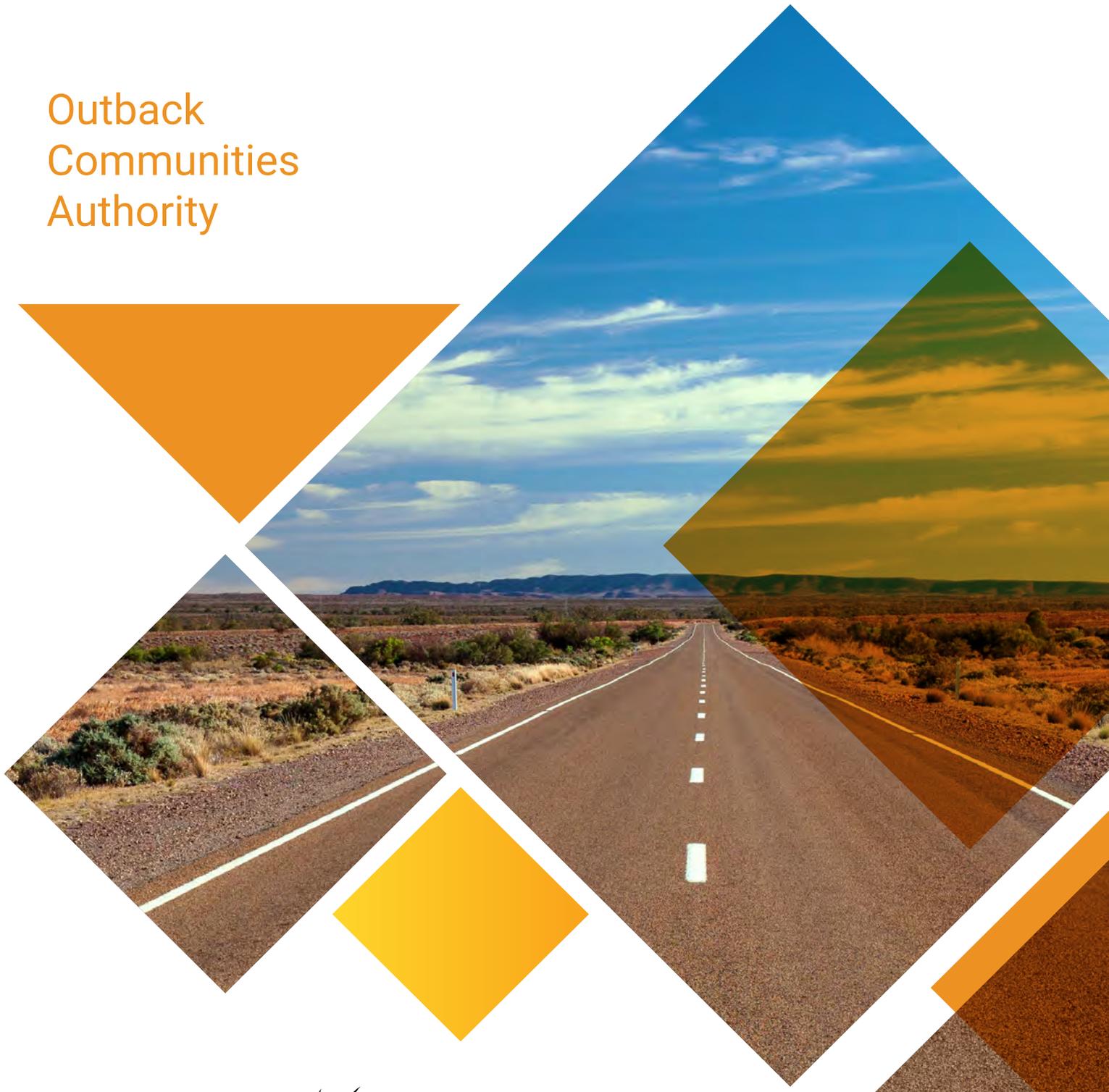


Outback Communities Authority



Government
of South Australia



Outback
Communities
Authority

ANNUAL BUSINESS PLAN AND BUDGET

2021-22



COMMUNITY CONSULTATION

The Outback Communities Authority (OCA) commenced consultation on its draft Business Plan and Budget for 2021-22 on 30 April 2021, seeking input from those with an interest in the Outback.

The annual Business Plan and Budget focuses on key issues for 2021-22. Being fundamentally linked to the OCA's Strategic Management Plan 2020-25, the Business Plan and Budget sets the Authority's priorities for 2021-22.

The public were encouraged to review the draft Business Plan and Budget and provide feedback directly to the OCA by close of Business 28 May 2021.

The document was available to download from the OCA's website, upon request by telephone or email and also from the Office for the OCA at 26 Mildred Street, Port Augusta West.

At its meeting held 27 May 2021, the Authority considered a report containing all submissions on the 2021-22 Business Plan and Budget and endorsed the document.



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PRESIDING MEMBER'S MESSAGE

Hello to all in the Outback,

The Annual Business Plan and Budget is an important accountability requirement under OCA legislation and provides a snapshot of our strategic and operational focus during the coming financial year.

The Business Plan sets out three objectives: growing our economy, sustaining our community, and increasing the influence and presence of the OCA.

This financial year will see the completion of the Outback Futures project, with final recommendations being delivered in December. This will be a critically important performance indicator for the OCA, delivering on all three of the key objectives guiding the Business Plan, particularly sustainability of our volunteer led governance model.

Concluding Outback Futures activities this year will include further community consultation, which specifically addresses the development of a financial model to support ongoing recurrent costs of services and community support needs.

Alongside this it will be a busy year as a significant program of infrastructure upgrade or replacement is undertaken, including public toilet upgrades at nine locations in the OCA region.

Much of this work will be funded by concluding implementation of allocations under the Australian Government's Drought Communities Programme (Round 2, \$1m) and the Local Roads and Community Infrastructure Program (2 rounds, totalling \$4m).

Over two years, this funding has supported a wide range of community projects in the Outback, investments which will have a lasting impact in terms of economic stimulus and improving community morale.

I look forward to an ongoing conversation with Outback communities through the planned consultation and Business Plan implementation.

Bill McIntosh AM

DIRECTOR'S MESSAGE

This Outback Communities Authority's Annual Business Plan and Budget 2021-22 is the operational plan to support the Outback Community for the year ahead. As we navigate towards a 'COVID Normal' community, careful consideration on how we support communities will need to be given. Additional resources within the Office for the OCA will come online this financial period, and as they find their footing, increased support will be provided that will in turn drive community economic and social sustainability.

The Outback Futures Project will draw to a close this year, extensive community consultation and engagement will occur as the OCA seeks community input to guide the design of a long-term governance model that addresses sustainability and liveability for the Outback.

It's an exciting time to be in the Outback and I am confident that this Annual Business Plan and Budget 2021-22 will support the views, interests and aspirations of the Outback Community.
#oneOutback

Mark Sutton





ABOUT THE OUTBACK COMMUNITIES AUTHORITY



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

It has responsibility for the efficient and accountable administration and management of Outback Communities along with promoting participation of Outback Communities in their administration and management. The OCA also has the ability to raise revenue for public services and facilities in the unincorporated areas of South Australia. This unincorporated area 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 in the Office for the OCA who are assigned by the Attorney Generals Department and are responsible for the effective governance and management of OCA affairs.

In essence, the OCA's role, in partnership with Outback Community organisations, facilitate and support 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 two specific, yet fully integrated, units within the Office for the OCA. These units together represent the broad business focus for the OCA:

- Corporate; and
- Community Services.

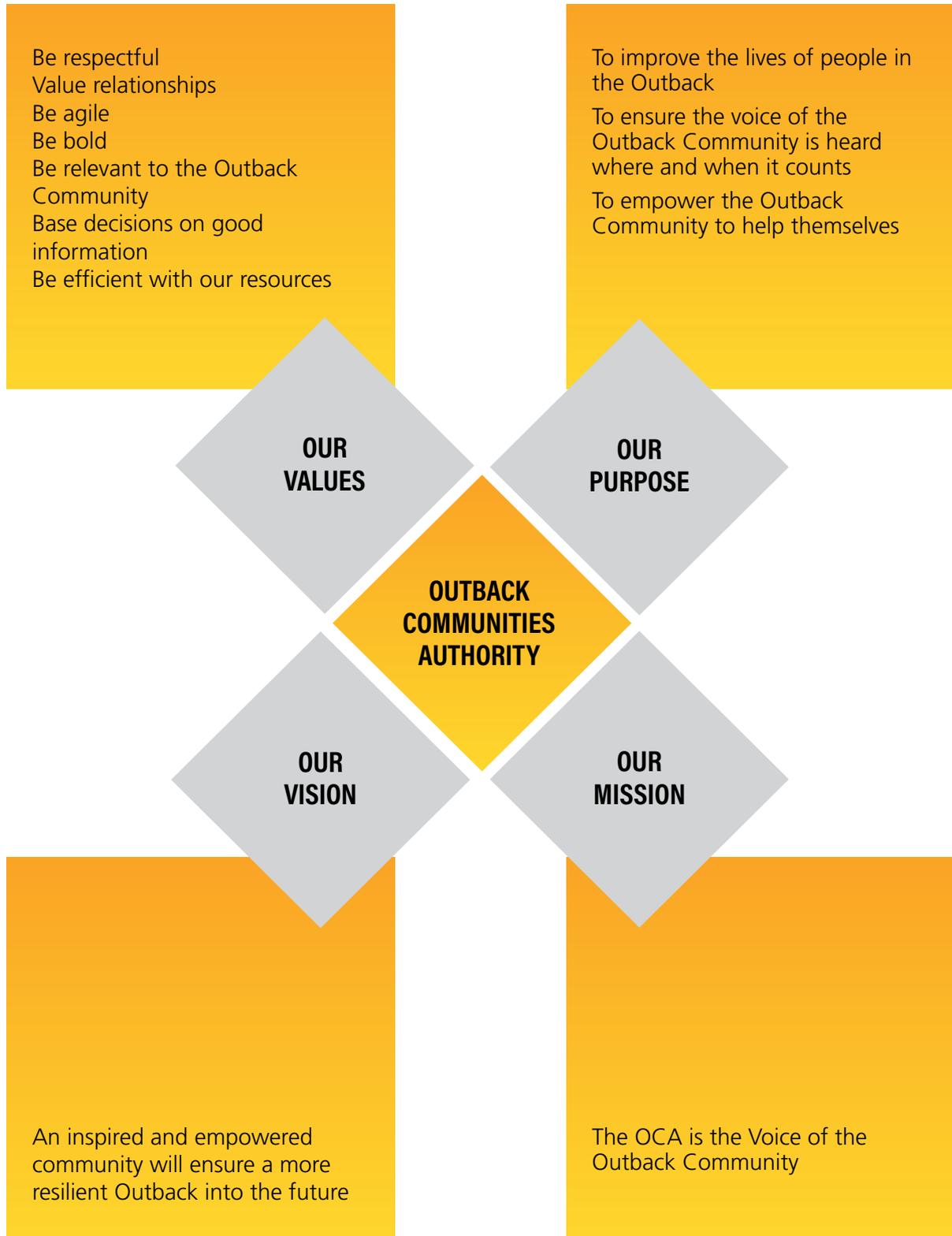
FUNCTIONS AND OBJECTIVES

The OCA's area of responsibility includes the unincorporated areas of South Australia, some 625,000 square kilometres or about 63% of the State.

Outback region 63% of SA



OCA PURPOSE, MISSION, VISION AND VALUES



FUNDING LOCAL SERVICES AND FACILITIES

The OCA is funded through a variety of sources, however predominantly through 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 to provide funding assistance for 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).

To assist the OCA in the provision of services to Outback Communities the OCA has two revenue raising mechanisms; a Community Contribution Scheme (CCS) is a community specific levy and the Asset Sustainability Levy (ASL) is a whole of region levy. Both are similar to council rates applied under the *Local Government Act 1999*.





COMMUNITY CONTRIBUTION SCHEME – ANDAMOOKA

In early 2012, in partnership with the Andamooka Progress and Opal Miners Association Incorporated, community consultation was undertaken to enable community input into a Community Plan, Financial Plan and Budget. The consultation initiative included mail-outs, media statements and community meetings. Subsequently, a CCS was implemented at the request of the Andamooka Progress and Opal Miners Association with the wide support of the Andamooka community. The community contribution for 2012-13 was set at \$400 per property unit. The CCS has continued uninterrupted and at the same level to 2020-21.

The Andamooka Progress and Opal Miners Association Incorporated has provided in principle agreement to enter into a Community Affairs Resourcing and Management (CARM) Agreement which includes a community contribution for 2021-22. The OCA commenced consultation in May 2021 on the Andamooka Annual Budget and CARM Agreement including a community contribution and CCS for the continuance of the CCS in Andamooka in 2021-22. Community consultation on the CARM Agreement suggests a per annum cost of \$400 per property unit being a continuation of current CCS levels.

COMMUNITY CONTRIBUTION SCHEME – IRON KNOB

Early in 2013, the Iron Knob Progress Association Incorporated 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 CCS has continued uninterrupted at the same level to 2020-21. The Iron Knob Progress Association Incorporated has provided in principle agreement to enter into a CARM Agreement which includes a community contribution for 2021-22. The OCA commenced consultation in May 2021 on the Iron Knob Annual Budget and CARM Agreement including a community contribution and CCS for the continuance of the CCS in Iron Knob in 2021-22. Community consultation on the CARM Agreement suggests a per annum cost of \$240 per property unit being a continuation of current CCS levels.



COMMUNITY CONTRIBUTION SCHEME – LEIGH CREEK

On 1 January 2016 the OCA commenced providing municipal services into Leigh Creek in a manner consistent with what was previously provided by Alinta Energy who leased the township from the State Government until 30 December 2015. To provide these services the OCA was provided a specific allocation from the State Government with the clear understanding that it did not impact on the existing OCA budget.

Funding provisions for these services were originally allocated until the end of the 2020-21 financial year, by which time it was expected the future of Leigh Creek would have been decided and implemented. A provision was made in the allocation of funds to the OCA for a portion to be generated through the application of a CCS commencing from the 2018-19 financial year. The Leigh Creek CCS was not implemented due to land tenure and occupancy issues not being resolved to allow a CCS to be applied. This matter remains unresolved and the OCA will not be introducing a CCS into Leigh Creek in the 2021-22 financial year. Provision has been made in the OCA's forward estimates for both income and expenditure of this CCS, of the value of \$159,000, however this will be corrected in consultation with the Department of Treasury and Finance.



In December 2018 the OCA sought an increase in its State appropriation to undertake works on assets that service Outback Communities. In the 2019-20 State budget the State Government announced that the OCA would be introducing an ASL across the Outback to generate the revenue sought through the December 2018 request to increase the OCA's appropriation.

The ASL was to be introduced 1 July 2019. The OCA advised the State Government that it would not consider introducing an ASL without first undertaking a broad and comprehensive engagement process with Outback people asking their views and aspirations and how to achieve a better and more resilient community into the future.

The engagement process was expected to commence by the end of the 2019-20 financial year, however due to restrictions relating to the COVID-19 pandemic, it did not commence until August 2020. Following the conclusion of initial consultation a report on the process was provided to the Minister for Planning and Local Government. Further consultation with the Outback Community continues in 2021 and will be finalised in December with recommendations being delivered to the Minister.

Provision has been made in the OCA's forward estimates for both income and expenditure of the ASL, to the value of \$740,000, however the ASL will not be introduced in the 2021-22 financial year and will be corrected in consultation with the Department of Treasury and Finance.

ASSET SUSTAINABILITY LEVY



FOCUS FOR 2021-22

The OCA will:

- Continue to foster and support 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 - \$70,000.
- Continue to support the implementation of the OCA Regional Recreation and Sport Plan through the supported STARCLUB Field Officer program extension - \$50,000.
- Publish the annual 'State of the Outback' report that identifies aspects of the Outback that are important to people who live, work, invest and visit the region in December 2021 - \$5,000.
- Continue to support the quarterly publication of the 'oneOutback' newspaper promoting the regions successes, its lifestyle and shared experiences - \$15,000.
- Deliver upgrades to public conveniences at Yunta, Manna Hill and Angorichina by June 2022 - \$60,000.
- Undertake condition assessment of the Marla Community Waste Water Management System by June 2022 - \$30,000
- Deliver new public conveniences at Marla, Oodnadatta, Marree, Iron Knob, Andamooka and William Creek by December 2021 - \$1,225,000 (externally funded).
- Continue to provide municipal services to Leigh Creek - \$845,000.
- Support the Community Contribution Scheme (CCS) in Andamooka and Iron Knob - \$70,000.

2021-22 KEY STRATEGIES

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

- Grow Our Economy
- Sustain 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.

	Goal	Driver	Key Performance Indicator
Grow Our Economy - facilitate new opportunities and new investment in the Outback	Support the development of Outback tourism strategies and opportunities that promote diversification of the economy and incorporate enhanced visitor experiences that capitalise on the natural beauty of the region	Outback Economy	Partner with the Flinders Ranges and Outback Tourism Committee to identify and invest in opportunities to grow the visitor economy – ‘Aussie Travel Code’ signage and collateral widely distributed in the region by the end of the 2022 fy.
	Initiate a Regional Workforce Development Strategy that identifies current and future regional opportunities to promote regional employment growth and educational opportunities	Outback Economy	Partner with Regional Development Australia Far North to prepare a strategic plan to deliver regional employment growth and educational opportunities – Quarterly reports tabled at OCA meetings.
	Develop favourable environments for new investment in the Outback through the continual improvements in essential services and infrastructure	Outback Economy	In partnership with communities support the development of community based strategic and community development planning – Twenty plans completed by the end of the 2022 fy.
	Identify and actively support opportunities for diversification that create sustainable economic development in the region	Outback Economy	Five new initiatives identified to business case stage by the end of the 2022 fy.

Sustain our Community - promote a shared vision for improving the 'liveability' of the Outback for those that live, work and visit	Goal	Driver	Key Performance Indicator
	Advocate for the development of infrastructure that facilitates economic growth and is 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 2025 • An all-weather road network to key locations by 2030, including sealing the Strzelecki track • Installation of sustainable power supplies at all communities by 2030 • Sealing an additional 2 airstrips by 2022 • Ensuring access to potable water for communities by 2022 • Improved waste management including the availability of recycling by 2022 	Service Provision	Partner with Outback Communities and service providers to identify infrastructure gaps and priorities then seek investment to implement – Report from the Director to the OCA on achievements each meeting.
	Develop partnerships with service providers to improve the quality of service provision to the Outback	Service provision	Increase the service provider and partnership network for the Outback – Report from the Director to the OCA on achievements each meeting
	Work to create attractive environments and conditions for existing and new members of the Outback Community	Liveability	In partnership with communities support the development of community based strategic and community development planning - Twenty plans completed by the end of the 2022 fy.
	Support the implementation of the Regional Recreation and Sport Plan	Liveability	Five community recreation and sport projects completed by the end of the 2022 fy.

Grow Our Influence and Presence - Articulate the needs of Outback people and promote the OCA's key role in decision making for the Outback	Goal	Driver	Key Performance Indicator
	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	Leadership	Through strategic relationships continue to articulate the views, interests and aspirations of Outback Communities to all levels of Government and Industry operating in the region – Report from the Director to the OCA on achievements each meeting.
	Undertake a broad and comprehensive engagement process with Outback people asking their views and aspirations and how to achieve a better and more resilient community into the future.	Leadership	Through the work of the 'Outback Futures' Project deliver a detailed strategic plan to support the potential introduction of an Outback levy by December 2021
	Be effective leaders in supporting Outback Communities to achieve their aims	Community support	Report from the Director to the OCA on achievements each meeting
	Continue to foster high standards of governance and accountability through CARM agreements	Good governance	Annual CARM agreements provide a clear mechanism for OCA support and investment into Outback Communities, they also clearly define the governance expectations on a community – All CARM agreements completed and executed in accordance with OCA policy.
	Continue to implement a communications strategy that: <ul style="list-style-type: none"> • Promotes key messages for priority issues • Celebrates our successes • Promotes the positive aspects of Outback lifestyle and the beauty of the Outback • Effectively engages with Outback Communities so that they remain informed 	Community support	The 'oneOutback' newspaper will be published quarterly

BUDGET SNAPSHOT OF 2021-22

The 2021-22 Budget has been developed in accordance with the *Outback Communities (Administration and Management) Act 2009*. Management of the Budget during 2021-22 will include regular monitoring reports to the OCA Board.

To achieve the end of year budget outcomes close monitoring of the budget will need to occur with a mid-year budget review required to address efficiencies and inefficiencies.

The OCA has identified the following headline programs for 2021-22, specific to the infrastructure portfolio (some of which are subject to the attraction of new investment):

- 'Outback Futures' community engagement project
- Marla, Oodnadatta, William Creek, Marree, Andamooka and Iron Knob public convenience replacement
- Marla Community Waste Water System condition assessment

The OCA will continue to deliver on round 2 of the Australian Government's Drought Communities Programme (\$1m) and the Local Roads and Community Infrastructure Program (two rounds totaling \$4m) with all projects expected to be finalised by 30 December 2021.

2021-22 OCA BUDGET

The 2021-22 Budget sets out income, operating expenses and capital investment expenditure proposals consistent with the 2021-22 Business Plan and 2020 - 2025 Strategic Management Plan.

	2021-22 Draft Budget \$'000	Notes
Income		
Financial Assistance Grants	1,666	(1)
State Appropriations	1,620	(2)
Community Contribution Scheme / Asset Sustainability Levy (not implemented)	1,199	(3)
Externally funded projects	120	(4)
Other	242	(5)
Total Income	4,847	
Operating Expenses		
Employee Costs	1,310	(6)
Supplies and Services	2,057	(7)
Grants and Contributions	974	(8)
Depreciation	778	(11)
Total Operating Expenses	5,119	
Surplus / (Deficit)		
Operating Surplus / Deficit	-272	
Less Capital Expenditure on Assets	-497	(9)
Plus Depreciation	778	
Net Surplus / (Deficit)	9	(10)

2021-22 BUDGET 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 Community Contribution Scheme (CCS) levies planned for 2021-22 (i.e. same as 2020-21 levels). Also includes an allocation from an Asset Sustainability Levy (ASL), that won't be implemented, (\$740,000) and a CCS specific to Leigh Creek, that won't be implemented, (\$159,000) - the OCA will address this matter with the Department of Treasury and Finance.
4. Covers expected income from the Oodnadatta Municipal Services program and Andamooka Water Supply.
5. Income from interest on OCA funds, outback airstrips, dog registrations, public toilet donations and outback community insurance.
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 annual community CARM Agreements. Also includes joint projects with non-government stakeholders. The budget for CCS payments does not include expenses of about \$70,000 associated with the collection of the CCS which are included under 'Employee Costs' and 'Supplies and Services'. The OCA note that \$440,000 will not be spent due to a proposed ASL not proceeding in 2021-22 and will address this matter with the Department of Treasury and Finance.
9. Caters for capital expenditure on renewal and replacement of existing OCA assets (\$197,000) and an allocation for capital outback infrastructure through a proposed ASL (\$300,000) - the OCA note that a proposed ASL will not be proceeding in 2021-22 and will address this matter with the Department of Treasury and Finance.
10. Net Surplus / (Deficit) equals Operating Surplus / (Deficit), less Net Outlays on Assets.
11. The Budget for depreciation expenses takes account of new OCA assets acquired as a result of Leigh Creek transitioning to SA Government.







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