



Outback Communities Authority

2014-15 Annual Report

Outback Communities Authority

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To: Hon

Minister for Local Government

Minister for Regional Development

This annual report is presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, *Public Finance and Audit Act 1987* and other relevant Acts. Incorporated in this document is annual reporting by the Outback Communities Authority and meets the requirements of Premier and Cabinet Circular PC013 Annual Reporting.


This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Outback Communities Authority by:

Mark Robert Sutton

Director, Outback Communities Authority

Signature



Date

13/10/17

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Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987*

Agency purpose or role

The Outback Communities Authority (OCA) was established pursuant to the Outback Communities (Administration and Management) Act 2009 and commenced operations on 1 July 2010. The OCA replaced the Outback Areas Community Development Trust as the management and governance authority for the outback.

The OCA has responsibility for the management and local governance of the unincorporated areas of South Australia and to articulate the views, interests and aspirations of outback residents. The region encompasses 63% of the State of South Australia and is home to approximately 4,500 people who reside in a number of small townships and numerous smaller settlements including pastoral, farming and tourism enterprises.

From 1 July 2013 up to and including 31 July 2013, the OCA sat administratively within the Department of the Premier and Cabinet (DPC). Through the Machinery of Government changes, the OCA was transitioned to the Department of Primary Industries and Regions SA (PIRSA) for the remainder of the 2013-14 year (from 1 August 2013 up until 30 June 2014).

In late June 2014 the OCA was advised that through a further Machinery of Government change, it would be transitioned to the Department of Planning, Transport and Infrastructure. The administrative change would take effect from 1 July 2014, although the financial transition did not occur until 3 November 2014. The OCA was accountable to, the Hon Geoff Brock MP, Minister for Local Government.

The OCA's structure is unique in the Australian context as it performs some functions traditionally undertaken by Local Government and some which usually fall within the jurisdiction of State Governments.

In performing its functions, the OCA is:

- a) Primarily to foster and support the provision of public services and facilities to outback communities by community organisations, including by making grants and loans to such organisations; and
- b) To consider long-term requirements for maintenance, replacement and development of infrastructure for public services and facilities for outback communities; and
- c) To consider State and national objectives and strategies that are relevant to outback communities; and
- d) To seek ongoing collaboration with local, State and national governments in the planning and delivery of public services and facilities to outback communities; and
- e) To ensure that there are systems in place to further its understanding of the views, interests and aspirations of outback communities; and
- f) To facilitate decision making by others on a basis that is well informed in relation to the views, interests and aspirations of outback communities, including by participating in appropriate local, State and national forums; and
- g) To provide services with a high level of efficiency and effectiveness, manage resources effectively, prudently and in a fully accountable manner and maintain and enhance the value of public assets.

Objectives

The Outback Communities Authority's objectives are to:

- a) Provide for efficient and accountable administration and management of outback communities; and
- b) Promote participation of outback communities in their administration and management; and
- c) Raise revenue for public services and facilities in the outback.

Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
<p>The OCA partnered with SA Tourism Commission, Flinders Ranges and Outback SA Tourism, Port Augusta City, Coober Pedy, Flinders Ranges and Roxby Downs Councils to provide funding to Regional Development Australia Far North for a regional Tourism Officer position.</p> <p>The OCA also partnered with Regional Development Australia Whyalla and Eyre Peninsula with the production of a tourism brochure specific to the Nullarbor region.</p>	<p>Target 4: Tourism Industry: Increase visitor expenditure in South Australia's total tourism industry to \$8 billion and on Kangaroo Island to \$180 million by 2020.</p>
<p>Project managed the delivery of municipal services and also an animal health program to Aboriginal people residing in Oodnadatta, SA.</p>	<p>Target 6: Aboriginal Wellbeing: Improve the overall wellbeing of Aboriginal South Australians.</p>
<p>The OCA has 28 communities within the unincorporated areas of SA. All of these communities thrive on the support of local volunteers. The OCA provides annual financial assistance to assist local volunteers provide municipal services to community residents; services such as these are taken for granted in cities.</p>	<p>Target 24: Volunteering: Maintain a high level of formal and informal volunteering in SA at 70% participation rate or higher.</p>

Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Comments
Municipal and Essential Services – Dunjiba Community	<p>Regular delivery of municipal services to the Oodnadatta community ensuring rubbish pick up, local landscaping and dust control measures provided.</p> <p>An animal management program which involved a professional veterinary service visited Oodnadatta twice resulting in improved health and condition for the local dogs owned by residents.</p>	<p>Since 2006 the OCA has project managed this initiative. In 2014-15 funding was provided by the Department of the Prime Minister and Cabinet. This project improves the recreational areas of the Oodnadatta community and provides opportunities for social interaction.</p>
Oodnadatta Building Upgrade and Renovation	<p>Clean up of discarded car bodies and associated metal, resulting in new revenue returned to the community to assist with local projects.</p> <p>Commencement of upgrades to local infrastructure including the Railway Museum, Women’s Centre and Store Manager’s residence. Project to be completed in 2015-16.</p>	<p>The OCA project managed this initiative, with funding provided by the Department of the Prime Minister and Cabinet. This project provided employment opportunities for the people of Oodnadatta and the region.</p>
Community Assistance – Community Affairs Resourcing and Management (CARM) Agreements	<p>Provision of municipal services to outback communities, improved local infrastructure and social interaction opportunities.</p>	<p>Progress Associations are often the peak body in each community with members being the local volunteers. The OCA partnered with 23 outback communities through CARM agreements. CARM agreements are a formal arrangement which confirms funding provided by the OCA over the course of a financial year and includes funding to assist with the delivery of municipal services, community insurance costs and in some cases, management of local airstrips.</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
Community Assistance – Community Programs – Sport and Recreation	<p>Wide community and regional benefit through sport and recreational opportunities, financially supported by the OCA.</p> <p>Community infrastructure maintained, outback youth programs, opportunities for social, sport and recreational interaction.</p>	<p>The OCA approved 6 sports grants encouraging outback residents to be more active. Football and netball initiatives were approved, along with funding for an arts group and support for local family events.</p>
Community Projects	<p>Wide community and regional benefit through projects delivered by remotely located communities, financially supported by the OCA.</p>	<p>The OCA approved 21 project grants resulting in outback communities being able to improve local infrastructure, purchase equipment to assist with the delivery of municipal services and provide local educational groups the opportunity to purchase equipment. Project grants were also approved providing assistance for local events such as gymkhanas and family days providing wide community benefit.</p>
Youth Programs	<p>Wide community and regional benefit through specific youth programs made available in remote communities. The youth programs provide opportunities to increase skill base, value adding to communities.</p>	<p>The OCA received funding from the Office for Youth which supported outback youth throughout 2014-15. The OCA was also successful in receiving \$10,000 in funding from the Office for Youth for the Youth Connect Program and a further \$7,000 through the Learning Engagement and Partnership (LEAP) program, providing opportunities for youth to be trained in project management skills.</p>

Legislation administered by the agency

As at 30 June 2015, the OCA was responsible for administering the following legislation:

Outback Communities (Administration and Management) Act 2009.

Organisation structure

Membership

The OCA was established on 1 July 2010 under the *Outback Communities (Administration and Management) Act 2009* (the Act) as a result of legislative changes passed by Parliament in late 2009.

The OCA Board consists of seven members, of whom at least four are to be members of different outback communities and at least one member must be female and one a male. The members are appointed by the Governor. Members of the OCA are appointed for either an 18 month term or a three-year term, ensuring business continuity when membership changes. At the conclusion of serving terms, members may apply to be reappointed.

As of 31 December 2014 Members Frahn, Heylen and Allen completed their terms of OCA membership. Members are acknowledged for their service; Member Frahn serving 2 terms 1/7/2010 – 31/12/2014; Member Heylen serving 2 terms 1/7/2010 – 31/12/2014 and Member Allen serving a term of 18 months 1/7/2013 – 31/12/2014. On 25 February 2015, Member Turner tendered her resignation from the OCA Board after serving 20 months 1/7/2013 – 25/2/2015.

The Minister for Local Government, the Hon Geoff Brock released a media statement on 12 March 2015 confirming the appointment of four new members to the OCA. The four new members and their terms are:

Ms Jan Ferguson: 12/3/2015 – 30/6/2016
Ms Jo Fort: 12/3/2015 – 31/12/2017
Ms Mary Marsland: 12/3/2015 – 31/12/2017
Mr Chris Michelmore: 12/3/2015 – 31/12/2017.

The four new members joined existing members:

Ms Cecilia Woolford, Chairperson
Mr George Beltchev
Mrs Joyleen Booth.

The Chairperson and Members Beltchev and Booth's terms are due to expire on 30 June 2016.

Support Staff

In 2014-15 the Office for the OCA in Port Augusta was supported by seven staff. Four of the staff are full time employees, four staff were originally employed on one-year contracts, with one staff member requesting to work on a part time basis. The four contracted staff had their contracts extended for a further year. During this time two contracted employees commenced ongoing employment with the OCA, while 2 contracted employees opted to cease employment with the OCA at the conclusion of their respective contracts, being in April and May 2015.

The seven employees located in the Port Augusta office support approximately 23 remotely located communities and although the support staff are low in number, the support is well managed and can relate to matters as broad as maintaining and developing new infrastructure to community development and dog registrations.

The Andamooka Town Management Committee is supported by a Community Administrator. This position is located in Andamooka and is an OCA employee on a contract basis. The Community Administrator ceased employment with the OCA as of 30 May 2015. Administration support was provided to the Community Administrator by an external contractor. The external contractor remained in this role for the duration of 2014-15.

The business of the OCA is delivered through 3 specific yet fully integrated units within the Office for the OCA. Those units together represent the broad business focus for the OCA:

- Corporate
- Infrastructure and
- Community Development.

<http://oca.sa.gov.au/OrgChart>

Employment opportunity programs

Program name	Result of the program
Municipal and Essential Services – Dunjiba Community	Delivery of municipal services to the Oodnadatta community, creating opportunities for local employment.
Oodnadatta Building Upgrade and Renovation	Upgrades to local infrastructure, creating opportunities for local employment.
OCA Infrastructure	Across the OCA’s infrastructure base which includes public conveniences, community waste water treatment schemes and community airstrips, various local employment opportunities are available under a contract basis. Work includes repairing and or maintaining the infrastructure and ensuring the safety of outback airstrips owned by the OCA.

Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
Outback Communities Authority Policy.	<p>The OCA has a range of policies underpinning its operations. Governance, Community Support and Development and Infrastructure Services policies are regularly reviewed by the Board and support the functions and objectives of <i>the Outback Communities (Administration and Management) Act 2009</i> to:</p> <ul style="list-style-type: none"> • Manage the provision of public services and facilities to outback communities; • Promote improvements in the provision of public services and facilities to outback communities; and • Articulate the views, interests and aspirations of outback communities.
Consultation Vs Engagement	<p>In November 2014 all OCA staff attended Consultation Vs Engagement training. Consultation and engagement techniques benefit OCA staff when interacting with stakeholders resulting in positive outcomes. Extensive engagement occurs with the development of the annual CARM agreements and the OCA consults with its communities on a regular basis regarding policy and governance matters.</p>

Occupational health, safety and rehabilitation programs of the agency and their effectiveness

The OCA is committed to providing a healthy and safe workplace for all employees, visitors and guests and strives for continuous improvement in workplace health and safety. The OCA will make available the necessary resources (eg people, facilities and equipment) to ensure the health and safety of employees and others and comply with relevant workplace health and safety legislation.

The OCA is determined to retain its current record as an injury free workplace and is committed to the health, safety and welfare of all employees. The OCA strongly encourages 'buy-in' from employees with regard to identifying and eliminating hazards, practices and behaviour that could result in an accident, injury or illness to another employee, contractor, visitor and the general public. The OCA allocates funding in each year's budget for educational and occupational health, safety and welfare training and encourages Board Members and staff to access training courses or workshops.

The Office for the OCA generally holds fortnightly Team Meetings where all OCA employees, Department of Primary Industries and Resources and Rural Solutions SA staff who share the office environment, are encouraged to attend. The Team Meetings promote workplace health and safety as a normal component of all aspects of work. In the 2014-15 year, thirteen Team Meetings were held where matters relating to work, health and safety, office matters and staff workloads were discussed. Throughout the year six emergency evacuation trials were successfully completed. Due to low staff resources, staff agreed that although there is not a specific Work Health and Safety Representative for the office, all staff are responsible for:

- Working in a healthy and safe manner;
- Encouraging others to work in a healthy and safe manner;
- Supporting and promoting workplace health and safety at the workplace; and
- Responding to any unsafe conditions that are reported or that come to a person's attention.

Due to the extremely vast unincorporated area under the jurisdiction of the Office for the OCA, extensive time is spent by field operatives on the road supporting outback communities. Staff acknowledge that fatigue due to lengthy travel times and animals wandering on the road remain the biggest risk to employees. The office for the OCA has provided and strongly recommends the use of a SPOT GPS Messenger device when travelling in remote areas which reports on an employee's location. Contact is required at least once in a 24-hour period. Staff at the Office for the OCA monitor each trip ensuring contact is maintained and a safe return from all trips.

The OCA works with the Department of Planning, Transport and Infrastructure (DPTI) in the development and implementation of agency work, health and safety policies encouraging employees to provide comment at all times.

Fraud detected in the agency

The OCA did not find any evidence of fraudulent activity in the 2014-15 year.

Financial services are provided to the OCA by Shared Services and the Department of Planning, Transport and Infrastructure (DPTI). Public Sector (Re-organisation of Public Sector Operations) Notice 2014 (dated 26 June 2014) declared that effective 1 July 2014 the Outback Communities Authority would transfer from the Department of Primary Industries and Regions SA (PIRSA) to DPTI. As a result of this restructuring of administrative arrangements, the OCA's administrative responsibility transferred to DPTI and took effect from 1 July 2014, although the financial transition did not occur until 3 November 2014. The OCA ensured that approval of financial transactions were within the financial delegations as attributed by PIRSA and DPTI and the internal control environment with respect to the Machinery of Government transition timeframes.

Strategies implemented to control and prevent fraud

The OCA's financial activities are supported by DPTI's Financial Management policies which include but are not confined to guidelines regarding financial delegations and authorisations, audits and information security controls.

Pursuant to Section 18 of the *Outback Communities (Administration and Management) Act 2009*, audited statements of income and expenditure of the OCA, together with details of the items of income and expenditure must be included in the OCA's Annual Report.

Whistle-blowers' disclosure

Throughout 2014-15 the OCA did not have any occasions on which public interest information was disclosed to a responsible officer of the agency under the *Whistle-blowers' Protection Act 1993*.

The OCA is an administered item within the Department of Planning, Transport and Infrastructure (DPTI). In 2014-15 DPTI confirmed that there had been no instances of

disclosure of public interest to a responsible officer of the department
(https://dpti.sa.gov.au/annual_report/2014-15/reporting_section/fraudwhistleblowers)

Executive employment in the agency

Executive classification	Number of executives
MAS-3*	1
Director*	1

*The Director position which commenced on 19 October 2014 is a new position and succeeds the MAS-3 General Manager position.

Data for the last five years is not available electronically but may be requested from the Office for the Outback Communities Authority.

For further information, the [Office for the Public Sector](#) has a [data dashboard](#) for further information on the breakdown of executive gender, salary and tenure by agency.

Consultants and Contractors

The OCA did not engage external consultants during 2014-15, however the following is a summary of external contractors that were engaged by the OCA, the nature of work undertaken and the total cost of the work undertaken.

Contractors	Purpose	Value (\$)
(Above \$10,000 each)		
Dunjiba Community Council Inc	Town Maintenance, Oodnadatta	46,500
Flinders Ranges Council	Collection of Community Contribution Schemes, Andamooka and Iron Knob	16,238
GHD Pty Ltd	Professional services – Andamooka Community Precinct Master Plan	14,602
Home and Yard Maintenance Solutions	Building maintenance and waste dump project, Oodnadatta	53,231
K Bull	Building maintenance, Andamooka	13,247
S Lyons	Administration support, Andamooka	59,979
Maloney Field Services	Valuation community assets	20,000
Northern Earthmoving	Road and waste area maintenance, water supply tanks and recreational area maintenance, Andamooka	123,102
Outback Landscaping and Supplies	Town maintenance, Andamooka	56,330
Pure Outback	Youth Connect project	11,257
Redgum Vet and Pet Boarding	Animal management, Oodnadatta	11,480

Contractors	Purpose	Value (\$)
Roxby Plumbing & Gasfitting	Recreational area, Caravan Park amenities & town water tank upgrade, Andamooka	22,811
Sims Group	Installation of shelters, Oodnadatta	13,750
R Upton	Building maintenance, Oodnadatta	15,985
(Below \$10,000 each)		
L Blackmore	Youth development, Andamooka	1,980
Disk Edits	Oodnadatta Railway Museum	3,500
Dunn & Bradstreet	Debt collection	3,522
M Kerrin	Airstrip maintenance, Kingoonya	3,500
JH & JH Remkes	Building maintenance, Andamooka	3,400
Magryn & Associates	Document preparation	1,500
J Mannion	Memorial book and workshops	4,195
Mossy Electrical	Electrical maintenance, Andamooka	8,700
M Nikou	Memorial book design work	4,500
Paul Kay Plumbing Services	Building maintenance, Oodnadatta	9,828
Red Mulga	Maintenance, Andamooka	1,020
D Robbins	Water supply management, Copley	4,988
SA Power	Lighting plans, Penong	2,040
E Strawbridge	Community waste water system and management of airstrip, Marla	7,484
Terrain Group	Maintenance, Oodnadatta	2,095
Total all contractors		\$540,764

Data for the last five years is not available electronically but may be requested from the Office for the Outback Communities Authority.

See also <https://www.tenders.sa.gov.au/tenders/index.do> for a list of all external consultancies, including nature of work and value. See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. Full audited financial statements for 2014-15 are attached to this report.

Appropriation received totalled \$619,000, an increase of \$1,000 from the 2013-2014 year.

The OCA's principal funding sources are the Commonwealth Government Local Government Financial Assistance Grants provided through the South Australian Local Government Grants Commission and an appropriation received annually from the South Australian Government. In 2014-15 the OCA received \$2,159,000 through the Financial Assistance Grants, with \$719,000 received in late June 2015 being two forward quarterly payments for the 2015-16 year and \$619,000 from the South Australian Government appropriation. Funding totalling \$309,000 was received for projects specific to the Oodnadatta community, from the Department of the Prime Minister and Cabinet (Australian Government).

At the request of the Andamooka and Iron Knob communities, Community Contribution Schemes were again implemented in their respective communities. As at 30 June 2015 levy notices to the combined amount of \$556,000 had been issued.

The OCA managed road maintenance in the Andamooka community, receiving \$46,000 funding provided by the Department of Planning, Transport and Infrastructure.

Overall spending on services was broadly in line with budget expectations, the largest program expenditures were in grants and subsidies providing financial support to communities located within the unincorporated areas of South Australia and supplies and services maintaining OCA owned infrastructure used by the general public and insurance costs, a portion of which again supports the outback communities.

Refer to the 2014-15 Financial Statements for a full financial review.

Every three years the OCA revalue its non-current assets. If however at any time the OCA consider that the carrying amount of an asset differs materially from its fair value, the asset will be revalued regardless of the specified three-year schedule. The OCA instructed Maloney Field Services to undertake a valuation of property assets including land, buildings and infrastructure and water and sewerage assets. The revaluation commenced in March 2015 and was finalised in June 2015.

The OCA has plant and equipment to the value of \$6,230,000 which includes nineteen public conveniences, two airstrips, thirty-four UHF towers and five community waste water management systems (although one is non-operational).

Section B: Reporting required under any other Act or Regulation

Dog and Cat Management – *Dog and Cat Management Act 1995*

In Part 1, Section 4 of the *Dog and Cat Management Act 1995* the Outback Areas Community Development Trust (OACDT) (predecessor to the Outback Communities Authority) is described as a council and where the Act refers to a council's area, the former OACDT's area (and now the OCA's area) of responsibility is acknowledged. The OCA reports to the Dog and Cat Management Board at the end of each financial year, pursuant to the requirements of the *Dog and Cat Management Act 1995*. The reporting confirms the number of dog registrations and expiations that have occurred in the unincorporated areas of South Australia for each financial year.

Water Retail License – *Water Industry Act 2012*

Under the terms of its water retail license, the Office for the OCA has various regulatory reporting obligations including the submission to the Essential Services Commission of annual reports on regulatory compliance, price monitoring and financial operational performance data. At the request of the Copley Progress Association, the OCA manages the Copley community water supply, repairing and maintaining the infrastructure, undertaking water meter readings and subsequently remitting tax invoices to landowners using water.

Section C: Reporting of public complaints as requested by the Ombudsman

In 2014-15 the Outback Communities Authority was not required to report of any public complaints as requested by the Ombudsman.

Appendix: Audited financial statements 2014-15

Outback Communities Authority CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the attached general purpose financial statements for the Outback Communities Authority:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- is in accordance with the accounts and records of the Authority, and
- presents a true and fair view of the financial position of the Authority at 30 June 2015 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Outback Communities Authority for the financial year over its financial reporting and its preparation of the general purpose financial statements has been effective throughout the reporting period.



Cecilia Woolford
CHAIRPERSON
OUTBACK COMMUNITIES AUTHORITY

25 February 2016



Mark Sutton
DIRECTOR
OUTBACK COMMUNITIES AUTHORITY

25th February 2016

Outback Communities Authority

Financial Statements

for the year ended 30 June 2015

Outback Communities Authority
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2015

	Note No	2015 \$'000	2014 \$'000
Expenses			
Employee benefit expenses	4	841	827
Supplies and services	5	1,632	1,516
Depreciation expense	6	426	446
Grants and subsidies	7	359	302
Net loss from disposal of assets	8	195	15
Other expenses	9	93	10
Total expenses		3,546	3,116
Income			
Advances and grants	11	2,617	846
Interest revenue	12	12	13
Other income	13	762	380
Total income		3,391	1,239
Net revenue from / (cost of) providing services		(155)	(1,877)
Revenues from (Payments to) SA Government			
Revenues from SA Government	14	619	618
Net revenues from (payments to) SA Government		619	618
Net result		464	(1,259)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		197	-
Total other comprehensive income		197	-
Total comprehensive result		661	(1,259)

The net result and comprehensive result is attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

Outback Communities Authority
STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Note No	2015 \$'000	2014 \$'000
Current assets			
Cash	15	1,150	541
Receivables	16	363	17
Total current assets		1,513	558
Non-current assets			
Property, plant and equipment	17	6,230	6,608
Total non-current assets		6,230	6,608
Total assets		7,743	7,166
Current liabilities			
Payables	19	241	118
Employee benefits	20	88	97
Provisions	21	-	1
Other current liabilities	22	-	243
Total current liabilities		329	459
Non-current liabilities			
Payables	19	26	24
Employee benefits	20	282	252
Provisions	21	1	1
Total non-current liabilities		309	277
Total liabilities		638	736
Net assets		7,105	6,430
Equity			
Retained earnings	23	5,476	4,998
Asset revaluation surplus	23	1,629	1,432
Total equity		7,105	6,430

The total equity is attributable to the SA Government as owner.

Unrecognised contractual commitments	24
Contingent assets and liabilities	25

The above statement should be read in conjunction with the accompanying notes.

Outback Communities Authority
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2015

	Note No	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2013		1,432	6,257	7,689
Restated Balance at 30 June 2013		1,432	6,257	7,689
Net result for 2013-14		-	(1,259)	(1,259)
Total Comprehensive Result for 2013-14		-	(1,259)	(1,259)
Balance at 30 June 2014		1,432	4,998	6,430
Net result for 2014-15		-	464	464
Gain (loss) on Revaluation of Land during 2014-15	17	57	-	57
Gain (loss) on Revaluation of Buildings during 2014-15	17	(405)	-	(405)
Gain (loss) on Revaluation of Water and Sewerage during 2014-15	17	545	-	545
Total Comprehensive Result for 2014-15		197	464	661
Transfer between equity components				
Other		-	14	14
Balance at 30 June 2015	23	1,629	5,476	7,105

All changes in equity are attributable to the SA Government as owner.

Outback Communities Authority
STATEMENT OF CASH FLOWS
for the year ended 30 June 2015

	Note No	2015 \$'000 Inflows (Outflows)	2014 \$'000 Inflows (Outflows)
Cash flows from operating activities			
Cash outflows			
Employee benefit payments		(821)	(786)
Supplies and services		(1,508)	(1,799)
Grants and subsidies		(359)	(302)
Other payments		(93)	(19)
Cash used in operations		(2,781)	(2,906)
Cash inflows			
Advances and Grants		2,374	846
Interest received		12	12
Other receipts		416	390
Cash generated from operations		2,802	1,248
Cash flows from (payments to) SA Government			
Receipts from SA Government		619	618
Cash generated from SA Government		619	618
Net Cash provided by (used in) operating activities	26	640	(1,040)
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(31)	(168)
Cash Used in investing activities		(31)	(168)
Cash generated from investing activities		-	-
Net cash provided by (used in) investing activities		(31)	(168)
Net increase / (decrease) in cash		609	(1,208)
Cash at 1 July		541	1,749
Cash at 30 June	15	1,150	541

The above statement should be read in conjunction with the accompanying notes

Outback Communities Authority
Notes to and forming part of the financial statements

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Outback Communities Authority

Notes to and forming part of the financial statements

Note 1: Objectives of the Outback Communities Authority

As defined in the *Outback Communities (Administration and Management) Act 2009*, the functions of the Outback Communities Authority ("the Authority") are:

- to manage the provision of public services and facilities to outback communities;
- to promote improvements in the provision of public services and facilities to outback communities; and
- to articulate the view, interests and aspirations of outback communities.

In performing its functions the Authority is to:

- foster and support the provision of public services and facilities to outback communities by community organisations, including by making grants and loans to such organisations;
- consider long-term requirements for maintenance, replacement and development of infrastructure for public services and facilities for outback communities;
- consider State and national objectives and strategies that are relevant to outback communities;
- seek ongoing collaboration with local, State and national governments in the planning and delivery of public services and facilities to outback communities;
- ensure that there are systems in place to further its understanding of the views, interests and aspirations of outback communities;
- facilitate decision making by others on a basis that is well informed in relation to the views, interests and aspirations of outback communities, including by participating in appropriate local, State and national forums; and
- provide services with a high level of efficiency and effectiveness, manage resources effectively, prudently and in a fully accountable manner, and maintain and enhance the value of public assets.

Note 2: Summary of Significant Accounting Policies

a) Statement of Compliance

The Authority has prepared these financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general-purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards, and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

The Authority has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Authority is a not-for-profit entity.

Except for AASB 2015-7 which the Authority has early adopted, Australian Accounting Standards and interpretations that have been recently been issued or amended but are not yet effective have not been adopted by the Authority for the reporting period ending 30 June 2015. Refer to Note 3.

b) Basis of Preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates where management is required to exercise its judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;

Outback Communities Authority Notes to and forming part of the financial statements

- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with accounting policy statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in these financial statements:
 - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature.
 - b) board/committee member and remuneration information where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Authority's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that have been valued in accordance with the applicable valuation policy.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared on a 12 month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

c) Reporting Entity

The Authority is established and empowered by the Outback Communities (*Administration and Management*) Act 2009 ("The Act") which is within the portfolio responsibilities of the Minister for Local Government. The Act also defines the areas of the State to which its provisions apply, sets out the Authority's powers and functions and makes provision for the support staff. It also enables specific provisions of the *Local Government Act 1999* to be applied by regulation to part, or all, of the Authority's area. The Act further requires the yearly statement of accounts of the Authority to be audited by the Auditor-General and that the Authority provides an annual report to the State Parliament.

The *Outback Areas Community Development Trust Act 1978* was repealed by the Act.

The Act also provides that the authority is the same body corporate as the Outback Areas Community Development Trust established under the *Outback Areas Community Development Trust Act 1978*.

The Authority does not control any other entity and has no interests in unconsolidated structured entities. The Authority has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

d) Transfer of Administrative Responsibility

Public Sector (Reorganisation of Public Sector Operations) Notice 2014 (dated 26 June 2014) declared that effective 1 July 2014 the Outback Communities Authority would transfer from the Department of Primary Industries and Regions SA (PIRSA) to the Department of Planning, Transport and Infrastructure (DPTI). As a result of this restructuring of administrative arrangements, the Authority's administrative responsibility transferred to DPTI in 2014-15.

Outback Communities Authority

Notes to and forming part of the financial statements

e) Comparative Information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

f) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

g) Taxation

The Authority is not subject to income tax. The Authority is liable for payroll tax, fringe benefits tax, goods and services tax (GST) and the emergency services levy.

Income, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable.
- Receivables and payables which are stated with the amount of GST included.

The net amount of the GST receivable/payable to the ATO is not recognised as a receivable/payable in the Statement of Financial Position as the Authority is a member of an approved GST group of which DPTI is responsible for the remittance and collection of GST.

There are no cash flows relating to GST transactions with the ATO in the Statement of Cash Flows.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable, to the ATO. If GST is not payable to, or recoverable from, the ATO, the commitments and contingencies are disclosed on a gross basis.

h) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Authority will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Advances and grants

Advances and grants are recognised as an asset and income when the Authority obtains control of the advances and grants or obtains the right to receive the advances and grants and the income recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable).

Outback Communities Authority

Notes to and forming part of the financial statements

Generally the Authority has obtained control or the right to receive for:

- advances and grants with unconditional stipulations. This will be when the agreement becomes enforceable, i.e. the earlier of when the receiving entity has formally been advised that the contribution (e.g. grant application) has been approved, an agreement/contract is executed, and/or the contribution is received.
- advances and grants with conditional stipulations. This will be when the enforceable stipulations specified in the agreement occur or are satisfied, that is, income would be recognised for contributions received or receivable under the agreement.

Resources received free of charge

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value. Contribution of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

Revenues from SA Government

Appropriations for program funding are recognised as revenues when the Authority obtains control over the funding. Control over appropriations is normally obtained upon receipt.

Other Income

Other income consists of insurance recoveries, registration fees and other miscellaneous revenue.

i) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Authority will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Employee benefits expenses

Employee benefits expenses includes all costs related to employment including salaries and wages, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Authority to the superannuation plan in respect of services of current staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. Depreciation is applied to tangible assets such as property, plant and equipment.

Assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

Outback Communities Authority

Notes to and forming part of the financial statements

Land is not depreciated.

Depreciation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
Buildings and infrastructure	8-65
Water, sewerage and drainage	20-87
Plant and equipment	5

Grants and subsidies

For grants and subsidies payable, the grants and subsidies will be recognised as a liability and expense when the entity has a present obligation to pay the grants and subsidies and the expense recognition criteria are met.

All contributions paid by the Authority have been contributions with unconditional stipulations attached.

Net loss from the disposal of non-current assets

Losses on disposal are recognised at the date the control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time.

j) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

k) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Cash

Cash in the Statement of Financial Position includes cash at bank and on hand. For the purpose of the Statement of Cash Flows, cash consists of cash as defined above.

Cash is measured at nominal value.

Receivables

Receivables include amounts receivable from goods and services, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Authority will not be able to collect the debt. Bad debts are written off when identified.

Outback Communities Authority

Notes to and forming part of the financial statements

Non-current assets

Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Revaluation of non-current assets

All non-current tangible assets are valued at written down current cost (a proxy for fair value), and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Every three years the Authority revalues its non-current assets. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation where they are revalued to fair value.

Any revaluation increment is credited to the revaluation surplus except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in the revaluations surplus for that asset class.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement costs. An amount by which the assets carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the respective asset revaluation surplus.

Fair Value Measurement

AASB 13 defined fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The Authority classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the Authority's measurements, based on the data and assumptions used in the most recent revaluation.

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within Level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

The valuation processes and fair value changes are reviewed by the Authority at each reporting date.

Valuation techniques adopted by the Authority are;

- Land valuations – Market Approach classified as a Level 2 input.

Outback Communities Authority

Notes to and forming part of the financial statements

- Buildings and Infrastructure – Depreciated Replacement Cost (DRC) – classified as a Level 3 input.
- All other asset classes – Deemed Fair Value – Classified as a Level 3 input.

Unobservable inputs for Level 3 inputs of the Authority are;

- Depreciated replacement cost – Replacement costs are derived by reference to the Authority's internal records, which provide the actual construction and acquisition cost of project work, subscriber databases and published industry materials.
- Deemed fair value – Costs are derived by reference to the Authority's internal records, that provide the actual construction and acquisition cost of project work.

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2014 or 2015.

Non-financial assets

In determining fair value, the Authority has taken into account the characteristic of the asset (eg condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The Authority's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the Authority did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that is less than \$1 million or an estimated useful life that is less than three years, are deemed to approximate fair value.

The Authority does not recognise any financial assets or financial liabilities at fair value.

Financial assets and liabilities

The Authority does not recognise any financial assets or financial liabilities at fair value.

l) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Payables

Payables include creditors, accrued expenses and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Authority.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employment on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries and wages, long service leave, skills and experience retention leave and annual leave.

The Authority makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments for beneficiaries as they have been assumed by the respective superannuation schemes.

Outback Communities Authority Notes to and forming part of the financial statements

The only liability outstanding at reporting date relates to contributions due but not yet paid to the superannuation scheme managers.

Employee benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Wages, salaries, annual leave, skills and experience retention leave and sick leave

The liability for salaries and wages is measured as the amount unpaid at the reporting date at current remuneration rates.

The annual leave liability and the skills and experience retention leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave, as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee departures and periods of service. These assumptions are based on employee data over SA Government entities across government. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

Provisions

Provisions are recognised when the Authority has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Authority expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

m) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable, to the ATO. If GST is not payable to, or recoverable from, the ATO, the commitments and contingencies are disclosed on a gross basis.

Outback Communities Authority

Notes to and forming part of the financial statements

Note 3: New and revised accounting standards and policies

Accounting Standards

In accordance with the new AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements*, which became effective for the first time in 2014-15, the Authority has reviewed its control assessments (i.e. the Authority's involvement with the entity; protective and substantive rights; ability to direct major relevant activities etc) in accordance with AASB 10 and its classification assessments in accordance with AASB 11 and has concluded that there is no impact. The Authority does not currently control another entity and does not have any joint arrangements within the scope of AASB 11.

The Authority will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10 and 11 for future years.

Accounting Standards issued or amended but not yet effective

Except for AASB 2015-7 which the Authority has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Authority for the reporting period ending 30 June 2015. The Authority has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Authority.

Note 4: Employee benefits expense

	2015	2014
	\$'000	\$'000
Salaries and wages	552	571
Board fees	82	62
Employment on-costs	112	110
Annual leave	58	40
Long service leave	27	30
Skills and experience retention leave	5	3
Other employee related expenses	5	11
Total employee benefit expenses	841	827

Target Voluntary Separation Packages (TVSPs)

No employees were paid TVSP's during the period 1 July 2014 to 30 June 2015.

Note 5: Supplies and services

	2015	2014
	\$'000	\$'000
Administrative costs	17	62
Utilities	82	86
Property expenses	253	186
Information technology	43	50
Legal services	7	3
Materials and other purchases	41	15
Auditor's remuneration	32	42
Commissions - transaction processing	3	3
Insurance	198	190
Plant equipment and vehicle expenses	72	61
Operating leases	5	-

Outback Communities Authority
Notes to and forming part of the financial statements

Other service contracts	792	703
Other	87	115
Total supplies and services	1,632	1,516

Note 6: Depreciation expense

	2015	2014
	\$'000	\$'000
Depreciation		
Buildings and infrastructure	322	324
Water, sewerage and drainage equipment	65	65
Plant and equipment	39	57
Total depreciation expense	426	446

Note 7: Grant and subsidies

	2015	2014
	\$'000	\$'000
Community Affairs Resourcing and Management Grants	175	138
Community projects	65	101
Regional Development Initiatives	111	56
Other	8	7
Total grants and subsidies	359	302

Note 8: Net (loss)/gain from the disposal of assets

	2015	2014
	\$'000	\$'000
Buildings and infrastructure		
Less net book value of assets disposed	(195)	(10)
Net (loss) gain from disposal of land and buildings	(195)	(10)
Plant and equipment		
Proceeds from disposal	-	103
Less net book value of assets disposed	-	(108)
Net (loss) gain from disposal of plant and equipment	-	(5)
Total assets		
Total proceeds from disposal	-	103
Less total value of assets disposed	(195)	(118)
Total net (loss) gain from disposal of assets	(195)	(15)

Note 9: Other expenses

	2015	2014
	\$'000	\$'000
Bad and doubtful debts expense	-	10
Refunds	77	-
Other	16	-
Total other expenses	93	10

Outback Communities Authority

Notes to and forming part of the financial statements

Note 10: Auditor's remuneration

	2015 \$'000	2014 \$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of the financial statements	32	42
Total auditor's remuneration	32	42

Other services

No other services were provided by the Auditor-General's Department

Note 11: Advances and grants

	2015 \$'000	2014 \$'000
Commonwealth grants	340	76
Intra government transfers ⁽¹⁾	2,249	752
Other	28	18
Total advances and grants	2,617	846

The above advances and grants were allocated to the following projects:

Financial assistance grants	2,159	696
Outback Community Parks	36	-
Andamooka Town Services	46	40
Dunjiba municipal services	129	76
Oodnadatta Community Buildings Upgrades and Renovations	180	
Other	67	34
Total advances and grants	2,617	846

Note 12: Interest revenue

	2015 \$'000	2014 \$'000
Interest from the Department of Treasury and Finance	12	13
Total interest revenue	12	13

Note 13: Other income

	2015 \$'000	2014 \$'000
Recoveries/reimbursements	192	119
Community contribution scheme	566	179
Other	14	82
Total other income	762	380

Outback Communities Authority

Notes to and forming part of the financial statements

Note 14: Revenue from SA government

	2015 \$'000	2014 \$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	619	618
Net revenues from Government	619	618

Note 15: Cash

	2015 \$'000	2014 \$'000
Deposits with the Department of Treasury and Finance	1,150	541
Total cash	1,150	541

Interest rate risk

Cash on hand is interest bearing. Deposits at call and with the Department of Treasury and Finance earn a floating interest rate, based on daily banking deposit rates.

Note 16: Receivables

	2015 \$'000	2014 \$'000
Current		
Receivables	38	35
Accrued revenues	325	-
Less: allowance for doubtful debts	-	(18)
Total current receivables	363	17
Total receivables	363	17

Allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired. An allowance for impairment loss has been recognised in 'other expenses' in the Statement of Comprehensive Income for specific debtors where such evidence exists.

	2015 \$'000	2014 \$'000
Carrying amount at the beginning of the period	18	9
(Decrease)/increase in the allowance	(16)	9
Amounts written off	(2)	-
Carrying amount at the end of the period	-	18

Note 17: Property, plant and equipment

	2015 \$'000	2014 \$'000
Land, buildings and infrastructure		
Land at fair value	74	17
Buildings and infrastructure at fair value	6,022	6,648
Accumulated depreciation	(1,743)	(1,665)
Total land and buildings	4,353	5,000
Water, sewerage and drainage		
Water, sewerage and drainage assets at fair value	2,705	2,296
Accumulated depreciation	(994)	(1,065)
Total water, sewerage and drainage	1,711	1,231

Outback Communities Authority

Notes to and forming part of the financial statements

Plant and equipment		
Plant and equipment at fair value	317	386
Accumulated depreciation	(233)	(226)
Total plant and equipment	84	160
Work in progress		
Work in progress	82	217
Total work in progress	82	217
Total property, plant and equipment	6,230	6,608

Reconciliation of property, plant and equipment

The following table shows the movement of property, plant and equipment during 2014-15

	Land \$'000	Buildings and Infrastructure \$'000	Water, sewerage and drainage \$'000	Plant and Equipment \$'000	Work in Progress \$'000	Total \$'000
Carrying amount at 1 July	17	4,983	1,231	160	217	6,608
Additions	-	14	-	-	31	45
Transfer from works in progress	-	166	-	-	(166)	-
Disposals	-	(195)	-	-	-	(195)
Revaluation increment (decrement)	57	(405)	545	-	-	197
Depreciation and amortisation	-	(322)	(65)	(39)	-	(426)
Transfers due to reclassification of assets	-	38	-	(38)	-	-
Other Movements	-	-	-	1	-	1
Carrying amount at 30 June	74	4,279	1,711	84	82	6,230

Impairment

There were no indications of impairment of property, plant and equipment and infrastructure assets at 30 June 2015

Valuation of property, plant and equipment

The valuation of property assets including, Land, Buildings and Infrastructure and Water and Sewerage assets were valued by an independent valuer (Maloney Field Services) as at 30 June 2015. The valuers used depreciated replacement cost due to there not being an active market for such buildings and facilities.

The valuation was based on a combination of internal records, specialised knowledge and acquisition/transfer costs.

Note 18: Fair Value Measurement

Fair Value Hierarchy

In accordance with AASB 13 *Fair Value Measurement* the fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. Non-financial assets measured at fair value are categorised into hierarchy based on the level of inputs use in measurement.

Fair value measurements recognised in the balance sheet are categorised into the following levels at 30 June 2015.

Outback Communities Authority

Notes to and forming part of the financial statements

Fair Value Measurements at 30 June 2015

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Recurring Fair Value Measurements			
Land	74	-	74
Buildings and Infrastructure	-	4,279	4,279
Water, Sewerage and Drainage	-	1,711	1,711
Plant and Equipment	-	84	84
Total	74	6,074	6,148

Reconciliation of recurring fair value measurements – Level 3

	Buildings and Infrastructure	Water, Sewerage and Drainage	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000
Carrying Amount at 1 July	4,983	1,231	160	6,374
Additions	14	-	-	14
Transfer from works in progress	166	-	-	166
Disposals	(195)	-	-	(195)
Revaluation increment (decrement)	(405)	545	-	140
Depreciation and amortisation	(322)	(65)	(39)	(426)
Transfers due to reclassification of assets at same Fair Value level	38	-	(38)	-
Other Movements	-	-	1	1
Carrying amount as at 30 June	4,279	1,711	84	6,074
Gain/Loss on Disposal Recurring	74	-	-	74

Note 19: Payables

	2015	2014
	\$'000	\$'000
Current		
Creditors	42	-
Accrued expenses	188	104
Employment on-costs	11	14
Total current payables	241	118
Non-current		
Employment on-costs	26	24
Total non-current payables	26	24
Total payables	267	142

Interest rate risk

Creditors and accruals are raised for all amounts billed but unpaid. Creditors are normally settled within 30 days and employment on-costs are settled when the related employee benefit is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

Outback Communities Authority

Notes to and forming part of the financial statements

Note 20: Employee benefits

	2015 \$'000	2014 \$'000
Current		
Annual leave	48	64
Skills and experience retention leave	8	8
Long service leave	29	23
Accrued salaries and wages	3	2
Total current employee benefits	88	97
Non-current		
Long service leave	282	252
Total non-current employee benefits	282	252
Total employee benefits	370	349

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 3.5% (2014) to 3.0% (2015).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The net financial effect of the changes in methodology and actuarial assumptions in the current financial year is an increase in the long service leave liability of \$10,108 and employee benefit on-cost expense of \$905. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions, a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave and skills, experience and retention leave liability.

The net financial effect of the changes in the current financial year is a decrease in the annual leave and skills, experience and retention leave liability of \$546 and employee benefit on-cost expense by \$86. The estimated impact on 2016 and 2017 is \$676 and \$723 respectively.

Note 21: Provisions

	2015 \$'000	2014 \$'000
Non-current		
Provision for workers compensation	1	1
Total non-current provisions	1	1
Total provisions	1	1
Carrying amount as at 1 July	1	1
Decrease in the provision	-	-
Carrying amount at 30 June	1	1

A liability has been recognised to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Public Sector Workforce Division of the Office of the Public Sector.

Note 22: Other liabilities

	2015 \$'000	2014 \$'000
Current		
Deferred income	-	243
Total current other liabilities	-	243
Total other liabilities	-	243

Outback Communities Authority

Notes to and forming part of the financial statements

Note 23: Equity

	2015	2014
	\$'000	\$'000
Retained earnings	5,476	4,998
Asset revaluation surplus	1,629	1,432
Total equity	7,105	6,430

All changes in equity are attributable to the South Australian Government as owner.

Note 24: Unrecognised contractual commitments

Operating lease commitments	2015	2014
	\$'000	\$'000
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	51	51
Later than one year but no later than five years	64	115
Total operating lease commitments	115	166
Representing:		
Non-cancellable operating leases	115	166
Total operating lease commitments	115	166

Operating leases relate to property and accommodation occupied by the Authority. This lease is non-cancellable, with rental payable monthly in advance. Contingent rental provisions within the lease agreement allow for the review of lease payments every year.

Capital commitments	2015	2014
	\$'000	\$'000
Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:		
Within one year	-	13
Total capital commitments	-	13

Capital commitments related to the purchase of water tanks.

Remuneration Commitments	2015	2014
	\$'000	\$'000
Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	143	-
Later than one year but no later than five years	502	-
Total Remuneration Commitments	645	-

Amounts disclosed include commitments arising from executive and other service contracts. The Authority does not offer fixed term remuneration contracts greater than five years.

Outback Communities Authority

Notes to and forming part of the financial statements

Other commitments	2015 \$'000	2014 \$'000
Commitments for the payment of maintenance and other service contracts at the reporting date but not recognised as payables in the financial statements are payable as follows:		
Within one year	230	230
Later than one year but no later than five years	3	174
Total other commitments	233	404

Other commitments relate to cancellable commitments arising from maintenance and other service contracts.

Note 25: Contingent assets and contingent liabilities

The Authority is not aware of any contingent assets or liabilities as at 30 June 2015.

Note 26: Cash flow reconciliation

	2015 \$'000	2014 \$'000
Reconciliation of cash - cash at year end as per:		
Statement of Cash Flows	1,150	541
Statement of Financial Position	1,150	541
Reconciliation of net cash provided by (used in) operating activities to net revenue (cost of) / from providing services:		
Net cash provided by / (used in) operating activities	640	(1,040)
Less: Revenue from SA Government	(619)	(618)
Add (less) non-cash items:		
Depreciation and amortisation	(426)	(446)
Gain / (loss) on disposal of assets	(195)	(15)
Changes in assets / liabilities		
Increase (Decrease) in receivables	346	-
(Increase) Decrease in payables and provisions	(123)	525
(Increase) Decrease in employee benefits	(21)	(40)
(Increase) Decrease in other liabilities	243	(243)
Net revenue (cost of) / from providing services	(155)	(1,877)

Outback Communities Authority

Notes to and forming part of the financial statements

Note 27: Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Note		SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	EXPENSES						
4	Employee benefits expenses	39	39	802	788	841	827
5	Supplies and services						
	Administrative costs	-	-	17	62	17	62
	Utilities	24	19	58	67	82	86
	Property expenses	63	55	190	131	253	186
	Information technology	-	7	43	43	43	50
	Legal services	7	3	-	-	7	3
	Materials and other purchases	-	-	41	15	41	15
	Auditor's remuneration	32	42	-	-	32	42
	Commissions - transaction processing	-	-	3	3	3	3
	Insurance	-	-	198	190	198	190
	Plant equipment and vehicle expenses	4	3	68	58	72	61
	Operating leases	-	-	5	-	5	-
	Other service contracts	23	-	769	703	792	703
	Other	3	1	84	114	87	115
6	Depreciation expense	-	-	426	446	426	446
7	Grants and subsidies						
	Community affairs resourcing and management grants	-	-	175	138	175	138
	Community projects	-	-	65	101	65	101
	Community subsidies	-	-	-	-	-	-
	Regional Development Initiatives	-	-	111	56	111	56
	Other	2	-	6	7	8	7
8	Net loss from the disposal of assets	-	-	195	15	195	15
9	Other expenses						
	Bad and doubtful debts expense	-	-	-	10	-	10
	Other	-	-	16	-	16	-
	Refunds	52	-	25	-	77	-
	TOTAL EXPENSES	249	169	3,297	2,947	3,546	3,116

Outback Communities Authority
Notes to and forming part of the financial statements

Note		SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	INCOME						
11	Advances and grants						
	State grants	-	-	-	-	-	-
	Commonwealth grants	-	-	340	76	340	76
	Intra government transfers	2,249	752	-	-	2,249	752
	Specific purpose grants	-	-	-	-	-	-
	Industry grants	-	-	-	-	-	-
	Other	-	-	28	18	28	18
12	Interest revenue	12	13	-	-	12	13
13	Other income						
	Recoveries and contributions	10	-	182	119	192	119
	Community contribution scheme	-	-	556	179	556	179
	Other	-	68	14	14	14	82
14	Revenues from SA government	619	618	-	-	619	618
	TOTAL INCOME	2,890	1,451	1,120	406	4,010	1,857

FINANCIAL ASSETS							
15	Receivables						
	Receivables	4	-	34	35	38	35
	Accrued revenues	-	-	325	-	325	-
	Less: allowance for doubtful debts	-	-	-	(18)	-	(18)
	TOTAL FINANCIAL ASSETS	4	-	359	17	363	17

FINANCIAL LIABILITIES							
19	Payables	-	-	-	-	-	-
	Creditors	-	-	42	-	42	-
	Accrued expenses	1	-	187	104	188	104
	Employment on-costs	35	37	2	1	37	38
22	Other liabilities	-	-	-	243	-	243
	TOTAL FINANCIAL LIABILITIES	36	37	231	348	267	385

Note 28: Financial instruments/Financial risk management

The Authority is exposed to financial risk – liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

The Authority's exposure to financial risk-liquidity risk, credit risk and market risk is minimal. There have been no changes in risk exposure since the last reporting period.

Categorisation of financial instruments

All Financial assets and liabilities are carried at fair value and are current for 2015 and 2014.

Liquidity risk

Liquidity risk arises where the Authority is unable to meet its financial obligations as they are due to be settled. The continued existence of the Authority is dependent on State Government policy and on

Outback Communities Authority Notes to and forming part of the financial statements

continuing appropriations by Parliament for the Authority's administration and programs. The Authority settles undisputed accounts within 30 days from the date of the invoice or date of the invoice is first received. In the event of a dispute, payment is made within 30 days from resolution.

The Authority's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

Credit risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations resulting in financial loss to the Authority. The Authority measures credit risk on a fair value basis and monitors risk on a regular basis.

The Authority has minimal concentration of credit risk. The Authority has policies and procedures in place to ensure transactions to occur with customers with appropriate credit history.

Market risk

The Authority has a low level of non-interest bearing and interest bearing assets (deposits with the Treasurer) and liabilities. The Authority's exposure to market risk and cash low interest risks is minimal.

Note 29: Events after balance date

The Authority is not aware of any events occurring balance date.

Note 30: Remuneration of board and committee members

Members that received remuneration for membership during the year were:

Outback Communities Authority

ALLEN P A (retired 12 March 2015)
BELTCHEV G
BOOTH J M
FERGUSON J D (appointed 12 March 2015)
FORT J (appointed 12 March 2015)
FRAHN F L W (retired 12 March 2015)
HEYLEN M (retired 12 March 2015)
MARSLAND M P (appointed 12 March 2015)
MICHELMORE C P (appointed 12 March 2015)
TURNER M (retired 25 Feb 2015)
WOOLFORD C

Andamooka Town Management Committee

A Cabinet decision on 28/5/2015, reclassified this board as 'Not a Government Board'

BREUER L R (appointed 21 August 2014)
HANCOCK R D
MCFARLANE E J
MUSOLINO B J

Outback Communities Authority
Notes to and forming part of the financial statements

The number of members whose remuneration received/receivable falls within the following bands:	2015	2014
	Number	Number
\$0	-	3
\$1 - \$9 999	14	7
\$10 000 - \$19 999	-	-
\$20 000 - \$29 999	1	1
Total Number of Members	15	11

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$72,518 (\$70,786).

Unless other disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

INDEPENDENT AUDITOR'S REPORT



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Auditor-General's Department

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To the Chairperson Outback Communities Authority

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Outback Communities Authority for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chairperson and Director.

The Board's Responsibility for the Financial Report

The members of the Outback Communities Authority are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the members of the Outback Communities Authority determines 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

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor 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 of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the members of the Outback Communities Authority, as well as the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Outback Communities Authority as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson
Auditor-General
11 March 2016