

Outback Communities Authority
ANNUAL BUSINESS PLAN AND BUDGET
2020-21





Community Consultation

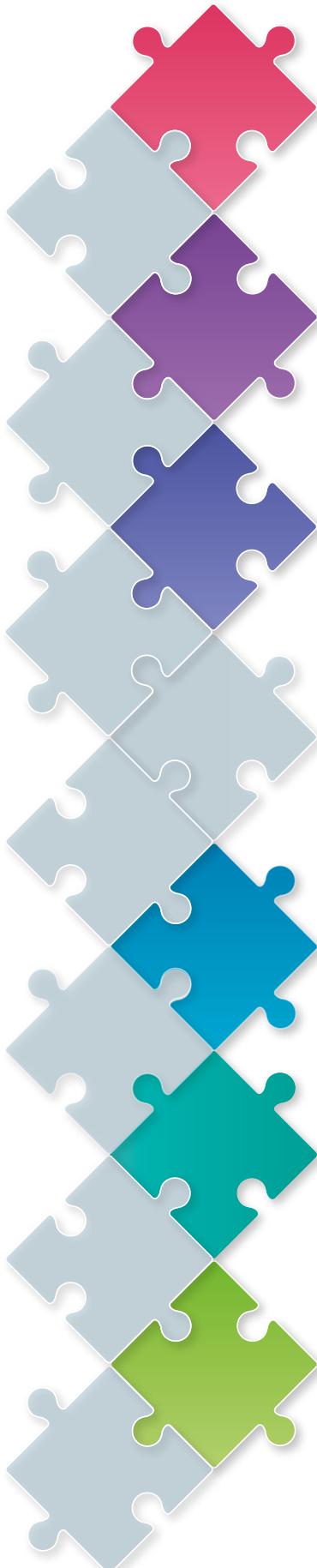
The Outback Communities Authority (OCA) commenced consultation on its draft Business Plan and Budget for 2020-21 on 30 April 2020, seeking input from those with an interest in the Outback.

The annual Business Plan and Budget focuses on key issues for 2020-21. Being fundamentally linked to the Strategic Management Plan 2020-25 the Business Plan and Budget sets the Authority's priorities for 2020-21.

The public were encouraged to review the draft Business Plan and Budget and provide feedback directly to the OCA by close of business 29 May 2020.

The document was available from the Office for the OCA at 12 Tassie Street, Port Augusta upon request by telephone or email and also from the website.

At its meeting held on 28 May 2020, the Authority considered a report containing all submissions on the 2020-21 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 a key responsibility for the OCA under its legislation, ensuring that we remain accountable to you, our primary stakeholders. We aim to make appropriate and balanced investments in the communities, work efficiently with other agents or providers, think strategically, and lever the best outcomes to maximise benefits for all.

We start the year with most of the region still in prolonged drought and with all of us deeply concerned by the effects and uncertainty of the COVID-19 pandemic. On the brighter side, the OCA will continue to administer the Australian Governments Drought Communities Programme, which, with two rounds totalling \$2m, has allowed many great community projects to be brought forward in our region.

Despite this, the OCA believes sustainability issues remain and a major initiative within this Business Plan is the Outback Futures Project. This will consult you and your community about the future of the region, asking important questions such aswhat services and infrastructure are needed, what funding arrangements should apply and how you would like your region to be represented.

The OCA hopes it will receive some clear messages which can be represented in its recommendations to the Minister by the end of the calendar year. I urge everyone to get involved in this critical discussion about our future.

Bill McIntosh AM

DIRECTOR'S MESSAGE

The OCA Annual Business Plan and Budget 2020-2021 is the operational plan for the forthcoming year that seeks to address the objectives, goals and strategies contained in the recently released 2020-2025 OCA Strategic Management Plan.

It is going to be a challenging year for the Office for the OCA; traditional levels of support and interaction are going to be hard to achieve, however we are up for the challenge and we will find new and innovative ways to engage and support you, the Outback Community, and we will continue to source new investment to support your aspirations.

As I write this foreword, the OCA is currently inviting the Outback Community and regional stakeholders to identify what is wanted and needed for the long term sustainability of the Outback as its own unique and autonomous region of South Australia. Called the Outback Futures Project, its outcomes will guide the design of improvements to the OCA model for the provision of services, support and investment in the Outback.

As I said last year, it's an exciting time to be in the Outback and I am confident that this Annual Business Plan and Budget 2020-2021 will support the views, interests and aspiration of the Outback Community.

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 Department of Planning, Transport and Infrastructure and are responsible for the effective governance and management of OCA affairs.

In essence, the OCA's role, in cooperation with local community peak bodies where appropriate, 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.

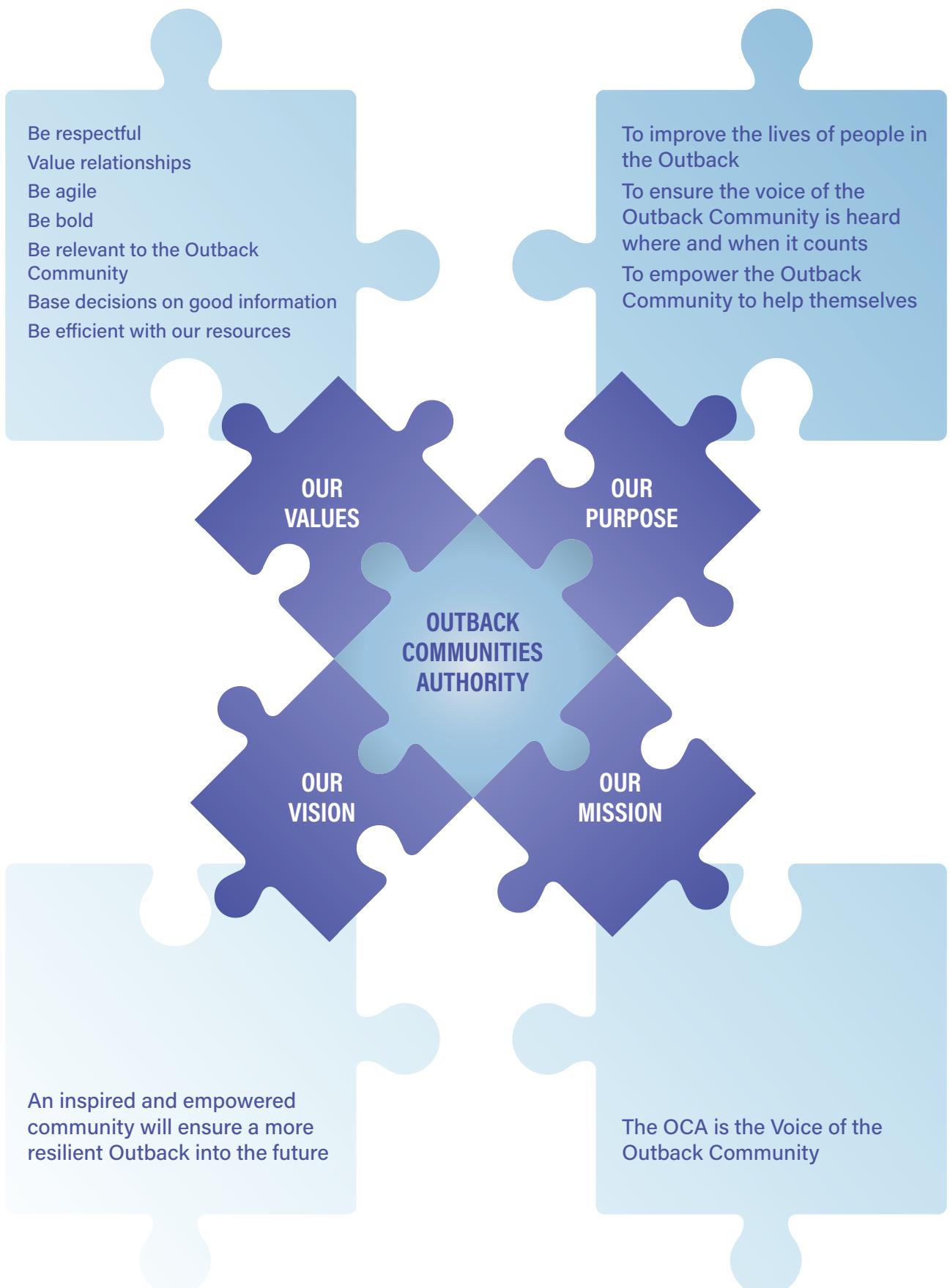
FUNCTIONS AND OBJECTIVES

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 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 community contribution for 2012-13 was set at \$400 per property unit. The CCS has continued uninterrupted and at the same level to 2019-20.

Consultation commenced on the Andamooka Progress and Opal Miners Association Incorporated 2020-21 Community Affairs Resourcing and Management (CARM) Agreement on 15 April 2020, concluding on 31 May 2020.

The Andamooka Progress and Opal Miners Association Incorporated has agreed to enter into a Community Affairs Resourcing and Management (CARM) Agreement which includes a community contribution for 2020-21. The OCA commenced consultation in April 2020 on the Andamooka Annual Budget and CARM Agreement including a community contribution for the continuance of the CCS in Andamooka in 2020-21. 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 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 2019-20. The Iron Knob Progress Association Incorporated has provided in principle agreement to enter into a CARM Agreement which includes a community contribution for 2020-21. The OCA commenced consultation in April 2020 on the Iron Knob Annual Budget and CARM Agreement including a community contribution for the continuance of the CCS in Iron Knob in 2020-21. Community consultation on the CARM Agreement suggests a per annum cost of \$240 per property unit being a continuation of current CCS levels.

Community meetings were not able to be held due to COVID-19 restrictions however interested parties were encouraged to contact the Office of the OCA with any questions or comments. At the completion of both consultations, submissions received were provided to the OCA at a meeting held on 18 June 2020; the OCA sought the consent from the Minister to the fixed charge for Andamooka at \$400 per property unit and \$240 for Iron Knob per property unit. On 4 August 2020 the OCA received approval from the Minister for Planning and Local Government for the implementation of community contributions for the Andamooka and Iron Knob communities for the 2020-21 financial year.



COMMUNITY CONTRIBUTION SCHEME - Leigh Creek

On 1 January 2016 the OCA commenced providing municipal services into Leigh Creek in a 'business as usual' 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 2020-21 financial year. Provision has been made in the OCA's forward estimates for both income and expenditure of this CCS, of the value of \$155,000, however this will be corrected in the mid-year budget review.





ASSET SUSTAINABILITY LEVY

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 Asset Sustainability Levy (ASL) across the Outback to generate the revenue sought through the December 2018 request to increase the OCA's appropriation.

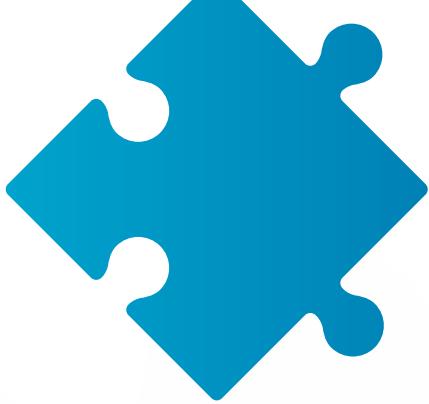
The ASL was to be introduced 1 July 2019. The OCA advised the State Government that it would not consider introducing an ASL without first undertaking a broad and comprehensive engagement process with Outback people asking their views and aspirations and how to achieve a better and more resilient community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

The engagement process was expected to commence by the end of the 2019-20 financial year, however due to the restrictions relating to the COVID-19 pandemic, this was delayed.

In early July 2020 the OCA launched the engagement process through the Outback Futures Project, inviting the Outback Community and regional stakeholders to participate in the consultation and engage in a lively and positive conversation about what is needed to take hold of the opportunities and make the Outback region an even better place to live, work and visit into the future. At the completion of the consultation, the OCA will provide a recommendations report to the Minister by the end of the calendar year 2020. At the time of producing this report, the consultation was still active.

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 2020-21 financial year and will be corrected in the mid-year budget review.

FOCUS FOR 2020-21



SIGNIFICANT INFLUENCES AND PRIORITIES

- Through partnerships, develop an 'Economic Recovery Plan' that supports the promotion and reinvigoration of the visitor economy severely affected by the economic downturn of both the extended drought and COVID-19 restrictions - \$30,000.
- 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 - \$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 2020 - \$5,000.
- Continue to support the quarterly publication of the 'oneOutback' newspaper promoting the regions successes, its lifestyle and shared experiences - \$15,000.
- Deliver new public conveniences and showers at Parachilna by December 2020 - \$136,000.
- Deliver one Outback Water Station to Innamincka - \$180,000.
- Public toilet signage audit and upgrade - \$15,000.
- Continue to provide municipal services to Leigh Creek - \$759,000.
- Support the Community Contribution Scheme (CCS) in Andamooka and Iron Knob - \$70,000.



2020-21 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.

GROW OUR ECONOMY - facilitate new opportunities and new investment in the Outback	Goal	Driver	Strategies
	Support the development of Outback tourism strategies and opportunities that promotes diversification of the economy and incorporates 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
	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
	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
	Identify and actively support opportunities for diversification that create sustainable economic development in the region	Outback Economy	Partner with industry to develop a post COVID-19 and Drought Economic Recovery Plan that identifies and leverages investment in and support for economic diversification across the region

SUSTAIN OUR COMMUNITY - promote a shared vision for improving the 'liveability' of the Outback for those that live, work and visit	Goal	Driver	Strategies
	<p>Advocate for the development of infrastructure that facilitates economic growth and is sustainable to meet the needs for the region, inclusive of:</p> <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
	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
	Work to create attractive environments and conditions for existing and new members of the Outback Community	Livability	In partnership with communities support the development of community based strategic and community development planning
	Support the implementation of the Regional Recreation and Sport Plan	Livability	In partnership with communities support the development of community based strategic and community development planning
	Consolidate and improve the overall standard of community owned assets through Community Affairs Resourcing and Management (CARM) agreements and other flexible funding strategies	Service provision	In partnership with communities support the development of community based strategic and community development planning
	Improve public toilets and signage in strategic locations by 2022	Service provision	Invest in a signage audit and deliver new signage

Goal	Driver	Strategies
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
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 'Outback Futures' Committee deliver a comprehensive assessment and recommendations paper to the Minister on how to achieve sustainable service provision and appropriate funding and resources that meets the Outback Community's expectations
Be effective leaders in supporting Outback Communities to achieve their aims	Community support	In partnership with communities support the development of community based strategic and community development planning
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
Actively promote our cultural assets and diversity	Community support	In partnership with communities support the development of community based strategic and community development planning
Continue to implement a communications strategy that: Promotes key messages for priority issues <ul style="list-style-type: none"> ▪ 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

2020-21 BUDGET

2020-21 BUDGET SNAPSHOT

The 2020-21 Budget has been developed in accordance with the *Outback Communities (Administration and Management) Act 2009*. Management of the Budget during 2020-21 will include regular monitoring reports to the OCA Board.

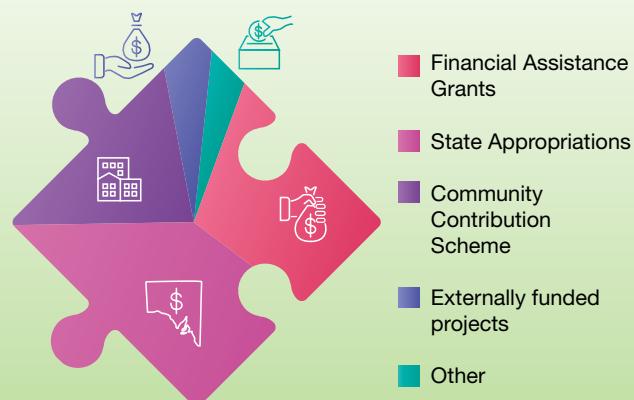
To achieve the end of year budget outcomes close monitoring of the budget will need to occur with a mid-year budget review required to address efficiencies and inefficiencies.

The OCA has identified the following headline programs for 2020-21, specific to the infrastructure portfolio (some of which are subject to the attraction of new investment):

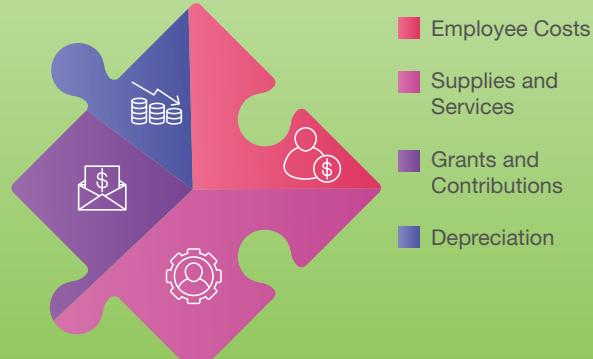
- 'Outback Futures' community engagement program
- Parachilna toilet and shower replacement
- Innamincka Outback Water Station
- Outback Water Station enhancement and signage program
- Public toilet signage audit and upgrade

The following diagrams represent the proportion of the OCA's 2020-21 budget:

2020-21 Income



2020-21 Operating Expenses





Through the establishment in December 2019 of the Outback Futures Committee the OCA has commenced 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. To support this undertaking the OCA has secured \$300,000 through the Department of Planning, Transport and Infrastructure to support the operations and deliverables of the Outback Futures Committee, including the employment of a project officer. A report will be provided to the Minister for Planning and Local Government by the end of the calendar year outlining recommendations for the sustainable provision of services to the people who call the Outback their home.

The OCA will continue to deliver on the Australian Government's Drought Communities Programme (two rounds of \$1m each). Due to restrictions associated with the COVID-19 pandemic the timeline for project completion for Round 1 has been extended to 31 January 2021 and although projects approved through Round 2 have a completion timeline of 31 December 2020, if projects are impacted by further pandemic restrictions, extensions may be sought allowing a further 6 months to complete projects.

As a result of the appointment of a new Cabinet in late July 2020 the OCA was advised that it would be joining the Attorney-General's Department as part of a Machinery of Government change.

DROUGHT AND COVID-19

The Australian and State Governments COVID-19 control strategies have restricted the OCA's ability to undertake business as usual and until lifted will continue to do so. However, new strategies including the use of online communications technology is being increased in an effort to minimise the impact on the OCA's business model.

The OCA will take all reasonable steps to ensure the safety of its staff and the people who live in the Outback who we seek to serve. The COVID-19 control strategies will be lifted eventually and the OCA will resume its more personal approach to support the Outback Communities aspirations.

The extended dry conditions across the region continue to restrict community and economic development functions; the OCA will continue to advocate for and roll out external support until the community and economy has recovered.

The development of an 'Economic Recovery Plan' will guide and support this recovery and the recovery from the COVID-19 event.



2020-21 OCA BUDGET

The 2020-21 Budget sets out income, operating expenses and capital investment expenditure proposals consistent with the 2020-21 Business Plan and 2020 - 2025 Strategic Management Plan.

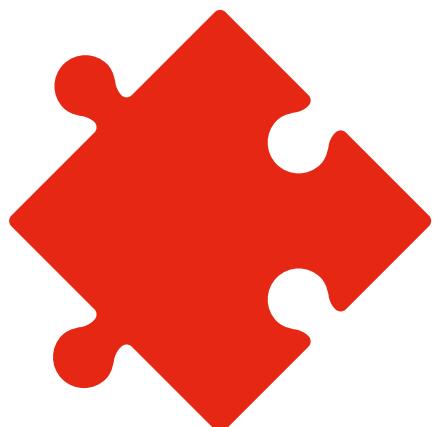
	2020-21 Budget \$000	Notes
Income		
Financial Assistance Grants	1,612	(1)
State Appropriations	2,133	(2)
Community Contribution Scheme / Asset Sustainability Levy (not implemented)	1,195	(3)
Externally funded projects	252	(4)
Other	205	(5)
Total Income	5,397	
Operating Expenses		
Employee Costs	1,235	(6)
Supplies and Services	1,849	(7)
Grants and Contributions	1,066	(8)
Depreciation	700	(11)
Total Operating Expenses	4,850	
Surplus / (Deficit)		
Operating Surplus / Deficit	547	
Less Capital Expenditure on Assets	-1,393	(9)
Plus Depreciation	700	
Net Surplus / (Deficit)	-146	(10)

2020-21 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 2020-21 (i.e. same as 2019-20 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, (\$155,000) - the OCA will address this matter in the mid-year budget review.
- 4** Covers expected income from the Building Better Regions Fund, Oodnadatta Municipal Services, Office for Recreation, Sport and Racing 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 2020-21 and will address this matter in the mid-year budget review.
- 9** Caters for capital expenditure on the final new Outback Water Station (\$225,000 Innamincka), Leigh Creek Aerodrome fencing (\$676,000), capital expenditure on renewal and replacement of existing OCA assets (\$192,000) 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 2020-21 and will address this matter in the mid-year budget review.
- 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 and new assets planned in 2020-21.







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