

# Outback Communities Authority

## ANNUAL BUSINESS PLAN AND BUDGET

2018-19



Government of South Australia



Outback Communities Authority

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# Outback Communities Authority

## Annual Business Plan and Budget 2018-19

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, UHF repeater networks and water stations. 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 2012, in partnership with the Andamooka Progress and Opal Miners Association Incorporated 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 initial community contribution for 2012-13 was set at \$400 per property unit. The CCS has continued uninterrupted at the same level to 2018-19.

The Andamooka Progress and Opal Miners Association has again agreed to enter into a Community Affairs Resourcing and Management (CARM) Agreement which includes a community contribution for 2018-19. The OCA commenced consultation in April 2018 on the Andamooka Annual Budget and CARM Agreement including a community contribution. The CARM Agreement suggests a per annum cost of \$400 per property unit being a continuation of previous 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.

The Iron Knob Progress Association has again agreed to enter into a Community Affairs Resourcing and Management (CARM) Agreement which includes a community contribution for 2018-19. The OCA commenced consultation in April 2018 on the Iron Knob Annual Budget and CARM Agreement including a community contribution. The CARM Agreement suggests a per annum cost of \$240 per property unit being a continuation of previous CCS levels.

## Specific Focus for 2018-19

The OCA will:

- Facilitate and support the development of an Outback Tourism Strategy that promotes diversification of the economy and incorporates visitor experience opportunities.
- Develop partnerships with service providers and provide specific and targeted advice to government regarding innovative approaches to the delivery and improvement in services provided in the Outback.
- Influence the development of a Regional Workforce Development Strategy that identifies regional opportunities for regional employment growth and educational opportunities.
- Investigate infrastructure projects that facilitate economic growth and are sustainable to meet the needs of the region.
- Support the implementation of the recently completed OCA Regional Recreation and Sport Plan.
- Bring to Government decision-making an awareness of remote and very remote community issues, and promote the OCA as the first point of contact for pivotal strategic decision makers on Outback matters.
- Continue to promote the **oneOutback** Prospectus and the associated Strzelecki Track upgrade and Port Augusta Cross-Loading Facilities reports as the catalyst for strategic investment into the Outback Region.
- Publish the annual 'State of the Outback' report that identifies aspects of the outback that are important to people who live, work and visit the region.
- Promote 'Tread Lightly' communications and reduce and reuse themes that promote and protect the 'clean and green' image of the Outback. Projects include the implementation of recycling initiatives and land-fill reduction programs.
- Implement a quarterly publication promoting the regions successes, its lifestyle and shared experiences

## 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.
- Continue to provide municipal services to Leigh Creek.
- 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.

## **2018–19 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 Community
- Grow Our Influence and Presence

These objectives have a goal, driver and strategy to achieve the objective. The strategies are the point of focus for this Annual Business Plan.

## 2018-19 Annual Business Plan – Key Objectives, Goals and Strategies

Objective	Goal	Driver	Strategies
<b>Grow Our Economy</b>	'New' investment into the Outback	Outback economy	Using the <i>oneOutback Prospectus</i> as a catalyst, promote favourable environments for new investment
	Promote alternative income opportunities	Outback economy	In partnership with key stakeholders identify and actively support opportunities for economic development
	Enable communities to determine their priorities	Community sustainability	Source and distribute seed funding for start-up opportunities recognising the role of blended economies in the region
	Diversification and capitalisation to future-proof the Outback economy	Outback economy	To develop an Outback Tourism Strategy that promotes diversification in the economy and incorporates visitor experience opportunities
<b>Grow Our Community</b>	Improve the overall standard of community owned assets and provided services	Community sustainability	Asset management and cost-sharing principles introduced in the Community Affairs Resourcing and Management (CARM) agreement and through other flexible funding arrangements
	Clean and green Outback	Energy efficiency	Facilitate energy audits for communities to reduce energy demand by 2019
	Managing strategic infrastructure	Service provision	Improve public conveniences and signage in strategic locations by 2020
	Well maintained infrastructure supporting the Outback Community	Infrastructure investment	Finalisation and implementation of Asset Management Plans for OCA owned infrastructure
<b>Grow Our Influence and Presence</b>	Progressive and innovative policy development	Good governance	Continue to foster high standards of governance and accountability through CARM agreements and Community Contribution Schemes (CCS)
	Be effective leaders in supporting Outback Communities to achieve their aims	Leadership	Continue to articulate the views, interests and aspirations of Outback Communities
	Promote our region in a positive manner	Communication	Implementation of a quarterly publication promoting the regions successes, its lifestyle and shared experiences

## 2018-19 Budget

A summary of the 2018-19 Budget is provided and has been developed in accordance with the *Outback Communities (Administration and Management) Act 2009*. Management of the final Budget during 2018-19 will include regular monitoring reports to the OCA Board.

## Community Contribution Scheme – Andamooka and Iron Knob

Consultation in regard to the Andamooka and Iron Knob CCS for 2018-19 has been finalised with the relevant peak bodies seeking a CARM Agreement and CCS in both communities. The OCA will continue to work with 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 2018-19 OCA Budget includes the two communities CCS's continuing throughout 2018-19.

## Summary

The 2018-19 Budget sets out income, operating expenses and capital investment expenditure proposals consistent with the 2018-19 Annual Business Plan's key strategic objectives and ultimately the 2015 - 2020 Strategic Management Plan.

## 2018-19 OCA Budget

	2018-19 Draft Budget \$000	Notes
<b>Income</b>		
Financial Assistance Grants	1518	(1)
State Appropriations	1356	(2)
Community Contribution Scheme	300	(3)
Externally funded projects	181	(4)
Other	344	(5)
<b>Total Income</b>	<b>3699</b>	
<b>Operating Expenses</b>		
Employee Costs	1022	(6)
Supplies and Services	1809	(7)
Grants and Contributions	686	(8)
Depreciation	482	(11)
<b>Total Operating Expenses</b>	<b>3999</b>	
<b>Operating Surplus / (Deficit)</b>	<b>(300)</b>	
Less		
Capital Expenditure on Assets	182	(9)
Plus		
Depreciation	482	
<b>Net Surplus / (Deficit)</b>	<b>0</b>	<b>(10)</b>

## Notes:

- (1) Indexation of Federal Government Financial Assistance Grants.
- (2) Annual State Appropriation including funding specific to Leigh Creek operations.
- (3) Accrual of income from CCS levies planned for 2018-19 (i.e. same as 2017-18 levels).
- (4) Covers expected income for Oodnadatta Municipal Services and Andamooka and Copley Water Supplies.
- (5) Income from interest on OCA funds, outback airstrips, dog registrations and public toilet donations. Also includes an allocation for income to implement a proposed CCS specific to Leigh Creek - the OCA note that this will not be proceeding in 2018-19 and will address this matter in the mid-year budget review.
- (6) Includes Board Members' fees and employees supporting the transition of Leigh Creek to SA Government.
- (7) Includes expenses associated with the SA Government management of Leigh Creek, management of OCA owned assets and externally funded projects.
- (8) Includes community assistance through CARM Agreements and joint projects with non-government stakeholders. The budget for CCS payments does not include expenses of about \$65,000 associated with the collection of the CCS which are included under 'Employee Costs' and 'Supplies and Services'.
- (9) Caters for capital expenditure on new Outback Water Stations project (\$75,000 - Building Better Regions grant opportunity) and capital expenditure on renewal & replacement of existing OCA assets (\$107,000).
- (10) Net Surplus / (Deficit) equals Operating Surplus / (Deficit), less Net Outlays on Assets. The OCA does not envisage carry over from 2017-18, resulting in a balanced budget.
- (11) The Budget for depreciation expenses takes account of new OCA assets acquired in 2017-18 and new assets planned in 2018-19.



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