



Outback Communities Authority

2017-18 Annual Report

Outback Communities Authority

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To:

The Hon. Stephan Knoll MHA
Transport and Infrastructure
Housing and Urban Development
City of Adelaide
Local Government

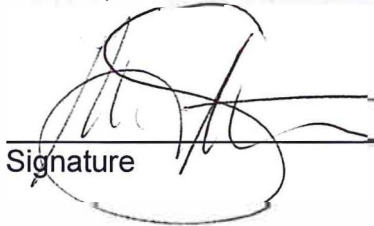
This annual report is to be presented to Parliament to meet the statutory reporting requirements of *Outback Communities (Administration and Management) Act 2009* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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 R Sutton

Director, Outback Communities Authority


Signature

26th September 2018
Date

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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) is 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, however is the same body corporate.

The OCA has responsibility for the management and 'limited' local governance of the unincorporated areas of South Australia along with articulating the views, interests and aspirations of outback residents. The region encompasses 63% of the State of South Australia and is home to approximately 3000 people who reside in a number of small townships and numerous small settlements including pastoral, farming and tourism enterprises.

From 1 July 2014 the OCA has been placed administratively within the Department of Planning Transport and Infrastructure (DPTI), accountable to the Minister for Transport, Infrastructure and Local Government as of 23 March 2018.

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.

Objectives of the Act

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

Objectives of the Outback Communities Authority

- To manage the provision of public services and facilities to outback communities; and
- 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.

Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
<p>Grow our Community</p> <p>Facilitate the improvement in the wellbeing of people living, working and visiting the Outback</p> <p>Working in partnership with other sectors of Government:</p> <ul style="list-style-type: none"> • instigate infrastructure projects that facilitate economic growth and are sustainable to meet the needs for the region, inclusive of: <ul style="list-style-type: none"> - All communities having access to mobile and internet communication by 2020 - An all-weather road network to key locations by 2030, including sealing the Strzelecki track - Installation of sustainable power supplies at all communities by 2020 - A network of 24-hour, all-weather airstrips for emergency use by 2020 - Ensuring access to potable water for communities - Improved waste management including the availability of recycling by 2020 • Develop partnerships with service providers to improve the quality of service provision to the Outback • Work to create attractive environments and conditions for professionals who work in the Outback • Establish an effective Services SA presence in the Outback • Ensure an appropriate level of Police presence in the Outback • Support the implementation of the recently completed OCA Regional Recreation and Sport Plan • Actively advocate for accessible and effective health services including aged care, emergency response and dental care 	<p>Delivering Frontline Services and Creating Jobs</p>

Key strategy	SA Government objective
<p>Grow our Economy</p> <p>Facilitate new opportunities and investment in the Outback</p> <p>Working in partnership with other sectors of Government:</p> <ul style="list-style-type: none"> • Develop creative economic development seed funding programs with flexible entry levels to grow new and existing businesses • Facilitate and support the development of an Outback Tourism strategy that promotes diversification of the economy, incorporates visitor experience opportunities and leverages the investment in Leigh Creek by December 2018 • Strongly advocate for innovative approaches to the delivery of services for children and young people to retain our young people in the Outback • Influence the development of a Regional Workforce Development Strategy that identifies regional opportunities for regional employment growth and educational opportunities 	<p>Creating Jobs and Unlocking Investment</p>
<p>Grow our Influence and Presence</p> <p>Facilitate understanding of the needs of Outback people and promote the OCA's key role in decision making for the Outback</p> <p>Working in partnership with other sectors of Government to:</p> <ul style="list-style-type: none"> • Bring to Government decision making an awareness of remote and very remote community issues, and promote the OCA as first point of contact for pivotal strategic decision makers on Outback matters 	<p>Delivering Frontline Services and Unlocking Investment</p>

Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Leigh Creek Transition	As the Leigh Creek community continues to transition to SA Government, much needed services including waste management collections, the ongoing management of the Leigh Creek Airport and town municipal services have continued to be managed and coordinated by the OCA.	This program has resulted in ongoing local employment and has opened up opportunities for new businesses within the township.
Outback Community Parks	Partnering with 9 outback communities, the OCA implemented 4 new and upgraded 5 existing recreational areas. This project commenced in June 2016 and was finalised in December 2017. A component of this project was the implementation of 2 water stations and 2 UHF repeaters for the outback. At the time of compiling this report, the 2 water stations were not fully commissioned.	This project increased the use of public spaces in 9 communities and was able to create local employment. The new UHF towers has strengthened the outback network of effective and reliable communications in areas where other communication services do not exist. The water stations, once commissioned, will provide potable water security in two of South Australia's most remote communities, Marla and Oodnadatta.

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
<p>Outback Sport and Recreation and Open Space Strategy</p>	<p>The Outback Sport and Recreation and Open Space Strategy included:</p> <ul style="list-style-type: none"> • consultation with the outback community and key stakeholders to determine current and future needs, demands, issues and opportunities with particular consideration of economic, environmental and social drivers for the region. • a facilities inventory, literature review, demographic and trend analysis. • identification of 10 prioritised actions. <p>In June 2018 the OCA and plan developers received a Strategic Planning Award for the Outback Sports Recreation and Open Space Strategy at the Parks and Leisure Conference SA and was nominated for a National Award.</p>	<p>The Outback Sport and Recreation and Open Space Strategy has provided clear recommendations for the development of good public policy on the role of the OCA in providing future investment and support for recreation and sport facilities in the outback.</p>
<p>Aboriginal Lands – Municipal Services Program</p>	<p>This project ensured the ongoing delivery of municipal services and delivered an animal health program to Aboriginal people residing in the Dunjiba Community in Oodnadatta, SA.</p>	<p>Provided local employment, and improved the overall wellbeing of Aboriginal people in the Dunjiba Community in Oodnadatta.</p>
<p>Far North Local Government</p>	<p>The OCA partnered with 4 regional councils to provide funding to Regional Development Australia Far North. Key performance areas in the agreement are specific to each council, the OCA's being to:</p> <ul style="list-style-type: none"> • undertake agreed tourism related actions from the Economic Growth and Investment Strategy in the OCA's area along with actions identified in the Roxby Downs Economic Growth and Investment Strategy specific to Andamooka, Pimba and Woomera. 	<p>Directly supported business in the outback, specifically Leigh Creek (as a result of Leigh Creek transitioning to SA Government).</p> <p>Improved telecommunications through the submission of a funding application to the Regional Growth Fund (Commonwealth) for mobile blackspot upgrades across the entire far north region.</p>

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Outback Water Stations	The OCA with funding received from the Building Better Regions Fund, implemented 2 outback water stations, located in Oodnadatta and Marla. At the time of writing this report, the 2 water stations were not fully commissioned.	Once the 2 water stations are fully commissioned they will provide water when required to local residents alleviating the reliance on rainwater for human consumption in an environment known for its drought conditions and also provide water to the travelling public.
Community Projects and Sponsorship	The OCA supports outback communities in their aspirations to sustain and improve the outback, often funding is sought to maintain local assets, develop new initiatives and hold outback events.	Seven communities were approved to receive project funding in 2017-18. The community projects provide opportunities for local employment, community cohesion and recreational events. Projects were managed by local volunteers and ranged from implementing new signage, purchasing equipment to assist with remote airstrip maintenance to local asset maintenance. The OCA also financially supports outback communities produce local newsletters proving to be a valuable communication tool.

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Youth Programs	<p>Youth events were held in Andamooka, Copley, Oodnadatta, Penong and Marree with good, strong local attendance. The events provide opportunities for youth to interact and gain organisational experience, resulting in positive social cohesion in the communities.</p> <p>In 2017-18 the OCA financially supported youth initiatives in the outback. Youths were funded to work for 50 hours on community projects in Andamooka while individual events were held in Oodnadatta, Copley, Marree and Penong.</p>	Youths gain organisational experience, confidence and resilience, having a positive effect on the entire community.

Legislation administered by the agency

Outback Communities (Administration and Management) Act 2009

Organisation of the agency

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 7 members, 4 are to be members of different outback communities and at least 1 member must be female and 1 a male. The members are appointed by the Governor. Appointments to the OCA Board are either for an 18 month term or a 3-year term, ensuring business continuity when membership changes. Members may apply for reappointment at the conclusion of serving their term.

On 14 December 2017 Minister for Local Government, the Hon Geoff Brock MP announced the appointment of 1 new member and the reappointment of 3 members to the OCA.

Throughout 2017-18 serving OCA members and their terms were:

- Ms Cecilia Woolford, Chairperson: 1 July 2016 – 30 June 2019
- Mrs Joyleen Booth: 1 July 2016 – 30 June 2019
- Mr Mark Fennell: 1 July 2016 – 30 June 2019
- Ms Jo Fort: 12 March 2015 – 31 December 2020 (reappointed)
- Ms Mary Marsland: 12 March 2015 – 31 December 2020 (reappointed)
- Mr Chris Michelmore: 12 March 2015 – 31 December 2020 (reappointed).
- Ms Tammy Roach: 1 January 2018 – 31 December 2020 (new appointment)
- Ms Jan Ferguson: 1 July 2016 – 31 December 2017

Support Staff

During 2017-18 the Office for the OCA in Port Augusta was supported by 6 permanent employees, 3 contracted employees and 1 trainee. In February 2018 the trainee successfully completed Certificate IV Community Development, having also achieved Certificate III Business Administration in 2017. The trainee ceased employment with the Office for the OCA on 9 March 2018 upon the completion of the Traineeship Program.

Since 1 January 2017 the OCA along with DPTI, SA Water and various other SA Government Agencies have overseen the transition of the Leigh Creek community to SA Government, which was as a result of Alinta Energy announcing that its Flinders Operations in Port Augusta and Leigh Creek would cease as of April 2016. The Leigh Creek transition was supported by 2 dedicated positions assigned to the OCA; the Northern Flinders Project Officer initially a 1-year contract position, subsequently extended until February 2019 and the Manager, Leigh Creek Contracts and Services position, initially a 1-year contract, extended until December 2018. The Northern Flinders Project Officer resigned in mid-April 2018, while the Manager, Leigh Creek Contracts and Services resigned in early July 2018. At the time of writing this report the Office for the OCA is providing support to the Leigh Creek community and managing the delivery of municipal services utilising existing resources.

The Andamooka Town Management Committee (a Section 11 Committee of the OCA) was supported by a local external contractor to provide administrative support. The Andamooka Town Management Committee ceased operations on 30 June 2018 which resulted in the Andamooka Progress and Opal Miners Association taking on the role of managing community assets. The Office for the OCA maintains a supporting role for the Andamooka community with regard to the delivery of municipal type services.

The 7 employees located in the Port Augusta office support 25 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, community development, providing assistance seeking external grants 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. <http://www.oca.sa.gov.au/OrgChart2018>

Employment opportunity programs

Program name	Result of the program
Youth Programs	<p>Created employment for three youths in the Andamooka community who planned and organised community events.</p> <p>Youth week events were held in Andamooka, Copley, Oodnadatta and Marree, providing an opportunity for young people to meet and participate in activities.</p> <p>Youth programs have a far reaching positive affect for regional communities.</p> <p>Funding to assist with Youth Week activities was administered by the Department for Communities and Social Inclusion.</p>
Aboriginal Lands – Municipal Services Program SA	<p>Created local employment and the opportunity to learn new skills. The program delivered municipal services to the Oodnadatta community.</p> <p>The OCA has successfully project managed these services for approximately 10 years.</p> <p>Funding for this program was administered by the Office of Local Government on behalf of the Minister for Transport, Infrastructure and Local Government.</p>
Outback Community Parks Project	<p>Improvements to recreational environs in 9 communities, created local employment, along with improvements to the existing UHF telecommunications capability and the implementation of 2 new water filtration stations.</p> <p>This was a complex program, commencing in June 2016 and finalised in December 2017.</p> <p>The Community Parks project benefitted from a large number of volunteer hours also encouraging local social cohesion, while the addition of 2 new UHF towers will value add to the OCA’s existing UHF network. The two water filtration stations will provide a water option in the remote communities of Marla and Oodnadatta, once they have been commissioned.</p> <p>Funding for this project was provided by the DPTI, Open Space and Places for People Grant Fund Program and PIRSA, Upper Spencer Gulf and Outback Futures Program.</p>
<p>All of the programs listed are consistent with the OCA’s 2015-2020 Strategic Management Plan – ‘Grow our Economy’, ‘Grow our Community’ and ‘Grow our Influence and Presence’ objectives.</p>	

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 the <i>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.
Performance and Learning Agreements	<p>In 2017-18 10 OCA staff (100%) participated in Performance and Learning Agreements, meeting with Line Managers to discuss work goals and performance measures. Training and development opportunities are included in the Agreements, complementing staff role descriptions by developing skills and capabilities for current and future roles.</p>
Training and Development Opportunities	<p>The OCA supports its staff and OCA Members with training and development opportunities. In 2017-18 the following training was undertaken, value adding to staff development and the OCA organisation:</p> <ul style="list-style-type: none"> • 6 staff completed First Aid • 7 staff completed ICT Security Awareness* • 7 staff completed Drug and Alcohol Awareness* • 7 staff completed White Ribbon* • 6 staff completed Fraud and Corruption Control* • 1 staff member attended 2 Sport and Recreation Forums • 1 staff member completed Business Case Training • 2 staff completed Polish Punctuation and Grammar Forum • 2 staff completed Dogs and Cats Online Platform Registration • 1 staff member completed Workplace Bullying and Occupational Violence training* <p>* Training directly related to position roles and supported by DPTI</p>

Work health, safety and return to work programs of the agency and their effectiveness

Program name and brief description	Effectiveness
Safety Walks	Safety Walks are a DPTI initiative to be undertaken at the workplace, including the building surrounds. The Safety Walks assist the OCA work toward continuous improvement for personnel and client wellbeing and safety.
Remote Travel	<p>Remote travel by OCA field operatives is undertaken regularly. The remote travel process in place ensures regular contact by field operatives with the office whilst in the field and continuous monitoring by office staff.</p> <p>SPOT GPS Messenger devices have been used by OCA staff since 2012 and are considered to be an integral part of the OCA's work, health and safety strategies. The SPOT devices are taken in vehicles and require the traveller to report on location and personal wellbeing when travelling.</p>
Team Meetings	<p>The OCA meet fortnightly to discuss matters relating to work, health and safety, project management and general staff workloads.</p> <p>In 2017-18, two emergency evacuations were successfully completed.</p>

Work health and safety and return to work performance

	2017-18	2016-17	% Change (+ / -)
Workplace injury claims			
Total new workplace injury claims	1	0	+100%
Fatalities	0	0	0
Seriously injured workers*	0	0	0
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0
Work health and safety regulation			
Number of notifiable incidents (<i>WHS Act 2012, Part 3</i>)	1	0	+100%
Number of provisional improvement, improvement and prohibition notices (<i>WHS Act 2012 Sections 90, 191 and 195</i>)	0	0	0
Return to work costs**			
Total gross workers compensation expenditure (\$)	13,609	0	+100%
Income support payments – gross (\$)	0	0	0

*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the *Return to Work Act 2014 (Part 2 Division 5)*

**before third party recovery

Data for the past five years is available at:

https://data.sa.gov.au/data/dataset?q=work+health+and+safety+return+to+work+performance&sort=extras_harvest_portal+asc%2C+score+desc%2C+metadata_modified+desc

[Data SA – South Australian Government Data Directory]

Fraud detected in the agency

The OCA did not find any evidence of fraudulent activity in the 2017-18 year.

Financial services are provided to the OCA by Shared Services and the 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:

- It's Financial Management Compliance Program (FMCP) for identification and treatment of non-compliance with key financial management and compliance objectives. The FMCP also provides the opportunity to assess whether any serious or systematic financial management issues exist that require intervention and/or additional educational activities. The OCA's FMCP when assessed by DPTI indicates that the OCA achieve a moderate to high level of compliance with financial management compliance objectives, giving reasonable assurance that the operations of the OCA are being managed.
- 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.

Data for the past five years is available at:

https://data.sa.gov.au/data/dataset?q=Fraud+detected+in+agencies&sort=extras_harvest_portal+asc%2C+score+desc%2C+metadata_modified+desc

[Data SA – South Australian Government Data Directory]

Whistle-blowers' disclosure

Throughout 2017-18 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*.

Data for the past five years is available at:

https://data.sa.gov.au/data/dataset?q=whistleblowers+disclosure&sort=extras_harvest_portal+asc%2C+score+desc%2C+metadata_modified+desc

[Data SA – South Australian Government Data Directory]

Executive employment in the agency

Executive classification	Number of executives
Director	1

Data for the past five years is available

at: https://data.sa.gov.au/data/dataset?q=executive+employment+in+sa+government&sort=extras_harvest_portal+asc%2C+score+desc%2C+metadata_modified+desc

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

Consultants

The OCA did not engage external consultants during 2017-18, however a summary of external contractors that were engaged by the OCA is provided below including the nature of work undertaken and the total cost of the work undertaken.

Data for the past five years is available

at: https://data.sa.gov.au/data/dataset?q=use+of+consultants+in+SA+government&sort=extras_harvest_portal+asc%2C+score+desc%2C+metadata_modified+desc

[Data SA – South Australian Government Data Directory]

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.

Contractors above \$10,000

Contractor	Purpose	Value \$
Contractors above \$10,000 each		
Aecom Australia Pty Ltd	Stormwater and capping assessments, Leigh Creek landfill	24,480
Buxcat Pty Ltd	Grounds maintenance, Leigh Creek Airport	54,125
Flinders Ranges Council	Collection of levies at Andamooka and Iron Knob	20,937
Dunjiba Community Council	Delivery of municipal services, Oodnadatta	64,790
W Ferguson	Town maintenance, Leigh Creek	58,397

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Contractor	Purpose	Value \$
Flinders Management Services	Waste management service, Leigh Creek	47,483
Hage Contracting Services	Town maintenance, Leigh Creek	25,340
A Hancock	Administration support, Andamooka	34,076
M Y Frahn Contracting	Waste management, Oodnadatta	13,200
Northern Earthmoving and Engineering Pty Ltd	Road maintenance, waste management, Andamooka	104,668
Outback Landscaping and Supplies Pty Ltd	Town maintenance, cleaning services, Andamooka	59,182
Redgum Vet and Pet Boarding	Veterinary services, Oodnadatta	10,775
E Strawbridge	Cleaning services, community waste management system maintenance, Marla	13,682
Tredwell Management	Sport, Recreation and Open Space Strategy	14,870
Contractors below \$10,000 each		
Airside Electrical	Electrical inspection, audit and equipment, Leigh Creek Airport	6,045
Allnew Ventures Pty Ltd	Landscaping, Oodnadatta	500
Collinson & Co	Trademark application	640
Cowell Electric	Repairs and maintenance, Innamincka	4,290
I D Consulting Pty Ltd	Administration and subscription	4,000
J F Mannion	Research	5,089
K Piper	Community park, Parachilna	2,500
RMBAS	Public convenience asset management plan	585
Staff Easy Pty Ltd	Youth programs	2,885
L Warren	Maintenance, Community Waste Management System Oodnadatta	9,109

Contractor	Purpose	Value \$
D Waters	Youth programs, Andamooka	4,842
Total all contractors		\$ 586,490
The OCA has a network of 19 public conveniences in remote locations throughout the unincorporated areas of South Australia. In 2017-18, 19 cleaning contractors were employed by the OCA to maintain the public conveniences to a high standard. The total cost of the cleaning contractors was \$194,924. Individual cleaning contractors have not been included in the tables above.		

Data for the past five years is available

at: https://data.sa.gov.au/data/dataset?q=contractors+engaged+in+SA+government&sort=extras_harvest_portal+asc%2C+score+desc%2C+metadata_modified+desc

[Data SA – South Australian Government Data Directory]

The details of all South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website [here](#).

The website also provides details of across Government contracts [here](#).

Financial performance of the agency

The following is a brief summary of the overall financial position of the Outback Communities Authority (OCA) and attached to this report are the full audited financial statements for 2017-18.

The OCA's principal funding sources are the Commonwealth Government's 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 2017-18 the OCA received \$1,495,000 through the Financial Assistance Grants and \$1,402,000 South Australian Government appropriation. The OCA received an increase in funding through the South Australian Government appropriation from 2016-17 due to the OCA taking on new responsibilities to support Leigh Creek as it transitions to an independent future. The OCA received \$831,000 funding specific to the Leigh Creek transition, including an allocation for staffing resources (refer to page 11).

In 2017-18 the transition of Leigh Creek to SA Government resulted in \$323,000 of assets from Flinders Power and 2 vehicles valued at approximately \$58,000 from DPTI being received by the OCA, free of charge. Maintenance programs have commenced for those items recognised as being of community value.

One of the more complex projects, the Outback Community Parks, was finalised in December 2017. The project jointly funded by DPTI Open Space and Places for People Grant Fund Program and PIRSA, Upper Spencer Gulf and Outback Futures Program saw the OCA receive \$336,064 grant funding over the course of 18 months. The OCA contributed \$254,675 toward the project while the communities participating in the project contributed \$83,724.

Funding administered by DPTI was received by the OCA to deliver the Municipal Services Program to the Oodnadatta community. The funding totalling \$107,000 (exclusive of gst) ensured services such as waste removal, town maintenance and a local animal management program was delivered.

As at 30 June 2018 the OCA had received a combined amount of \$303,000 from the Community Contribution Schemes in place in the Andamooka and Iron Knob communities.

Since 2012 the OCA has managed the maintenance of unsealed roads within the Andamooka community on behalf of DPTI. This arrangement continued in 2017-18, with funding totalling \$62,000 through a formal agreement between DPTI and the OCA.

Over the course of 2017-18 the OCA transitioned to Fleet SA vehicles, having owned vehicles in the past. As a result of the transition the OCA received \$83,000 from the sale of two Landcruisers.

An increase of approximately 9% in employee expenses from 2016-17 to 30 June 2018 can largely be attributed to the full year's employment of the Manager position based at Leigh Creek, funded through SA Government Appropriation.

In 2017-18 supplies and services expenditure reduced by approximately 14%, compared to 2016-17; one project that attributed to the reduction was the finalisation in December 2017 of the Outback Community Parks project.

When comparing 2017-18 and 2016-17 there is notably an increase in depreciation expenses of approximately \$329,000 which is attributed to the Leigh Creek transition and subsequent transfer of assets to the OCA.

The OCA continued to support remotely located communities in the unincorporated areas of South Australia throughout 2017-18 by providing \$173,000 in funding. The funding assisted with outback street lighting costs, supported communities deliver municipal services, implement local projects (see page 9), and supported outback social and recreational events. The OCA provided a 25% subsidy for outback community insurance costs, being approximately \$26,000.

The OCA owns a comprehensive range of infrastructure including remotely located airstrips, public conveniences, an extensive UHF network and community wastewater management systems. Approximately \$409,000 was spent on operational and ongoing maintenance ensuring the OCA's outback infrastructure is maintained to a high standard.

Refer to the 2017-18 Financial Statements for a full financial review.

Every three years the OCA revalue its non-current assets. Audit standards allow for each alternate three year review to be a desk top review. The Valuer-General's office undertook a desktop review of OCA owned assets in May 2017 to derive the assets value as at 1 July 2017. The total value of OCA non-current asset base is \$13,067,000. The 2020 asset review will be based on actual inspection of the asset.

The OCA asset base consists of various land and buildings located at Leigh Creek, and an extensive network of infrastructure in the unincorporated areas of South Australia being, 19 public conveniences, 2 airstrips, 40 UHF towers, 5 community waste water management systems (although one is non-operational) and the 2 new outback water stations (yet to be commissioned).

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 Communities Authority (OCA) is described as a council and where the Act refers to a council'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 South Australia (ESCOSA) of annual reports on regulatory compliance, price monitoring and financial operational performance data. The OCA has managed the Copley community water supply since 2011 repairing and maintaining the infrastructure, undertaking water meter readings and subsequently remitting tax invoices to landowners using water. With the departure of Alinta Energy from Leigh Creek, SA Water assume the responsibility of the supply of water to the town. SA Water are obliged to sell water to the OCA at the State wholesale price. The wholesale price is considerably higher than the subsidised price being asked by Alinta Energy. It soon became evident that the cost of water to the residents of Copley would be higher if the OCA maintained supply. Consultation began in November 2017 on the possible takeover of supply by SA Water. As of 1 July 2018 SA Water will take on full responsibility for the Copley water supply and as a result of this, the OCA will relinquish its ESCOSA license.

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

Summary of complaints by subject

Public complaints received by the Outback Communities Authority	
Category of complaints by subject	Number of instances
Service access, processes or procedure	2

Data for the past five years is available at:

https://data.sa.gov.au/data/dataset?q=public+complaints+received+SA+government&sort=extras_harvest_portal+asc%2C+score+desc%2C+metadata_modified+desc

[Data SA – South Australian Government Data Directory]

Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
Service access, processes or procedure	Complaints dismissed by Ombudsman

Appendix: Audited financial statements 2017-18

Certification of the financial statements

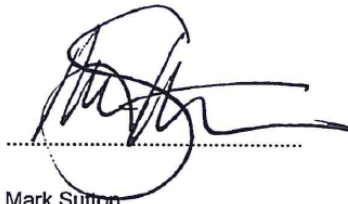
We certify that the:

- financial statements of the Outback Communities Authority:
 - are in accordance with the accounts and records of the Outback Communities Authority; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Outback Communities Authority at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Outback Communities Authority over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Cecilia Woolford
CHAIRPERSON
OUTBACK COMMUNITIES AUTHORITY

26 September 2018



Mark Sutton
DIRECTOR
OUTBACK COMMUNITIES AUTHORITY

26th September 2018

Outback Communities Authority (OCA)

Financial Statements

For the year ended 30 June 2018

Outback Communities Authority
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2018

	Note No	2018 \$'000	2017 \$'000
Expenses			
Employee benefit expenses	3	1 042	969
Supplies and services	5	1 923	2 230
Depreciation expense	6	712	384
Grants and subsidies	7	221	349
Other expenses	8	50	371
Total expenses		3 948	4 303
Income			
Advances and grants	9	1 830	2 840
Interest revenue	10	13	16
Resources received free of charge	12	362	6 401
Net gain from the disposal of non-current assets	11	83	-
Other income	13	532	635
Total income		2 820	9 892
Net cost of providing services		(1 128)	5 589
Revenues from SA Government			
Revenues from SA Government	14	1 402	1 220
Net revenues from SA Government		1 402	1 220
Net result		274	6 809
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		(1 430)	-
Total other comprehensive income		(1 430)	-
Total comprehensive result		(1 156)	6 809

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 2018

	Note No	2018 \$'000	2017 \$'000
Current assets			
Cash	15	1 359	1 113
Receivables	16	558	545
Total current assets		1 917	1 658
Non-current assets			
Property, plant and equipment	17	13 067	14 571
Total non-current assets		13 067	14 571
Total assets		14 984	16 229
Current liabilities			
Payables	18	92	204
Employee benefits	19	152	140
Total current liabilities		244	344
Non-current liabilities			
Payables	18	32	31
Employee benefits	19	344	334
Provisions	20	1	1
Total non-current liabilities		377	366
Total liabilities		621	710
Net assets		14 363	15 519
Equity			
Retained earnings		11 947	11 673
Asset revaluation surplus		2 416	3 846
Total equity		14 363	15 519

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 2018

	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2016	3 968	4 742	8 710
Net result for 2016-17	-	6 809	6 809
Total comprehensive result for 2016-17	-	6 809	6 809
Transfer between equity components			
Equity transfer on asset disposals	(122)	122	-
Balance at 30 June 2017	3 846	11 673	15 519
Net result for 2017-18	-	274	274
Gain (loss) on Revaluation of Property during 2017-18	(1 430)	-	(1 430)
Total comprehensive result for 2017-18	(1 430)	274	(1 156)
Balance at 30 June 2018	2 416	11 947	14 363

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 2018

	2018 \$'000	2017 \$'000
	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities		
Cash outflows		
Employee benefit payments	(1 020)	(949)
Supplies and services	(2 036)	(2 075)
Grants and subsidies	(221)	(349)
Other payments	(39)	(31)
Cash used in operations	(3 316)	(3 404)
Cash inflows		
Advances and Grants	1 830	2 840
Interest received	14	20
Other receipts	523	540
Cash generated from operations	2 367	3 400
Cash flows from (payments to) SA Government		
Receipts from SA Government	1 402	1 220
Cash generated from SA Government	1 402	1 220
Net Cash provided by (used in) operating activities	453	1 216
Cash flows from investing activities		
Cash outflows		
Purchase of property, plant and equipment	(307)	(240)
Cash Used in investing activities	(307)	(240)
Cash inflows		
Proceeds from sale of property, plant and equipment	100	-
Cash generated from investing activities	100	-
Net Cash provided by (used in) investing activities	(207)	(240)
Net increase / (decrease) in cash	246	976
Cash at 1 July	1 113	137
Cash at 30 June	1 359	1 113

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

Outback Communities Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2018

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: Basis of Financial Statements

a) 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 Transport, Infrastructure and 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 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.

b) 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. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Authority for the period ending 30 June 2018.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2018

c) Basis of Preparation

The financial statements have been prepared based on a 12 month period and presented in Australian currency. The historical cost convention is used unless another measurement basis is specifically disclosed in the notes.

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

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out below and within the Notes.

d) Taxation

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

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

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

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

e) Non-current 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.

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.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements then the assets are recognised at book value i.e. the amount recorded by the transferor public authority immediately prior to the restructure.

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.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2018

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	38-87
Plant and equipment	2-48

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 uses the gross method in accounting for its assets when non-current assets are revalued, with the exception of land. 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. Revaluation movements are recorded in the Revaluation reserves.

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.

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.

f) Unrecognised contractual commitments and contingent assets and liabilities

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

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

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

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2018

Note 3: Employee benefits expense

	2018	2017
	\$'000	\$'000
Salaries and wages	719	659
Board fees	68	76
Employment on-costs	139	127
Annual leave	73	67
Long service leave	32	30
Skills and experience retention leave	4	4
Other employee related expenses	7	6
Total employee benefit expenses	1 042	969

Targeted Voluntary Separation Packages (TVSPs)

No employees were paid TVSPs during the period from 1 July 2017 to 30 June 2018.

3.1 Remuneration of employees

	2018	2017
	Number	Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$167 001 - \$177 000 *	-	1
\$179 001 - \$189 000	1	-
Total Number of Employees	1	1

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration for 2017-18.

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.

3.2 Key Management Personnel

Key management personnel of the Authority include the Minister for Transport, Infrastructure and Local Government, the eight board members and the Director who have responsibility for the strategic direction and management of the Authority.

The total compensation for the Authority's key management personnel was \$275,468 (\$271,617). Salaries and other benefits the Minister for Transport, Infrastructure and Local Government receives are excluded from this total. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2018

Note 4: Remuneration of Board and Committee Members

Members that received remuneration for membership during the year were:

Outback Communities Authority

BOOTH J M
 FENNELL M A
 FERGUSON J D (appointment ended 31/12/2017)
 FORT J (re-appointed 1/01/2018)
 MARSLAND M P (re-appointed 1/01/2018)
 MICHELMORE C P (re-appointed 1/01/2018)
 ROACH, T S (appointed 1/01/2018)
 WOOLFORD C

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

	2018	2017
	Number	Number
\$1 - \$9 999	7	9
\$10 000 - \$19 999	-	3
\$20 000 - \$29 999	1	-
\$30 000 - \$39 999	-	1
Total Number of Members	8	13

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 \$74,000 (\$84,000). Mileage allowance paid to board members has not been included in the remuneration.

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.

Note 5: Supplies and services

	2018	2017
	\$'000	\$'000
Administrative costs	13	19
Utilities	164	91
Property expenses	361	548
Information technology	42	49
Materials and other purchases	26	38
Auditor's remuneration	34	33
Insurance	164	151
Plant, equipment and vehicle expenses	146	262
Operating leases	52	49
Other service contracts	799	814
Other	122	176
Total supplies and services	1 923	2 230

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2018

Note 6: Depreciation expense

	2018	2017
	\$'000	\$'000
Depreciation		
Buildings and infrastructure	624	303
Water, sewerage and drainage	45	55
Plant and equipment	43	26
Total depreciation expense	712	384

Asset useful life was reassessed in 2017-18, this review resulted in \$0.047 million increase in depreciation expense relative to the amount that would have been expensed based on the previous estimate of the useful life.

Note 7: Grant and subsidies

	2018	2017
	\$'000	\$'000
Community Affairs Resourcing Management Grants	155	254
Regional Development Initiatives	66	95
Total grants and subsidies	221	349

Note 8: Other expenses

	2018	2017
	\$'000	\$'000
Bad and doubtful debts expense	3	-
Community Levy	30	29
Asset write offs	11	340
Other	6	2
Total other expenses	50	371

Note 9: Advances and grants

	2018	2017
	\$'000	\$'000
Commonwealth Grants	1 502	2 177
Intra-government Transfers	328	647
Other	-	16
Total advances and grants	1 830	2 840

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

Financial Assistance Grants	1 495	2 177
Outback Community Parks	76	260
Andamooka Town Services	62	167
Dunjiba Municipal Services	107	104
Northern Flinders Project Officer	-	83
Other	90	49
Total advances and grants	1 830	2 840

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). For grants relating to agreements with conditional stipulations, income is recognised when the stipulations are met. When agreements have unconditional stipulations, income is recognised on execution of an enforceable agreement.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2018

Note 10: Interest revenue

	2018	2017
	\$'000	\$'000
Interest from the Department of Treasury and Finance	13	16
Total interest revenue	13	16

Note 11: Net Gain (Loss) from the Disposal of Non-Current Assets

	2018	2017
	\$'000	\$'000
Net gain (loss) from the disposal of non-current assets received / receivable:		
Plant and Equipment:		
Proceeds from disposal	100	-
Net book value of assets disposed	(17)	-
Net gain (loss) from disposal of plant and equipment	83	-

Note 12: Resources received free of charge

	2018	2017
	\$'000	\$'000
Land and buildings	-	6 401
Plant and equipment	362	-
Total resources received free of charge	362	6 401

In 2016-17, the Authority received free of charge land and buildings (\$6.401 million) of the township of Leigh Creek from the Generation Lessor Corporation. In 2017-18, the Authority received free of charge a further \$0.362 million for plant and equipment from the Generation Lessor Corporation.

Resources received free of charge were recognised at their fair value.

Note 13: Other Income

	2018	2017
	\$'000	\$'000
Recoveries/reimbursements	177	293
Community Contribution Scheme	303	309
Other	5	22
Airstrip landing fees	47	11
Total other income	532	635

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.

Note 14: Revenues from SA Government

	2018	2017
	\$'000	\$'000
Revenues from SA Government	1 402	1 220
Total revenues from SA Government	1 402	1 220

Revenues from SA Government for program funding are recognised as revenues where the Authority obtains control over the funding. Control over revenues from SA government is normally obtained upon receipt.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2018

Note 15: Cash

	2018	2017
	\$'000	\$'000
Deposits with the Department of Treasury and Finance	1 359	1 113
Total cash	1 359	1 113

Cash is measured at nominal amounts.

Note 16: Receivables

	2018	2017
	\$'000	\$'000
Current		
Receivables	45	64
Allowance for doubtful debts	(2)	-
Accrued revenues	464	432
Prepayments	51	49
Total current receivables	558	545
Total receivables	558	545

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally 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.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2018

Note 17: Property, plant and equipment

	2018	2017
	\$'000	\$'000
Land		
Land at fair value	72	94
Total land	72	94
Buildings and Infrastructure		
Buildings and infrastructure at fair value	25 180	23 266
Accumulated depreciation	(14 272)	(10 321)
Total buildings and infrastructure	10 908	12 945
Water, sewerage and drainage		
Water, sewerage and drainage assets at fair value	2 516	2 387
Accumulated depreciation	(1 199)	(1 034)
Total water, sewerage and drainage	1 317	1 353
Plant and equipment		
Plant and equipment at fair value	1 142	139
Accumulated depreciation	(804)	(114)
Total plant and equipment	338	25
Work in progress		
Work in progress	432	154
Total work in progress	432	154
Total property, plant and equipment	13 067	14 571

Valuation of property, plant and equipment

The valuation of property assets including Land, Buildings and Infrastructure and Water and Sewerage assets were valued by Valuer-General as at 1 July 2017. The Valuer-General 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
for the year ended 30 June 2018

Note 17.1: Property, plant and equipment (continued)

Reconciliation of property, plant and equipment

The following table shows the movement of property, plant and equipment during 2017-18:

2017-18	Land \$'000	Buildings and Infrastructure \$'000	Water, sewerage and drainage \$'000	Plant and Equipment \$'000	Work in Progress \$'000	Total \$'000
Additions	-	-	-	-	307	307
Transfer from works in progress	-	30	-	-	(30)	-
Disposals	-	-	-	(17)	-	(17)
Write offs	(11)	-	-	-	-	(11)
Resources received free of charge	-	-	-	362	-	362
Revaluations increment / (decrement)	(12)	(1 441)	8	15	-	(1 430)
Depreciation and amortisation	-	(624)	(45)	(43)	-	(712)
Other movements	1	(2)	1	(4)	1	(3)
Carrying amount at 30 June	72	10 908	1 317	338	432	13 067

The following table shows the movement of property, plant and equipment during 2016-17:

2016-17	Land \$'000	Buildings and Infrastructure \$'000	Water, sewerage and drainage \$'000	Plant and Equipment \$'000	Work in Progress \$'000	Total \$'000
Additions	-	-	-	-	240	240
Transfer from works in progress	-	158	-	-	(158)	-
Write offs	-	(94)	(246)	-	-	(340)
Resources received free of charge	20	6 381	-	-	-	6 401
Depreciation and amortisation	-	(303)	(55)	(26)	-	(384)
Other movements	-	-	-	1	-	1
Carrying amount at 30 June	94	12 945	1 353	25	154	14 571

Impairment

There were no indications of impairment of property, plant and equipment and infrastructure assets at 30 June 2018.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2018

Note 18: Payables

	2018	2017
	\$'000	\$'000
Creditors	26	-
Accrued expenses	46	185
Employment on-costs	20	19
Total current payables	92	204
Non-current		
Employment on-costs	32	31
Total non-current payables	32	31
Total payables	124	235

All payables are measured at their nominal amount. Accruals are raised for all amounts owing but unpaid and are normally settled within 30 days from the 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.

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 2017 rate (40%) to 41% and the average factor for the calculation of employer superannuation on-cost has changed from the 2017 rate (10.1%) to 9.9%. These rates are used in the employment on-cost calculation. The estimated impact on 2018 and 2019 is not expected to be materially different to the impact in 2017.

Note 19: Employee benefits-Liability

	2018	2017
	\$'000	\$'000
Current		
Annual leave	90	83
Skills and experience retention leave	7	7
Long service leave	40	33
Accrued salaries and wages	15	17
Total current employee benefits	152	140
Non-current		
Long service leave	344	334
Total non-current employee benefits	344	334
Total employee benefits	496	474

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2018

Employee benefits accrue as a result of services provided by employees 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.

Salaries and wages, annual leave, skills and experience retention leave and sick leave

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

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

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

Long service leave

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

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

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 remains unchanged from 2017 (2.5%).

The net financial effect of the changes to actuarial assumptions in the current financial year is minor. The impact on future periods is impracticable to estimate as long service leave is calculated using a number of assumptions- a key assumptions is the long term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 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.

The long service leave liability has been allocated between current and non-current liabilities using the leave pattern history of previous years.

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Note 20: Provisions

	2018	2017
	\$'000	\$'000
	\$'000	\$'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
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 of the outstanding liability as at 30 June 2018 provided by a consulting actuary engaged by the Office for the Public Sector (a division of the Department of Premier and Cabinet). The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

Outback Communities Authority
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Note 21: Unrecognised contractual commitments

Capital commitments	2018	2017
	\$'000	\$'000
Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:		
Within one year	-	102
Total capital commitments	-	102

There are no capital commitments in 2017-18. The capital commitment in 2016-17 relates to the construction and installation of two water stations at Oodnadatta and Marla.

Operating lease commitments	2018	2017
	\$'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	35	9
Later than one year but no later than five years	71	-
Total operating lease commitments	106	9

Representing:		
Non-cancellable operating leases	-	9
Total operating lease commitments	-	9

Operating leases relates to property and accommodation occupied by the Authority. The lease is cancellable, with rent payable monthly in advance for the property and accommodation lease. The term of the lease is 4 years.

Other commitments	2018	2017
	\$'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	78	215
Later than one year but no later than five years	-	68
Total other commitments	78	283

Other commitments relate to cancellable commitments arising from other service contracts and Regional Development Initiatives.

Note 22: Contingent assets and contingent liabilities

The Authority is not aware of any contingent assets or liabilities as at 30 June 2018.

Outback Communities Authority
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Note 23: Related Party Transactions

The Authority is a statutory authority established pursuant to the *Outback Communities (Administration and Management) Act 2009* and is wholly owned and controlled by the Crown.

Related parties of the Authority include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Transactions with Key Management Personnel and other related parties

Other than transactions described in the Notes, there were no transactions with key management personnel and other related parties during the year.

Note 24: Financial instruments/Financial risk management

Financial Risk Management

The Authority's exposure to financial risk (liquidity, credit and market) is low due to the nature of the financial instruments held.

The Authority is funded mainly from a Federal Government Financial Assistance Grant and Revenues from 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 2018 and 2017.

Note 25: Events after balance date

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

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2018

Note 26: New and Revised Accounting Standards and Policies

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Outback Communities Authority for the reporting period ending 30 June 2018.

The Outback Communities Authority has assessed the impact of:

- new and changed Australian Accounting Standards Board Standards and Interpretations not yet implemented; and
- changes to Accounting Policy Statements issued by the Treasurer.

26.1 AASB 15 – Revenue from Contracts and Customers

AASB 15 *Revenue from Contracts with Customers* will replace the existing AASB 118 *Revenue* and applies to reporting periods beginning on or after 1 January 2019. AASB 15 *Revenue from Contracts with Customers* introduces a five step process for revenue recognition with the core principle being to recognise revenue 'when control of a good or service transfers to a customer'. This is effectively when performance obligations have been met, rather than the former model of 'where the risk and rewards of ownership reside'. AASB 15 *Revenue from Contracts with Customers* will generally result in increased disclosures.

The changes in AASB 15 may result in changes to the timing and amount of revenue recognised by the Authority. Some revenue may need to be deferred to a later reporting period to the extent that the Authority has received cash but has not yet met the associated performance obligations.

AASB 1058 *Income of Not-for-Profit Entities* will replace a number of income recognition requirements under AASB 1004 *Contributions* and applies to reporting periods beginning on or after 1 January 2019. The timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. Where there is no liability to be recognised under another standard, or the liability is less than the fair value of the asset received then revenue is recognised.

The Authority has commenced assessing but not yet quantified the impact of applying AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* and the resulting impact on the statement of comprehensive income.

26.2 AASB 16 – Leases

AASB 16 *Leases* applies to reporting periods commencing after 1 January 2019. The application date for the Authority is 1 July 2019. AASB 16 will replace AASB 117 *Leases*.

This standard introduces a single accounting model for lessees. The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Authority, as lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments on the statement of financial position. AASB 16 substantially carries forward the lessor accounting requirements in AASB 117.

The Authority is in the process of analysing its current leasing arrangements based on AASB 16 and will apply the new standard from the reporting period beginning 1 July 2019. The impact of the new standard is yet to be quantified by the Authority – refer to Note 21 which outlines the Authority's current operating lease commitments.

INDEPENDENT AUDITOR'S REPORT

Government of South Australia

Auditor-General's Department



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**To the Chairperson
 Outback Communities Authority**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Outback Communities Authority (OCA) for the financial year ended 30 June 2018.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Outback Communities Authority as at 30 June 2018, their financial performance and their cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chairperson and the Director, Outback Communities Authority.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of Outback Communities Authority. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

Responsibilities of the Director and the members of the Outback Communities Authority for the financial report

The Director is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The members of the Outback Communities Authority are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Director and members of the Outback Communities Authority about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'A Richardson', with a long horizontal line extending to the right.

Andrew Richardson

Auditor-General

26 September 2018