Knob CCS	Andamooka Pipeline
	Community meetings and strategic planning	Maintenance of the UHF network	Panel of providers of professional services	Dunjiba Municipal Services	Outback Water Stations
		Maintenance of airstrips	Insurance subsidies	Additional CCS	
		Open space in townships	Small projects		
		Compliance	Community development		
		Visitor management	Community events		