

Outback Communities Authority

ANNUAL BUSINESS PLAN AND BUDGET

2016-17

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The Outback Communities Authority

The Outback Communities Authority (OCA) was established on 1 July 2010 to administer the *Outback Communities (Administration and Management) Act 2009*.

It has responsibility for the management and governance of most of the unincorporated areas of South Australia. This includes all people who live and work in the outback in the numerous townships and settlements, pastoral leases, farming properties and commercial tourism enterprises.

The OCA comprises seven board members, supported by administrative staff assigned by the Department of Planning, Transport and Infrastructure, and is responsible for the effective governance and management of OCA affairs.

In essence, the OCA's role encompasses assistance in the provision of local government type services, such as community development, infrastructure management including waste management and recreational facilities along with public facilities including airstrips, public toilets and UHF repeater networks. Other State and Federal Government agencies have responsibility for other services and infrastructure such as health, housing, education, roads and community and social inclusion services.

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

Funding local services and facilities

The OCA is funded through a variety of sources including mainly Federal and State Government general purpose grants. In much the same way as a Council incorporated under the *Local Government Act 1999*, the OCA receives its Federal funding through the Local Government Grants Commission (i.e. general purpose Financial Assistance Grants).

The OCA partners with local communities by funding local priorities through Community Affairs Resourcing and Management (CARM) Agreements and in other ways as described in the OCA's Community Funding Policy.

When considering investment in new or upgraded infrastructure and other assets in the future (as well as when replacing existing assets at the end of their useful lives), the OCA will ensure that its focus is on service levels desired by outback communities which are affordable in the longer term within responsible financial constraints. Apart from the initial capital cost of such assets, ongoing OCA funding must be available to meet the annual maintenance, depreciation and other operating expenses of these assets (being assets which generally provide community services over an extended period of time).

Community Contribution Scheme – Andamooka

In partnership with the Andamooka Progress and Opal Miners Association Incorporated the Andamooka Town Management Committee (ATMC) was established under Section 11 of the *Outback Communities (Administration and Management) Act 2009* to manage municipal service delivery for the Andamooka community at a local level. The ATMC commenced operations on 1 January 2012. In 2012, community consultation was undertaken to enable community input into a Community Plan, Financial Plan and Budget.

The consultation initiative included mail-outs, media statements and community meetings. Subsequently, a Community Contribution Scheme (CCS) was implemented at the request of the Andamooka Progress and Opal Miners Association with the wide support of the Andamooka community. The cost of the CCS levy to the land holders for the 2012-13 CCS was \$400 per property unit.

At the request of the Andamooka Progress and Opal Miners Association Incorporated in partnership with the OCA, the Andamooka community was consulted on the continuation of the CCS for 2013-14 and again in 2014-15. These arrangements were approved and consequently continued.

Subject to a request from the Andamooka Progress and Opal Miners Association and support through the ATMC, the OCA commenced consultation in April 2016 on the Andamooka Annual Budget and Community Affairs Resourcing and Management (CARM) Agreement and CCS for the continuance of the CCS in Andamooka in 2016-17. Consultation concluded on 27 May 2016 favouring a CARM Agreement and CCS be provided to the Andamooka community for 2016-17 (a per annum cost of \$400 per property unit being a continuation of current CCS levels).

Community Contribution Scheme – Iron Knob

Early in 2013, the Iron Knob Progress Association approached the OCA requesting assistance for the delivery of municipal services for the Iron Knob residents through the use of a CCS. Community consultation commenced in October 2013 on the Iron Knob Business Plan, Budget, CCS and Community Affairs Resourcing and Management Agreement. The consultation suggested that a CCS would be widely supported by the community.

The Iron Knob CCS was applied from 1 January 2014 to 30 June 2014 with the levy set at \$120 (\$60 per quarter for two quarters) per property unit.

In May 2014 the Iron Knob Progress Association approached the OCA regarding the continuance of the support arrangements that included a CCS. In May 2014, the OCA commenced consultation with the Iron Knob community on an Annual Business Plan, Budget, CCS and Community Affairs Resourcing and Management Agreement for the continuance of the CCS in Iron Knob. In July 2014 the OCA declared the CCS for Iron Knob for 2014-15 continuing with the \$240 per annum fee, per property unit on rateable land for the purposes of raising revenue for the provision of services and support to the community of Iron Knob. These arrangements were approved and consequently continued.

The OCA commenced consultation in April 2016 on an Iron Knob Annual Budget and Community Affairs Resourcing and Management Agreement and CCS for the continuance of the CCS in Iron Knob in 2016-17. Consultation concluded on 3 June 2016 favouring a CARM Agreement and CCS be provided to the Iron Knob community for 2016-17 (a per annum cost of \$240 per property unit being a continuation of current CCS levels).

Specific Focus for 2016-17

The OCA will:

- Provide specific and targeted advice to government regarding future service provision in the Northern Flinders Ranges Region brought about as a result of the closure of the Leigh Creek Coal Mine.
- Provide initial support in the form of the Northern Flinders Project Officer to communities in the Northern Flinders Ranges Region affected by the closure of the Leigh Creek Coal Mine.
- Renew and implement the OCA's Communications Strategy.
- Progress *oneOutback* to be the primary project that will capture innovative ideas and plans for the long term planning of sustaining and improving services in the outback region.
- Explore aspirational opportunities for outback communities and publish the *oneOutback* Prospectus that clearly articulates those opportunities.
- As a result of the *oneOutback* Prospectus, prepare and scope a key project outcome that is 'shovel ready'.
- Publish an annual 'State of the Outback' report that identifies aspects of the outback that are important to people who live, work and visit the region.
- Continue to develop a plan for the possible introduction of a 'whole-of-outback' Asset Sustainability Levy (ASL).
- Develop a 'Tread Lightly' communications and project plan to promote and protect the 'clean and green' image of the Outback.

Core Activities

- Continue to work in partnership with outback communities and seek new partnerships in an effort to improve the quality of life for those who live and work in the outback of South Australia.
- Maintain OCA owned assets to a high standard and ensure facilities and equipment are operated efficiently.
- Support the Community Contribution Scheme (CCS) in Andamooka and Iron Knob.
- Support other Outback Communities to implement sustainable revenue solutions to fund community priorities.
- Provide opportunities for outback communities to meet with the OCA Board at specified regional meetings.
- Work collaboratively across State Government and non-Government organisations to continue the development of an appropriate model for effective delivery of services to the outback areas.

2016–17 Annual Business Plan – Our Key Strategic Objectives

To achieve our Mission and Vision, the OCA has identified the following objectives:

- Grow Our Economy
- Grow Our Population
- Grow Our Influence and Presence

These objectives have a goal and strategy to achieve the objective. The strategies are the point of focus for this Annual Business Plan. The funding allocation is contained within the overall Budget and is not a specific allocation.

2016-17 Annual Business Plan – Key Objectives, Goals and Strategies

Objective	Goal	Strategy	Funding
Grow Our Economy	Attract 'New' investment into the Outback	Actively engage and provide an environment conducive to new investment into the region by preparing 'Shovel Ready' projects.	\$50,000
	Diversification of the Outback GDP (Productivity)	From the <i>oneOutback</i> Prospectus facilitate economic development activities that align to the community prioritised drivers.	\$50,000
	Continue to work toward the introduction of an ASL across the Outback	Equitable cost sharing will enable the OCA to allocate more funding for investment into the outback economy.	\$50,000
Grow our population	Values mapping of the Outback Community – <i>oneOutback</i> Prospectus	Undertake a comprehensive Community engagement process that reconciles economic drivers and what is important to Outback People.	\$30,000
	<i>oneOutback</i> Prospectus	Develop an implementation strategy on the community validated economic drivers that they have identified that will improve their quality of life.	\$25,000
	Improvements to the well-being of people living, working and visiting the outback (partnerships and leverage)	Actively seek improvements and partnerships with third party service providers that improve the quality of service to the outback.	\$25,000
Grow our influence and presence	Progressive and innovative policy development	Steer rather than row – policy to enable and influence rather than to deliver.	\$10,000
	Prepare a 'State of the Outback' Report	Prepare and publish on a periodic basis.	\$10,000
	Manage the agenda internally and externally	Through the implementation of our Communications Strategy, position the OCA as the gateway into and out of the region – if it is happening in our region we need to be at the table.	\$25,000

2016-17 Budget

A summary of the 2016-17 Budget is shown opposite and has been developed in accordance with the *Outback Communities (Administration and Management) Act 2009*. Management of the final Budget during 2016-17 will include regular monitoring reports to the OCA Board.

Community Contribution Scheme – Andamooka and Iron Knob

At the time of preparation of this document, consultation in regard to the Andamooka and Iron Knob CCS for 2016-17 had recently been completed, favouring the provision of a CARM Agreement and CCS in both communities. The OCA will continue to work with the peak body in each community, the Andamooka Progress and Opal Miners Association and the Iron Knob Progress Association, supporting each community's wish to continue with a CCS – a 'user pays' scheme specific to each community helping to fund those services and projects deemed necessary by the residents of Andamooka and Iron Knob.

Income accrued as a result of the Andamooka and Iron Knob CCS is managed by the OCA and hypothecated for the delivery of municipal services and community projects in Andamooka and Iron Knob. For Budget planning purposes, the 2016-17 OCA Budget includes the two communities CCS's continuing throughout 2016-17.

Summary

The 2016-17 Budget sets out income, operating expenses and capital investment expenditure proposals consistent with the 2016-17 Annual Business Plan's key strategic objectives and ultimately the 2015 - 2020 Strategic Management Plan. The overall budgeted net deficit of \$50,000 in 2016-17 is planned to be financed mainly by the carry-over, from 2015-16, of unspent income from externally funded projects.

2016-17 OCA Budget

	\$'000	Notes
Income		
Financial Assistance Grants	1,440	(1)
State Appropriations	640	
Community Contribution Scheme	300	(2)
Externally funded projects	430	(3)
Other	240	(4)
Total Income	3,050	
Operating Expenses		
Employee Costs	850	(5)
Supplies and Services	1,350	(6)
Grants and Contributions	660	(7)
Depreciation	240	(8)
Total Operating Expenses	3,100	
Operating Surplus / (Deficit)	-50	
Less:		
Capital Expenditure on Assets	240	(9)
Grants for New Assets	0	(10)
Depreciation	-240	(8)
Net Outlays on Assets	0	
Net Surplus / (Deficit)	-50	(11)

Notes:

1. This amount is unchanged from 2015-16 as a result of a "freeze" on the indexation of Federal Government Financial Assistance Grants until 2017-18.
2. Accrual of income from CCS levies planned for 2016-17 (i.e. same as 2015-16 levels).
3. Covers expected income for Oodnadatta Municipal Services, Andamooka and Copley water supplies and the Upper Spencer Gulf and Outback Futures Program.
4. Income from interest on OCA funds, outback airstrips, dog registrations and public toilet donations. The Budget also includes SA Government trainee program subsidy for the full year and part year funding for the Northern Flinders Region position.
5. Includes all staff salaries including part year salary for the Northern Flinders Project Officer position, a full-year salary for the Business/Community Development Trainee and all Board fees.
6. Includes expenses associated with externally funded projects.
7. Includes community funding through annual CARM reimbursements and CCS payments. The budget for CCS payments does not include expenses of about \$65,000 associated with the collection of the CCS which are included under 'Supplies and Services' and 'Employee Costs'.
8. The Budget for depreciation expenses takes account of new OCA assets acquired in 2015-16 as well as improved data on valuation, remaining useful lives and residual values of assets.
9. Caters for capital expenditure on renewal and replacement of OCA assets to maintain existing service levels from assets as well as to minimise their whole-of-life-cycle costs.
10. The Budget makes no provision for receipt of grants for new OCA assets.
11. Net Surplus / (Deficit) equals Operating Surplus / (Deficit), less Net Outlays on Assets. The budgeted net deficit of \$50,000 in 2016-17 is planned to be financed mainly by the carry-over, from 2015-16, of unspent income from externally funded projects.



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