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To the Presiding Member Outback Communities Authority

Opinion

I have audited the financial report of the Outback Communities Authority (the Authority) for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Authority as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member and the Director.

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 the 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 (including Independence Standards)* have been met.

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

Responsibilities of the Director and the Board 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 relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures, 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 that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Director is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board Members of the Authority are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Authority for the financial year ended 30 June 2024.

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, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director
- conclude on the appropriateness of the Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- 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 the Board 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.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

30 September 2024

Outback Communities Authority

Financial Statements

For the year ended 30 June 2024

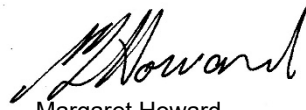
Outback Communities Authority
Certification of the Financial Statements
for the year ended 30 June 2024

We certify that the:

- financial statements of the Outback Communities Authority:
 - are in accordance with the accounts and records of the Outback Communities Authority;
 - comply with relevant Treasurer's Instructions;
 - 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 financial year and the results of its operations and cash flows for the financial year.
- internal controls employed by the Outback Communities Authority for the financial year over its financial reporting and its preparation of financial statements have been effective.



Jan Ferguson OAM
Presiding Member
Outback Communities Authority
30 September 2024



Margaret Howard
Director
Outback Communities Authority
30 September 2024

Outback Communities Authority
Statement of Comprehensive Income
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Commonwealth sourced funding	2.1	1 805	2 850
SA Government grants and transfers	2.2	5 864	6 123
Interest revenue	2.3	161	50
Other income	2.4	608	567
Total income		8 438	9 590
Expenses			
Supplies and services	4.1	3 446	2 961
Employee related expenses	3.3	1 216	1 072
Grants and subsidies	4.2	2 318	2 545
Depreciation and amortisation	5.1	1 153	726
Other expenses	4.3	202	56
Total expenses		8 335	7 360
Net result		103	2 230
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes to asset revaluation reserve		6 815	
Total other comprehensive income		6 815	-
Total comprehensive result		6 918	2 230

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Outback Communities Authority
Statement of Financial Position
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.1	4 316	4 611
Receivables	6.2	848	841
Total current assets		5 164	5 452
Non-current assets			
Property plant and equipment	5.1	22 593	15 359
Total non-current assets		22 593	15 359
Total assets		27 757	20 811
Current liabilities			
Payables	7.1	416	308
Employee related liabilities	3.4	110	126
Lease liabilities	7.2	28	28
Total current liabilities		554	462
Non-current liabilities			
Employee related liabilities	3.4	100	137
Lease liabilities	7.2	81	108
Total non-current liabilities		181	245
Total liabilities		735	707
Net assets		27 022	20 104
Equity			
Retained earnings		17 793	17 690
Asset revaluation surplus		9 229	2 414
Total equity		27 022	20 104

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Outback Communities Authority
Statement of Changes in Equity
for the year ended 30 June 2024

	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2022	2 414	15 036	17 450
Net result for 2022-23	-	2 230	2 230
Total comprehensive result for 2022-23	-	2 230	2 230
Transfer between equity components			
Prior period - error correction	-	424	424
Balance at 30 June 2023	2 414	17 690	20 104
Other Comprehensive Income			
Net increase / (decrease) in revaluation surplus of property, plant and equipment	6 815		6 815
Net result for 2023-24	-	103	103
Total comprehensive result for 2023-24	6 815	103	6 918
Balance at 30 June 2024	9 229	17 793	27 022

The accompanying notes form part of these financial statements. 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 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Cash inflows			
Commonwealth sourced funding		1 805	2 850
Other receipts		601	460
SA Government grants and transfers		5 864	6 125
Interest received		161	50
Cash generated from operating activities		8 431	9 485
Cash outflows			
Payments for supplies and services		(3 339)	(2 859)
Employee benefit payments		(1 269)	(1 247)
Payments for grants and subsidies		(2 318)	(2 545)
Interest paid		(2)	(1)
Other payments		(81)	(54)
Cash used in operating activities		(7 009)	(6 706)
Net cash provided by / (used in) operating activities		1 422	2 779
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(1 690)	(1 731)
Cash used in investing activities		(1 690)	(1 731)
Net cash provided by / (used in) investing activities		(1 690)	(1 731)
Cash flows from financing activities			
Cash outflows			
Repayment of leases		(27)	(18)
Cash used by financing activities		(27)	(18)
Net cash provided by / (used in) financing activities		(27)	(18)
Net increase / (decrease) in cash and cash equivalents		(295)	1 030
Cash and cash equivalents at the beginning of the reporting period		4 611	3 581
Cash and cash equivalents at the end of the reporting period	6.1	4 316	4 611

The accompanying notes form part of these financial statements.

Outback Communities Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2024

1. About the Outback Communities Authority

The Outback Communities Authority (the Authority) is a body corporate established and empowered by the *Outback Communities (Administration and Management) Act 2009* (the Act), which is within the portfolio responsibilities of the Minister for 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.

1.1. Basis of Preparation

The Authority has prepared these general-purpose financial statements in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards applying simplified disclosures.

For the purposes of preparing the financial statements, the Authority is a not-for-profit entity.

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

Assets and liabilities that are to be sold, consumed or realised as part of the normal 12 month 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 throughout the notes.

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (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 for Infrastructure and Transport is responsible for the remittance and collection of GST.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.2. Objectives and programs

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.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2. Income

2.1. Commonwealth sourced funding

	2024	2023
	\$'000	\$'000
Commonwealth-sourced Grant Funding	1 805	2 850
Total Commonwealth sourced funding	1 805	2 850

Commonwealth-sourced grant funding is predominately Financial Assistance Grants, which are recognised in accordance with AASB 1058 as income on receipt. For accounting purposes, these grants are untied and able to be spent in accordance with local priorities. These grants were originally received by the State and then paid from Local Government Grants Commission administered items to the Authority.

2.2. SA Government grants and transfers

	2024	2023
	\$'000	\$'000
SA Government transfers	3 115	2 336
SA Government grants	2 749	3 787
Total SA Government grants and transfers	5 864	6 123

The above SA Government grants were allocated to the following programs / projects:

Local Roads and Community Infrastructure Program	2 394	2 845
Other	355	339
Remote Airstrip Upgrade Program	-	603
Total SA Government grants and transfers	2 749	3 787

SA Government transfers comprise of appropriations received by the Department for Infrastructure and Transport and then paid from administered items to the Authority, and are recognised as income on receipt.

The Authority recognises grant revenue from the following major sources:

Local Roads and Communities Program

Local Roads and Community Infrastructure Program supports local councils to deliver priority local road and community infrastructure projects across Australia. In the Outback areas within South Australia funding has been received to complete projects enhancing local community facilities. A portion of this grant revenue is passed onto local communities (refer note 4.2), and this portion is recognised as revenue on receipt. The remainder of the revenue is used by the Authority to construct non-financial assets which are controlled by the Authority. This remaining portion of the revenue is recognised over time as the asset is constructed, in line with the incurring of construction costs by the Authority.

Remote Airstrip Upgrade Program

The objective of the Remote Airstrip Upgrade Program is to enhance the safety and accessibility of aerodromes in remote and very remote areas of Australia. Funding is received by the Department for Infrastructure and Transport and then passed onto the Authority in line with the Memorandum of Administrative Arrangement. Revenue is recognised on receipt.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2.3. Interest revenue

	2024	2023
	\$'000	\$'000
Interest revenue	161	50
Total interest revenue	161	50

2.4. Other Income

	2024	2023
	\$'000	\$'000
Community Contribution Scheme	428	364
Recoveries/reimbursements	145	124
Airstrip landing fees	35	49
Other grants	-	30
Total other income	608	567

Other income consists of recoveries, reimbursements and community contributions which are derived in accordance with section 21 of the Act.

Community contribution scheme income is recognised under AASB 1058 when the Authority receives the income or obtains the right to receive the income and the income recognition criteria are met (that is, the amount can be reliably measured, and the flow of resources is probable). Receivables relating to the Authority's rights to Community Contribution Scheme income are recognised in Note 6.2.

3. Board, committees and employees

3.1. Key Management Personnel

Key management personnel of the Authority include the Minister for Local Government, the 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 \$249,658 (2023: \$391,808). This compensation excludes salaries and other benefits the Minister receives. 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 under section 6 of the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

During the year, the Authority spent in total \$64,000 on services under normal commercial terms and conditions with entities owned by two of the board members. The costs incurred were for cleaning services, accommodation, and charter flights for the Authority. Neither board member took part in decisions relating to the engagement and no outstanding balances in relation to the transactions remain year end.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.2. Board and Committee Members

Members of the Outback Communities Authority during the financial year 2024 were:

- Day L R
- Fennell W J (Appointed 01/01/2024)
- Ferguson J D
- Johnson S C (Expired 31/12/2023)
- Sylvanius N
- Triggs A C (Appointed 01/01/2024) *
- Vaughan A R (Reappointed 01/01/2024)
- Wright T W (Expired 31/12/2023)
- Wallace R (Appointed 27/06/2024)

*In accordance with the Premier and Cabinet Circular 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Board and committee Remuneration

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

	2024	2023
\$0 - \$19 999	7	6
Total number of members	7	6

The total remuneration received or receivable by members was \$57,086 (2023: \$48,100). Mileage allowance paid to board members has not been included in the remuneration. Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.3. Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	860	758
Employment on-costs	170	142
Long service leave	31	26
Annual leave	87	81
Board and committee fees	50	44
Skills and experience retention leave	15	14
Other employee related expenses	3	7
Total employee related expenses	1 216	1 072

Employment on-costs – superannuation

The superannuation employment on-cost charge represents Outback Communities Authority's contributions to superannuation plans in respect of current services of current employees.

Employee remuneration

	2024	2023
	No	No
The number of employees whose remuneration received or receivable falls within the following bands:		
\$186 001 – \$206 000	1	-
\$306 001 – \$326 000	-	1
Total	1	1

The total remuneration received by these employees for the year was \$0.195 million (2023: \$0.323 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, termination payments, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.4. Employee related liabilities

	2024	2023
	\$'000	\$'000
Current		
Annual leave	80	75
Long service leave	13	22
Skills and experience retention leave	2	12
Employment on-costs	15	17
Total current employee related liabilities	110	126
Non-current		
Long service leave	90	124
Employment on-costs	10	13
Total non-current employee related liabilities	100	137
Total employee related liabilities	210	263

Long term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

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 reporting period using the projected unit credit method. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which is then applied to the authority's employee details. Key assumptions include whether the characteristics of employee remuneration, terms of service with the public sector, and expectations as to when employees take long service leave, as established by the actuary, are applicable to employees of the authority. These assumptions affect both the expected amount to be paid that has been factored into the calculation of the liability. The discount rate used in measuring the liability is another key assumption. The discount rate is reflective of long-term Commonwealth Government bonds. The yield on long term Commonwealth Government bonds has increased from 4% (2023) to 4.25% (2024). This increase in the bond yield results in a decrease in the reported long service leave liability.

Current long service leave has been allocated between current and non-current liabilities based on the Authority's leave pattern history of previous years.

Employment on-costs

Employment on-costs include payroll tax and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

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 to beneficiaries as they have been assumed by the respective superannuation schemes. The only payable outstanding at reporting date relates to any contributions due but not yet paid.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has changed from the 2023 rate of 43% to 44%, and the average factor for the calculation of employer superannuation contribution on-costs has increased to 11.5% (2023: 11.1%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year on employment on-costs and staff benefits expense are immaterial. The impact on future periods is impractical to estimate but is not expected to be material.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

4. Expenses

4.1. Supplies and services

	2024	2023
	\$'000	\$'000
Service contracts***	2 035	1 666
Property expenses	446	361
Insurance	276	323
Administrative costs	39	126
Utilities	101	90
Plant, equipment and vehicle expenses	10	42
Accommodation expenses*	67	65
Auditor's remuneration**	37	37
Materials and other purchases	31	16
Legal services	37	8
Information technology and communications	118	126
Other	249	101
Total supplies and services	3 446	2 961

*The Authority's accommodation is provided by the Department for Infrastructure and Transport (DIT) under Memorandum of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. MoAA do not meet the definition of a lease set out in AASB 16.

** Audit fees paid / payable to the Audit Office of SA relate to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Audit Office of SA.

*** Service contracts contain expenses relating to the Leigh Creek transformation program, cleaning and maintenance of public amenities, the Regional Drought Resilience plan and other project related expenditure.

4.2. Grant and subsidies

	2024	2023
	\$'000	\$'000
Local Roads and Community Infrastructure	1 435	2 192
Community Affairs Resourcing Management Grants	306	158
Regional Development Initiatives	51	50
Sports and Youth Grants	2	2
Other	5	143
Small Projects Funding	519	-
Total grants and subsidies	2 318	2 545

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

4.3. Other expenses

	2024	2023
	\$'000	\$'000
Transfer of community contributions	79	51
Bad and doubtful debts expense	-	(2)
Asset write offs	118	-
Other	5	7
Total other expenses	202	56

5. Non-financial assets

5.1. Property, plant and equipment

Property, plant and equipment comprise tangible assets owned and right-of-use (leased) assets. All non-current assets with a value of \$10 000 or greater are capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value.

Depreciation and Amortisation

All non-current assets not held for sale with a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

Useful Life

Depreciation is calculated on a straight-line basis. Property, plant and equipment assets depreciation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Buildings and infrastructure	10 - 60
Water, sewerage and drainage	20 - 100
Plant and equipment	8 - 48
Right-of-use vehicles	1 – 5

Review of accounting estimates

Assets' residual values, useful lives and amortisation 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.

Impairment

There were no indications of impairment of property, plant and equipment and infrastructure assets at 30 June 2024.

Revaluation of property, plant and equipment is undertaken on a regular cycle.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.1 Property, plant and equipment (continued)

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. 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.

Revaluation

Property, plant and equipment, other than right of use assets are subsequently measured at fair value after allowing for accumulated depreciation.

An independent valuation of the Authority's land, buildings, infrastructure, water, sewerage, drainage, plant and equipment assets was performed as at 1 July 2023. Land is valued at level 3 of the fair value hierarchy using a market approach due to the lack of comparable sales and location of the properties. The fair value of the land was based on comparable sales, adjusted for the location, building environment and any restrictions on use. Plant and Equipment was valued at level 2 of the fair value hierarchy using a market approach based on recent market transactions for similar assets where sufficient sales exist.

Plant, Equipment, Buildings, Infrastructure, Water, Sewerage and Drainage assets were valued using the replacement cost approach due to there not being an active market. The current replacement cost considered the specialised nature, restricted use, location, condition and size of the assets.

The valuation included all costs directly attributable to the construction of a modern equivalent asset based on a combination of internal records such as supplier tenders, construction invoices and unit rates from CBRE's specialist in house quantity surveyors and external records such as construction costing publications.

The fair value of the assets was determined by estimating the remaining service potential of the assets at the valuation date based on the asset condition and specialised internal and external knowledge. Accumulated depreciation as at the revaluation date was eliminated against the gross carrying amounts of the assets to arrive at the fair value of the assets.

Revaluation of non-current assets, or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and the estimated useful life is greater than three years. The Authority revalues its land, building, infrastructure, water, sewerage, drainage, plant and equipment assets every six years. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, when they are revalued to fair value.

Outback Communities Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.1. Property, plant and equipment (continued)

The following table shows the movement of property, plant and equipment during 2023-24:

2024	Land \$'000	Buildings and Infrastructure \$'000	Water, sewerage and drainage \$'000	Plant and Equipment \$'000	Work in Progress \$'000	ROU Vehicles \$'000	Total \$'000
Carrying amount at beginning of the period	72	12 136	2 044	623	349	135	15 359
Additions	242	-	-	-	1 443	-	1 685
Transfer to/(from) works in progress	-	499	115	621	(1 235)	-	-
Write offs	-	(96)	-	(22)	-	-	(118)
Transfers due to reclassification of assets	5	-	-	-	-	-	5
Revaluations increment / (decrement)	34	6 356	233	192	-	-	6 815
Subtotal:	353	18 895	2 392	1 414	557	135	23 746
Gains/(losses) for the period recognised in net result:							
Depreciation and amortisation	-	(915)	(125)	(89)	-	(24)	(1 153)
Subtotal:	-	(915)	(125)	(89)	-	(24)	(1 153)
Carrying amount at the end of the period	353	17 980	2 267	1 325	557	111	22 593
Gross carrying amount							
Gross carrying amount	353	40 402	4 960	2 701	557	147	49 120
Accumulated depreciation	-	(22 422)	(2 693)	(1 376)	-	(36)	(26 527)
Carrying amount at the end of the period	353	17 980	2 267	1 325	557	111	22 593

Outback Communities Authority
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5.2. Property, plant and equipment leased by the Authority

Right-of-use assets leased by the Authority as lessee are measured at cost and there are no indications of impairment.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets.

The Authority has a limited number of leases:

- 4 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term.

The measurement of and the maturity analysis associated with lease liabilities are disclosed in note 7.2. Depreciation expenses related to the leases is disclosed in note 5.1. Cash outflows related to leases are disclosed in note 7.2.

The Authority is responsible for the control and care of Port Le Hunt jetty under the Commonwealth's Recreational Jetties Divestment Program. The Authority has entered a peppercorn lease with the Department for Infrastructure and Transport and rent is payable annually for \$1 over a term of 99 years. The Authority does not recognise Right of Use (ROU) assets and lease liabilities for leases that have significantly below market terms and conditions.

6. Financial assets

6.1. Cash

	2024	2023
	\$'000	\$'000
Deposits with the Department of Treasury and Finance	4 316	4 611
Total cash and cash equivalents	4 316	4 611

6.2. Receivables

	2024	2023
	\$'000	\$'000
Current		
Statutory receivables	752	740
Contractual receivables from government entities	78	85
Contractual receivables from non-government entities	23	21
Less impairment loss on contractual receivables	(5)	(5)
Total current receivables	848	841
Total receivables	848	841

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice, or the goods/services have been provided under a contractual arrangement.

Statutory receivables do not arise from contracts with customers. Statutory receivables are related to community contribution Scheme revenue (refer note 2.4) and are recognised and measured similarly to contractual receivables but are not classified as financial instruments for disclosure purposes.

Receivables are non-interest bearing. Receivables are held with the objective of collecting contractual cash flows and they are measured at amortised cost.

Collectability of receivables is reviewed on an ongoing basis.

Impairment losses relate to contracts with customers external to the SA Government. No impairment loss was recognised in relation to statutory receivables.

Outback Communities Authority
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7. Liabilities

7.1. Payables

	2024	2023
	\$'000	\$'000
Current		
Accrued expenses	305	269
Contractual payables	74	2
Statutory payables	37	37
Total current payables	416	308
Total payables	416	308

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 30 days from the date the invoice is first received and are recognised upon approval of the invoice by the Authority. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short term nature.

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents, statutory fees and charges and Audit Office of SA audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefit Tax, Pay as You Go Withholding and ReturnToWorkSA levies. Statutory payables are carried at cost.

7.2. Lease liabilities

A maturity analysis of lease liabilities based on undiscounted gross cash flows is reported in the table below:

	2024	2023
	\$'000	\$'000
Lease liabilities		
Not later than 1 year	28	28
Later than one year but not later than 5 years	81	108
Total lease liabilities	109	136

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or Treasury's incremental borrowing rate. There were no defaults or breaches on any of the above liabilities throughout the year.

Total cash outflows for leases were \$27 000 (2023: \$18 000). All material cash outflows are reflected in the lease liabilities disclosed above.

Outback Communities Authority
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8. Equity

8.1 Equity Adjustments

Asset Recognition

The total effect of assets book value adjustments that relate to prior financial periods is \$0.424 million mainly due to addition of various property, facilities, plant and equipment omitted in prior years. The prior period errors are corrected in the current year by an adjustment to retained earnings. The impact on the financial statements prior to 2022-23 is summarised below:

	2023	2022
	\$'000	\$'000
Land, Buildings and facilities	-	249
Plant and Equipment	-	175
Total asset recognition adjustments	-	424

9. Outlook

9.1. Unrecognised contractual commitments

Commitments arising from contractual or statutory sources are disclosed at their nominal value (inclusive of non-recoverable GST).

Contractual commitments to acquire property, plant and equipment

Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:

	\$'000	\$'000
Not later than one year	-	395
Total capital commitments	-	395

Other contractual commitments

The Authority's other contractual commitments include grant funding and memoranda of administrative arrangements with the Department for Infrastructure and Transport for accommodation:

	2024	2023
	\$'000	\$'000
Not later than one year	1 360	828
Later than one year but not later than five years	221	226
Later than five years	94	65
Total expenditure commitments	1 675	1 119

Outback Communities Authority
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9.2. Contingent assets and contingent liabilities

The Authority is not aware of any contingent assets or liabilities as at 30 June 2024.

9.3. Events after balance date

As part of the Reorganisation of Public Sector Operations, staff and the business activities of the Outback Communities Authority will transition from the Department for Infrastructure and Transport to the Department for Housing and Urban Development as of 1 July 2024.

10. Measurement and Risk

10.1. Financial instruments

Financial risk management

Risk management is managed by the Authority's corporate services section and Authority risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

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

Liquidity risk

The Authority is funded mainly from a Federal Government Financial Assistance Grant and Revenues from SA Government. The Authority works with DTF 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.

All financial assets and liabilities are measured at amortised cost and are current for 2024.