



Outback Communities Authority

2015-16 Annual Report

Outback Communities Authority

12 Tassie Street, PO Box 2353, Port Augusta SA 5700

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

Contact phone number (08) 8648 5970

Contact email oca@sa.gov.au

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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.

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

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 project managed the implementation of a viewing platform in Fowlers Bay to take advantage of the increasing visits by whales to the area. This project added a further tourism concept to the small community. The project was funded by National Landcare Programme – Natural Heritage Trust, Department of the Environment (Commonwealth).</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>

Key strategy	SA Government objective
<p>The OCA has twenty-three 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>
<p>The OCA offers a grant program to Incorporated Associations located in the remote areas of SA, to encourage sport and recreational activities, recognising the importance of work-life balance. In 2015-16 the OCA approved funding to 11 communities resulting in activities such as netball, football, cricket, pistol shooting and table tennis being held across the outback.</p>	<p>Target 13: Work-life Balance: Improve the quality of life of all South Australians through maintenance of a healthy work-life balance.</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 involves a professional veterinary service visiting Oodnadatta twice to assist with improving the health and condition of local dogs owned by residents. Local participation numbers in this program continue to be positive with an average of 33 locals taking advantage of each veterinary clinic.</p>	<p>Since 2006 the OCA has project managed this initiative. In 2015-16 the grant transferred from the Commonwealth Government to the Department of Planning, Transport and Infrastructure. \$101,700 (ex gst) in funding was made available for administration services, hard waste management, landscaping and dust control, dog health and waste management to be managed by the OCA. 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. A variation to the funding agreement resulted in the project being completed in late March 2016.</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>

Program name	Indicators of performance/effectiveness/efficiency	Comments
Community Assistance – Community Programs – Sport and Recreation	Wide community and regional benefit through sport and recreational opportunities, financially supported by the OCA.	The OCA approved eleven 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.
Community Projects	The OCA financially supports remotely located communities which enables the delivery of local projects resulting in wide community and regional benefit.	The OCA approved ten project grants resulting in outback communities able to improve local infrastructure, purchase equipment and upgrade recreational areas. An art exhibition trail unique to the outback was also supported providing wide community benefit.
Youth Programs	Wide community and regional benefit through specific youth programs made available in remote communities. The youth programs provide opportunities for youth to increase their skill base, value adding and helping to sustain communities.	In 2014-15 the OCA received funding from the Office for Youth for the Youth Connect Program and through the Learning Engagement and Partnership (LEAP) program. Unfortunately the programs were delayed and continued into 2015-16, providing opportunities for youth to be trained in project management and community services skills. The OCA committed \$12,000 from its budget in support of this project.

Program name	Indicators of performance/effectiveness/efficiency	Comments
Community Assistance – Community Affairs Resourcing and Management (CARM) Agreements	Provision of municipal services to outback communities, improved local infrastructure and social interaction opportunities.	Progress Associations are often the peak body in each community with members being the local volunteers. The OCA partnered with 23 outback communities with CARM agreements. CARM agreements are a formal arrangement which confirms funding provided by the OCA over the course of a financial year and includes funds to assist with the delivery of municipal services, community insurance costs and in some cases, management of local airstrips.

Legislation administered by the agency

As at 30 June 2016, the OCA was responsible for administering the following legislation:

Outback Communities (Administration and Management) Act 2009.

Organisation structure

Membership

The Outback Communities Authority (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.

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

Ms Jan Ferguson: 12 March 2015 – 30 June 2016

Ms Jo Fort: 12 March 2015 – 31 December 2017

Ms Mary Marsland: 12 March 2015 – 31 December 2017

Mr Chris Michelmore: 12 March 2015 – 31 December 2017.

The four new members joined existing members:

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

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

Support Staff

The Office for the OCA in Port Augusta was supported by nine staff in 2015-16 – an increase of two positions from 2014-15. In June 2015 Alinta Energy announced that its Flinders Operations in Port Augusta (Northern and Playford B Power Stations) and Leigh Creek (Leigh Creek Mine) would not operate beyond March 2018. The Government established the Upper Spencer Gulf and Outback Taskforce to manage the government's response to the Alinta announcement. The Taskforce proposed that DPTI and the OCA oversee the Leigh Creek transition to SA Government (that is expected to occur on 1 January 2017). A one-year contract position was filled in February 2016 to assist the OCA to manage municipal service delivery aspects of the transition.

In March 2016 the OCA employed a trainee for a two-year term with support through the Regional Youth Traineeship Program, funded through the State Government Region's SA Jobs Accelerator Fund. The two-year traineeship has provided a young person with opportunities to receive formal qualifications; Certificate 3 Business Administration and Certificate IV Community Development.

Up until 30 May 2015 the Andamooka Town Management Committee (a Section 11 Committee of the OCA) were supported by a Community Administrator, being a contract position. In 2015-16 administration support to the Andamooka Town Management Committee was provided by a local external contractor, who remained in this role throughout the duration of the financial year.

The nine employees located in the Port Augusta office support approximately twenty-three 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 business of the OCA is delivered through three 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
Outback Community Parks	<p>Upgrade to nine outback community parks, implementation of two new UHF towers and two new water filtration stations. Preliminary works on this project commenced in late June 2016 and it is envisaged that the project will be completed by September 2017.</p> <p>The project will provide local employment opportunities, although a large number of volunteer hours is required by outback residents to ensure project success. The two new UHF towers will value add to the OCA's existing UHF network while the two water filtration stations will provide quality water in the remote communities of Marla and Oodnadatta.</p> <p>Funding for this project is provided by the DPTI, Open Space and Places for People Grant Fund Program and the Department of Primary Industries and Regions SA, Upper Spencer Gulf and Outback Futures Program.</p>
Municipal and Essential Services – Dunjiba Community	<p>Delivery of municipal services to the Oodnadatta community, creating opportunities for local employment.</p> <p>Two visits by a veterinary professional has improved the health of local dogs.</p> <p>The OCA has successfully project managed this project for approximately nine years.</p>
Oodnadatta Building Upgrade and Renovation	<p>This project commenced in 2014-15 and resulted in upgrades to local infrastructure resulting in improved community infrastructure, creating opportunities for local employment.</p>
Outback Communities Authority Infrastructure	<p>Across the OCA's infrastructure base which includes nineteen public conveniences, four community waste water treatment schemes and two community airstrips, various local employment opportunities are available under a contract basis. Work includes repairing and or maintaining the infrastructure and ensuring safe access to the outback airstrips owned by the OCA.</p>

Viewing Platform, Fowlers Bay	Increased tourism opportunities for the Fowlers Bay community, providing opportunities for whale watching from the town foreshore area. Local trades people implemented this project, helping to sustain employment in the region.
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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 policy 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.
Training and Development Opportunities	<p>The OCA provides opportunities for staff and OCA Members to attend training and development opportunities.</p> <p>Field operatives undertake extensive driving in harsh conditions, therefore new staff are required to attend a 4WD Defensive Driving course. In 2015-16 three staff successfully completed the driving course, while eight staff successfully completed Senior First Aid, with both courses value adding to the work, health safety of the OCA organisation.</p>

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

The OCA is firmly 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 take all possible measures to remove (or at least) reduce risks to the health, safety and welfare 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 2015-16 year, fifteen Team Meetings were held where matters relating to work, health and safety, office matters and staff workloads were discussed. Throughout the year five 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 initiated mandatory use of a SPOT GPS Messenger device when staff travel in remote areas. The Messenger device reports on an employee's location and employees are also required to contact the Office for the OCA 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 2015-16 year.

Financial services are provided to the OCA by Shared Services and the Department of Planning, Transport and Infrastructure (DPTI). The OCA ensures that approval of financial transactions are within the financial delegations as attributed by DPTI and the internal control environment.

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 2015-16 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. In 2015-16 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
Director	1

As at 30 June 2016 no OCA employees applied for, or received targeted voluntary separation packages.

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 2015-16, 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 \$
Contractors above \$10,000 each		
Dunjiba Community Council	Delivery of municipal services, airstrip management, Oodnadatta	51,313
JF & N Duregon Pty Ltd	Tourism venture, Fowlers Bay	19,090
Flinders Ranges Council	Administration, Andamooka and Iron Knob community contributions	15,061
MY Frahn Contracting	Oodnadatta waste area	12,000
Home & Yard Maintenance	Project management, Oodnadatta	60,167
LG Systems Inc	Software support, Andamooka and Iron Knob community contributions	32,815
S Lyons	Administration support, Andamooka	55,533
Northern Earthmoving & Engineering Pty Ltd	Road maintenance, waste area management, Andamooka	196,387

Contractors	Purpose	Value \$
Outback Landscaping & Supplies	Town maintenance, Andamooka	47,559
R & R Plevin Pty Ltd	Shelter development, Lyndhurst	20,113
Paint by Peter	Oodnadatta Museum	46,079
Straight Lines Consultancy	Professional financial services	14,750
Contractors below \$10,000 each		
All New Ventures Pty Ltd	Maintenance of Oodnadatta waste area	1,980
Bug Logic	Professional photography	3,000
Department of Primary Industries and Resources SA	Access to Standard Invoicing System	2,554
Dunn & Bradstreet	Debt collection	5,064
IS Design and Digital	Development of OCA website	9,360
J Mannion	Interpretive signage and memorial book	4,878
McCulloch Contractors	Maintenance, Oodnadatta	4,115
Maloney Field Services	Asset valuations	9,400
Oodnadatta Progress Association	Landscaping, Oodnadatta	2,700
Pure Outback	Youth Connect project	2,814
Randstad Pty Ltd	Temporary administration staff	7,923
Redgum and Pet Boarding	Veterinary services, Oodnadatta	9,984
D Robbins	Water supply management, Copley	5,465
Smulders Contracting Pty Ltd	Blinman public conveniences	9,222
Spuds Roadhouse	Fencing, Pimba	6,320
E Strawbridge	Community waste water management system maintenance and airstrip management, Marla	7,378
Tredwell Management	Oodnadatta Community Park and Open Space project	8,000
D Waters	Youth Development Officer, Andamooka	3,955
Total all contractors		\$674,979

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 2015-16 are attached to this report.

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 2015-16 the OCA received \$729,000 through the Financial Assistance Grants, noting that \$719,000 had been received in late June 2015 being two forward quarterly payments for the 2015-16 year. South Australian Government appropriation for 2015-16 totalled \$632,000, being a 2% increase from the 2014-15 year. Funding totalling \$102,000 was received for a project specific to the Oodnadatta community, from the Department of the Prime Minister and Cabinet (Australian Government), while \$138,000 funding was provided by the Department of State Development to support the new Northern Flinders Project Officer to assist with the transition of Leigh Creek to SA Government.

As at 30 June 2016 the OCA had received a combined amount of \$304,000 from the Community Contribution Schemes in place in the Andamooka and Iron Knob communities.

The OCA managed road maintenance in the Andamooka community, receiving \$150,000 funding provided by the Department of Planning, Transport and Infrastructure. The funding was an increase of \$104,000 on the previous year, made available through the Roads to Recovery program which included the resheeting of specified roads in Andamooka.

The increase in employee expenses from 2014-15 to 30 June 2016 can largely be attributed to the employment of the Northern Flinders Project Officer and the trainee position.

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 2015-16 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 most recent revaluation of OCA owned assets was completed in June 2015 by Maloney Field Services.

The OCA has assets worth \$8,656,000 in the form of 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 2015-16 the Outback Communities Authority was not required to report of any public complaints as requested by the Ombudsman.

Appendix: Audited financial statements 2015-16

Outback Communities Authority CERTIFICATION OF THE FINANCIAL STATEMENTS

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

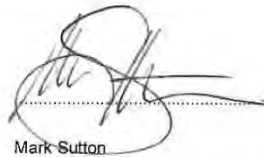
- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Outback Communities Authority, and
- present a true and fair view of the financial position of the Outback Communities Authority as at 30 June 2016 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 have been effective throughout the reporting period.



Cecilia Woolford
CHAIRPERSON
OUTBACK COMMUNITIES AUTHORITY

16th November 2016



Mark Sutton
DIRECTOR
OUTBACK COMMUNITIES AUTHORITY

16th November 2016

Outback Communities Authority

Financial Statements

for the year ended 30 June 2016

Outback Communities Authority
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2016

	Note No	2016 \$'000	2015 \$'000
Expenses			
Employee benefit expenses	4	877	841
Supplies and services	5	1,721	1,567
Depreciation expense	6	264	426
Grants and subsidies	7	216	312
Net loss from disposal of assets	8	-	195
Other expenses	9	73	140
Total expenses		3,151	3,481
Income			
Advances and grants	10	1,036	2,617
Interest revenue	11	14	12
Other income	12	501	519
Total income		1,551	3,148
Net cost of providing services		(1,600)	(333)
Revenues from SA Government			
Revenues from SA Government	13	632	619
Net revenues from SA Government		632	619
Net result		(968)	286
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		-	2,536
Total other comprehensive income		-	2,536
Total comprehensive result		(968)	2,822

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 2016

	Note No	2016 \$'000	2015 \$'000
Current assets			
Cash	14	137	1,150
Receivables	15	417	396
Total current assets		554	1,546
Non-current assets			
Property, plant and equipment	16	8,656	8,736
Total non-current assets		8,656	8,736
Total assets		9,210	10,282
Current liabilities			
Payables	17	49	241
Employee benefits	18	129	88
Total current liabilities		178	329
Non-current liabilities			
Payables	17	30	26
Employee benefits	18	325	282
Provisions	19	1	1
Total non-current liabilities		356	309
Total liabilities		534	638
Net assets		8,676	9,644
Equity			
Retained earnings		4,708	5,676
Asset revaluation surplus		3,968	3,968
Total equity		8,676	9,644

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

Unrecognised contractual commitments 21

Contingent assets and liabilities 22

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 2016

STATEMENT OF CHANGES IN EQUITY for the Year Ended 30 June 2016				
	Note No	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2014		1,432	4,998	6,430
Prior Period - error correction	20	-	160	160
Restated Balance at 30 June 2014		1,432	5,158	6,590
Net result for 2014-15	20	-	286	286
Gain on Revaluation of Land during 2014-15		57	-	57
Loss on Revaluation of Buildings during 2014-15		(405)	-	(405)
Gain on Revaluation of Water and Sewerage during 2014-15		545	-	545
Total Comprehensive Result for 2014-15		197	286	483
Balance at 30 June 2015		1,629	5,444	7,073
Prior Period - error correction	20	2,339	232	2,571
Restated Balance at 30 June 2015		3,968	5,676	9,644
Net result for 2015-16		-	(968)	(968)
Total Comprehensive Result for 2015-16		-	(968)	(968)
Balance at 30 June 2016		3,968	4,708	8,676

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 2016

	Note No	2016 \$'000 Inflows (Outflows)	2015 \$'000 Inflows (Outflows)
Cash flows from operating activities			
Cash outflows			
Employee benefit payments		(793)	(821)
Supplies and services		(1,857)	(1,558)
Grants and subsidies		(266)	(291)
Other payments		(73)	(93)
Cash used in operations		(2,989)	(2,763)
Cash inflows			
Advances and Grants		1,028	2,374
Interest received		9	12
Other receipts		491	398
Cash generated from operations		1,528	2,784
Cash flows from (payments to) SA Government			
Receipts from SA Government		632	619
Cash generated from SA Government		632	619
Net Cash provided by (used in) operating activities		(829)	640
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(184)	(31)
Net Cash Used in investing activities		(184)	(31)
Net increase / (decrease) in cash		(1,013)	609
Cash at 1 July		1,150	541
Cash at 30 June	14	137	1,150

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

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 views, 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 (Reduced Disclosure Requirements) 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.

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;
- 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:

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

- (a) employees whose normal remuneration is equal to or greater than the base executive remuneration level and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the Authority to those employees;
- (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 2016 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) 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 or classification in these financial statements unless impracticable. Where retrospective application of changes to accounting policies or recognition of errors has occurred relevant comparative amounts have also been amended

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

e) Rounding

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

f) 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.

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

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 the Department of Planning, Transport and Infrastructure 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.

g) 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).

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.

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 recoveries, reimbursements and community contributions which is derived in accordance with section 21 of the Act. Other income is recognised as revenue when the Authority obtains control of the funds or right to receive the funds and the income recognition criteria are met.

h) 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:

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

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.

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	9-100
Water, sewerage and drainage	38-108
Plant and equipment	5-36

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.

i) 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.

j) 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.

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

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.

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. All non-current tangible assets with a value equal to or in excess of \$10,000 are capitalised.

Revaluation of non-current assets

All non-current 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.

The Authority generally revalues its assets every three years and always within 6 years depending on the nature or purpose for which that asset is held. 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 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.

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

Fair Value measurement- Non-financial assets

In determining fair value, the Authority has taken into account the characteristic of the asset (e.g. 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.

Fair Value measurement - Financial assets and liabilities

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

k) 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.

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.

Outback Communities Authority

Notes to and forming part of the financial statements

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.

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.

l) 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.

Note 3: New and revised accounting standards and policies

Accounting Standards

The Authority did not voluntarily change any of its accounting policies during 2015-16.

Note 4: Employee benefits expense

	2016	2015
	\$'000	\$'000
Salaries and wages	589	566
Board fees	75	68
Employment on-costs	115	112
Annual leave	60	58
Long service leave	27	27
Skills and experience retention leave	6	5
Other employee related expenses	5	5
Total employee benefit expenses	877	841

Targeted Voluntary Separation Packages (TVSPs)

No employees were paid TVSPs during the period 1 July 2015 to 30 June 2016.

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

Remuneration of employees

One employee received remuneration greater than the base executive remuneration level during the year within the band \$175,001 and \$185,000. No employees received remuneration greater than the base executive level in 2014-15.

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

Note 5: Supplies and services

	2016 \$'000	2015 \$'000
Administrative costs	24	17
Utilities	74	82
Property expenses	247	253
Information technology	38	43
Materials and other purchases	26	41
Auditor's remuneration	33	32
Insurance	153	147
Plant equipment and vehicle expenses	188	72
Other service contracts	802	792
Other	136	88
Total supplies and services	1,721	1,567

Note 6: Depreciation expense

	2016 \$'000	2015 \$'000
Depreciation		
Buildings and infrastructure	177	322
Water, sewerage and drainage	54	65
Plant and equipment	33	39
Total depreciation expense	264	426

Note 7: Grant and subsidies

	2016 \$'000	2015 \$'000
Community Affairs Resourcing and Management Grants	99	128
Community projects	49	65
Regional Development Initiatives	63	111
Other	5	8
Total grants and subsidies	216	312

Note 8: Net loss from the disposal of non-current assets

	2016 \$'000	2015 \$'000
Buildings and infrastructure		
Proceeds from disposal	-	-
Less net book value of assets disposed	-	(195)
Net loss from disposal of buildings and infrastructure	-	(195)
Total assets		
Total proceeds from disposal	-	-
Less total value of assets disposed	-	(195)
Total net loss from disposal of assets	-	(195)

Note 9: Other expenses

	2016 \$'000	2015 \$'000
Refunds	-	77
Community Levy	55	47
Other	18	16
Total other expenses	73	140

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

Note 10: Advances and grants

	2016	2015
	\$'000	\$'000
Commonwealth grants	729	2,499
Intra government transfers	307	90
Other	-	28
Total advances and grants	1,036	2,617

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

	2016	2015
Financial assistance grants	729	2,159
Outback Community Parks	-	36
Andamooka Town Services	150	46
Dunjiba municipal services	102	129
Oodnadatta Community Buildings Upgrades and Renovations	-	180
Northern Flinders Project Officer	55	-
Other	-	67
Total advances and grants	1,036	2,617

Note 11: Interest revenue

	2016	2015
	\$'000	\$'000
Interest from the Department of Treasury and Finance	14	12
Total interest revenue	14	12

Note 12: Other income

	2016	2015
	\$'000	\$'000
Recoveries/reimbursements	183	192
Community contribution scheme	304	313
Other	14	14
Total other income	501	519

Note 13: Revenues from SA Government

	2016	2015
	\$'000	\$'000
Revenues from SA Government	632	619
Net revenues from Government	632	619

Note 14: Cash

	2016	2015
	\$'000	\$'000
Deposits with the Department of Treasury and Finance	137	1,150
Total cash	137	1,150

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 15: Receivables

	2016	2015
	\$'000	\$'000
Current		
Receivables	46	38
Accrued revenues	322	307
Prepayments	49	51
Total current receivables	417	396
Total receivables	417	396

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

Bad and Doubtful Debts

There were no bad debts or doubtful debts recognised during 2015-16.

Note 16: Property, plant and equipment

	2016 \$'000	2015 \$'000
Land		
Land at fair value	74	74
Total land	74	74
Buildings and Infrastructure		
Buildings and infrastructure at fair value	9,533	9,339
Accumulated depreciation	(2,730)	(2,554)
Total buildings and infrastructure	6,803	6,785
Water, sewerage and drainage		
Water, sewerage and drainage assets at fair value	2,702	2,705
Accumulated depreciation	(1,048)	(994)
Total water, sewerage and drainage	1,654	1,711
Plant and equipment		
Plant and equipment at fair value	183	197
Accumulated depreciation	(133)	(113)
Total plant and equipment	50	84
Work in progress		
Work in progress	75	82
Total work in progress	75	82
Total property, plant and equipment	8,656	8,736

Reconciliation of property, plant and equipment

The following table shows the movement of property, plant and equipment during 2015-16

	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	74	6,785	1,711	84	82	8,736
Additions	-	-	-	-	184	184
Transfer from works in progress	-	191	-	-	(191)	-
Depreciation and amortisation	-	(177)	(54)	(33)	-	(264)
Other Movements	-	4	(3)	(1)	-	-
Carrying amount at 30 June	74	6,803	1,654	50	75	8,656

Impairment

There were no indications of impairment of property, plant and equipment and infrastructure assets at 30 June 2016.

Valuation of property, plant and equipment

The valuation of property assets including Buildings and Infrastructure and Water and Sewerage assets were valued by an independent valuer (Maloney Field Services) as at 30 June 2015. Land valuation was performed by the Valuer General as at 30 June 2015. Follow up valuation was done on Andamooka and Kingoonya pipelines in 2015-16 with valuation date 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.

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

Note 17: Payables

	2016 \$'000	2015 \$'000
Current		
Creditors	-	42
Accrued expenses	33	188
Employment on-costs	16	11
Total current payables	49	241
Non-current		
Employment on-costs	30	26
Total non-current payables	30	26
Total payables	79	267

Employment On-costs

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2015 rate (37%) to 40% and the average factor for the calculation of employer superannuation cost on-cost has also changed from the 2015 rate (10.3%) to 10.2%. These rates are used in the employment on-cost calculation.

The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$857. The estimated impact on 2017 and 2018 is \$892 and \$927 respectively.

Note 18: Employee benefits

	2016 \$'000	2015 \$'000
Current		
Annual leave	78	48
Skills and experience retention leave	11	8
Long service leave	31	29
Accrued salaries and wages	9	3
Total current employee benefits	129	88
Non-current		
Long service leave	325	282
Total non-current employee benefits	325	282
Total employee benefits	454	370

Annual Leave

Annual leave is classified as a current liability as employees are expected to take all annual leave within the year of entitlement.

Long Service Leave

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave.

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 liability. The yield on long term Commonwealth Government bonds has decreased from 2015 (3%) to 2016 (2%).

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 \$23,173 (\$10,108) and employee benefit on-cost expense of \$2,139 (\$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.

Outback Communities Authority

Notes to and forming part of the financial statements

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result, there is no financial effect resulting from changes in the salary inflation rate.

Note 19: Provisions

	2016 \$'000	2015 \$'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 Office for the Public Sector (a division of the Department of Premier and Cabinet).

Note 20: Prior Period Adjustments

The table below represents total adjustments to equity identified in each year. Adjustments totalling \$2.731 million (nil) were identified in the year ended 30 June 2016 which affect the year ended 30 June 2015 and prior years.

	2015 \$'000	2014 \$'000	Total \$'000
Adjustments against Retained Earnings:			
Asset recognition - error correction	232	(65)	167
Other adjustments - error correction	-	225	225
Total Adjustments against Retained Earnings	232	160	392
Adjustments against Asset Revaluation Surplus:			
Asset revaluation - error correction	2,339	-	2,339
Total Adjustments against Asset Revaluation Surplus	2,339	-	2,339
Total Adjustments to Equity	2,571	160	2,731

RESTATEMENT OF OPENING BALANCES

Adjustments against Retained Earnings

Asset Recognition – error correction

Asset reconciliation and stock take procedures in 2014-15 identified assets totalling \$0.167 million which were not recognised or incorrectly recognised in prior years. These assets include Kingoonya pipeline network assets of \$0.232 million that were constructed in prior years but were brought into account in 2015-16. Retrospective restatement of the Kingoonya assets is impracticable as the original construction costs are unknown. Recognition of these assets is at fair value as at 30 June 2015.

The 2014-15 reconciliations and stock take procedures also identified assets totalling \$0.065 million that were donated to community associations in prior periods before 30 June 2015.

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

This value is summarised below by asset class:

	2015	2014	Total
	\$'000	\$'000	\$'000
Asset recognition - error correction			
Land, buildings and infrastructure	232	(65)	167
Total asset recognition - error correction	232	(65)	167

Other Adjustments – error correction

An adjustment was made to Receivables in 2015-16 of \$0.225 million. The adjustment is recognising Community Contribution Scheme revenue relating to a prior year.

	2015	2014	Total
	\$'000	\$'000	\$'000
Other adjustments - error correction			
Receivables	-	225	225
Total other adjustments error correction	-	225	225
Total adjustments against retained earnings	232	160	392

Adjustments against Asset Revaluation Surplus

Asset Revaluation – error correction

An adjustment was made to the revaluation surplus account in 2015-16 of \$2.339 million. The adjustment is recognising a revaluation of infrastructure relating to a prior year.

	2015	2014	Total
	\$'000	\$'000	\$'000
Asset revaluation - error correction			
Land, buildings and infrastructure	2,339	-	2,339
Total asset recognition - error correction	2,339	-	2,339

RESTATEMENT OF NET RESULT

Adjustments against Net Result

The table below represents total adjustments to net result identified in the year ended 30 June 2016 which affect the year ended 30 June 2015.

	2015
	\$'000
Adjustments against Net Result:	
Net Result for 2014-15	464
Error Correction	
Other income – Community Contribution Scheme	(243)
Supplies and services – Insurance	51
Supplies and services – Other	14
Restated net result for 2014-15	286

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

Note 21: Unrecognised contractual commitments

Operating lease commitments	2016	2015
	\$'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	13	64
Total operating lease commitments	64	115
Representing:		
Non-cancellable operating leases	64	115
Total operating lease commitments	64	115

Operating leases relate to property and accommodation occupied by the Authority. This lease is non-cancellable, with rental payable monthly in advance. The term of the lease is 5 years.

Other commitments	2016	2015
	\$'000	\$'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	12	230
Later than one year but no later than five years	-	3
Total other commitments	12	233

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

Note 22: Contingent assets and contingent liabilities

The Authority is not aware of any contingent assets or liabilities as at 30 June 2016.

Note 23: Financial instruments/Financial risk management

Financial Risk Management

The Authority's exposure to financial risk (liquidity, credit and market) is insignificant based on past experience and current assessment of risk.

The Authority is funded mainly from a Federal Government Financial Assistance Grant and appropriation by the SA Government. The Authority works with the Department of Treasury and Finance to determine the cash flows associated with its Ministerial approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

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 cost and are current for 2016 and 2015.

Note 24: Events after balance date

The South Australian Government is currently in negotiations with Alinta Energy to transition the operational management of the Leigh Creek township to Outback Communities Authority from 1 January 2017. The financial effects of this event are unknown at balance date.

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

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

Note 25: Remuneration of board and committee members

Members that received remuneration for membership during the year were:

Outback Communities Authority	Andamooka Town Management Committee
	A Cabinet decision on 28/05/2015, reclassified this board as 'Not a Government Board'
BELTCHEV G	BREUER L R
BOOTH J M	HANCOCK R D
FERGUSON J D	MCFARLANE E J
FORT J	MUSOLINO B J
MARSLAND M P	
MICHELMORE C P	
WOOLFORD C	

The number of members whose remuneration received/receivable falls within the following bands:

	2016 Number	2015 Number
\$0	-	-
\$1 - \$9 999	7	14
\$10 000 - \$19 999	3	-
\$20 000 - \$29 999	1	1
Total Number of Members	11	15

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 \$80,739 (\$72,518).

Unless otherwise 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



Government of South Australia
Auditor-General's Department

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

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 2016. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2016
- a Statement of Financial Position as at 30 June 2016
- a Statement of Changes in Equity for the year ended 30 June 2016
- a Statement of Cash Flows for the year ended 30 June 2016
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chairperson and Director, Outback Communities Authority.

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 determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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.

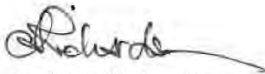
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. 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.

My report refers only to the financial statements described above and does not provide assurance over the integrity of publication of the financial report on the Outback Communities Authority's website nor does it provide an opinion on any other information which may have been hyperlinked to/from these statements.

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 2016, 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
1 December 2016