

Outback Communities Authority

Annual Business Plan and Budget 2017-18

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

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

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

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

The business of the OCA is delivered through three specific, yet fully integrated, units within the Office for the OCA. Those units together represent the broad business focus for the OCA:

- Corporate
- Infrastructure; and
- Community Development.

Funding local services and facilities

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

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

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

Community Contribution Scheme – Andamooka

In partnership with the Andamooka Progress and Opal Miners Association Incorporated the Andamooka Town Management Committee (ATMC) was established under Section 11 of the *Outback Communities (Administration and Management) Act 2009* to manage municipal service delivery for the Andamooka community at a local level. The ATMC commenced operations on 1 January 2012. In 2012, community consultation was undertaken to enable community input into a Community Plan, Financial Plan and Budget. The consultation initiative included mail-outs, media statements and community meetings. Subsequently, a Community Contribution Scheme (CCS) was implemented at the request of the Andamooka Progress and Opal Miners Association with the wide support of the Andamooka community. The community contribution for 2012-13 was set at \$400 per property unit. The CCS has continued uninterrupted at the same level to 2016-17.

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 2017-18. The OCA commenced consultation in April 2017 on the Andamooka Annual Budget and CARM Agreement including a community contribution and CCS for the continuance of the CCS in Andamooka in 2017-18. 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 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 2017-18. The OCA commenced consultation in April 2017 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 2017-18. The CARM Agreement suggests a per annum cost of \$240 per property unit being a continuation of current CCS levels.

Specific Focus for 2017-18

The OCA will:

- Provide specific and targeted advice to government regarding future service provision in the Outback Region brought about as a result of changes in economic and social conditions.
- Provide continued support to Outback communities affected by the changes in economic and social conditions in those communities.
- Continue the implementation of the OCA's Communications Strategy.
- Progress the *oneOutback* Prospectus as the catalyst for the long term planning of sustaining and improving services in the outback region.
- As a result of the *oneOutback* Prospectus, prepare and scope a key project outcome that is 'shovel ready'.
- Publish an annual 'State of the Outback' report that identifies aspects of the outback that are important to people who live, work and visit the region.
- Continue to develop a plan for the possible introduction of a 'whole-of-outback' Asset Sustainability Levy (ASL).
- Implement '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.

Core Activities

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

2017–18 Annual Business Plan – Our key Strategic Objectives

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

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

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

Objective	Goal	Driver	Strategies
Grow Our Economy	'New' investment into the Outback	Outback economy	Promote the ' <i>oneOutback Prospectus</i> ' as a 'shovel ready' economic investment tool
	Promote alternative income opportunities	Outback economy	In partnership with key stakeholders promote a diversification in the outback economy to drive economic growth
	Enable communities to contribute to their priorities	Community sustainability	Undertake an engagement to determine what services are important to outback people
Grow Our Population	Improve the well-being of people living, working and visiting the outback	Sustaining Communities	Implement community capacity and resilience programs to support the sustainability of the outback community
	Find out what matters in the outback	What people find important	Undertake an engagement to determine what matters to outback people
	Report back to the community what we have learnt	Influencing investment	Promote what matters in the form that drives investment and supports the social capital and social collateral that exists in the outback community
Grow Our Influence and Presence	Progressive and innovative policy development	Good governance	Influence and effect change in the way public policy is determined for the outback
	Report on the current state of the outback	Outback sustainability	Report on a statistical analysis of the key social, environmental and economic indicators for the region
	The OCA to have a greater say in the decisions being made of the outback	Self determination	Community participation through the OCA in the decision making process; 'Steer rather than Row'

2017-18 Budget

A summary of the 2017-18 Budget is shown below and has been developed in accordance with the *Outback Communities (Administration and Management) Act 2009*. Management of the final Budget during 2017-18 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 2017-18 has commenced with the relevant peak bodies seeking a CARM Agreement and CCS in both communities. The OCA will continue to work with the peak body in each community, the Andamooka Progress and Opal Miners Association and the Iron Knob Progress Association, supporting each community's wish to continue with a CCS – a 'user pays' scheme specific to each community helping to fund those services and projects deemed necessary by the residents of Andamooka and Iron Knob.

Income accrued as a result of the Andamooka and Iron Knob CCS is managed by the OCA and hypothecated for the delivery of municipal services and community projects in Andamooka and Iron Knob. For Budget planning purposes, the 2017-18 OCA Budget includes the two communities CCS's continuing throughout 2017-18.

Summary

The 2017-18 Budget sets out income, operating expenses and capital investment expenditure proposals consistent with the 2017-18 Annual Business Plan's key strategic objectives and ultimately the 2015 - 2020 Strategic Management Plan.

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2017-18 OCA BUDGET

	2017-18 Draft Budget \$000	Notes
Income		
Financial Assistance Grants	1,478	(1)
State Appropriations	2,292	(2)
Community Contribution Scheme	300	(3)
Externally funded projects	180	(4)
Other	190	(5)
Total Income	4,440	
Operating Expenses		
Employee Costs	1,012	(6)
Supplies and Services	2,570	(7)
Grants and Contributions	680	(8)
Capital Expenditure on Assets	178	(9)
Total Operating Expenses	4,440	
Operating Surplus / (Deficit)	0	
Net Surplus / (Deficit)	0	(10)
Depreciation	261	(11)

Notes:

- (1) Indexation of Federal Government Financial Assistance Grants that had remained 'frozen' since 2014-15.
- (2) Annual State Appropriation including funding specific to Leigh Creek operations.

State Appropriation	\$0.659
Leigh Creek Appropriation	\$1.633
Total	\$2.292

An amendment to reduce the \$1.633 will be sought from the Department of Treasury and Finance that will transfer \$0.794 to the Department of Planning, Transport and Infrastructure for the management of buildings and structures with the OCA retaining \$0.839 for Community Management, Aerodrome operations and the provision of Municipal Services, i.e. parks and gardens maintenance.

- (3) Accrual of income from CCS levies planned for 2017-18 (i.e. same as 2016-17 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. The Budget does not include part year salary for SA Government trainee program subsidy which will be included in the mid-year budget review.
- (6) Includes Board Members' fees.
- (7) Includes expenses associated with the SA Government management of Leigh Creek 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 the Remote Area Water Treatment Plants project (\$928,000 – Building Better Regions Fund grant opportunity) and capital expenditure on renewal & replacement of existing OCA assets (\$105,000).
- (10) Net Surplus / (Deficit) equals Operating Surplus / (Deficit), less Net Outlays on Assets. The OCA does not envisage carry over from 2016-17, resulting in a balanced budget.
- (11) The Budget for depreciation expenses takes account of new OCA assets acquired in 2016-17 and new assets planned in 2017-18.