**OUTBACK COMMUNITIES (ADMINISTRATION AND MANAGEMENT) BILL 3009**

**Legislative Council, 8 April 2009, pages 1890-4**

Second Reading

**The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister Assisting the Minister for Transport, Infrastructure and Energy):** I move:

That this bill be now read a second time.

The Outback Communities (Administration and Management) Bill 2009 sets a framework for governance in the unincorporated areas of South Australia, that is, those areas (other than any areas excluded by regulation) not falling under the jurisdiction of a local council (as provided in the Local Government Act 1999.) The new legislation will replace the Outback Areas Community Development Trust 1978, providing for an incorporated body with enhanced responsibilities for overseeing the strategic management of, and business planning for, the outback region.

Those responsibilities will be underpinned and enabled by new powers to raise revenue to support the maintenance of existing infrastructure and provision of services to the community; powers to take action to address pollution or nuisance through issuing orders provided for under the Local Government Act 1999; and will provide for future powers to be granted to the new body by regulation, where appropriate, such as are deemed necessary to give the new body the necessary authority to deliver outcomes for the region.

Furthermore, to clearly denote the strategic and administrative link with the state government and to further herald a break from past arrangements, the new body will be renamed the Outback Communities Authority.

Before providing further details of the bill itself, I will provide the council with some of the context within which the draft legislation has been developed. One of the most pertinent facts to consider in this respect is that, while the area of this bill's jurisdiction contains only about a third of 1 per cent of the state's population, it accounts for 68 per cent of the state's geographic area.

This disproportionate relationship between population and geography makes governance arrangements such as those under the Local Government Act impractical. The vast distances between the diverse nature of localities, the small populations, the practical difficulties in holding elections and the inappropriateness of 'one size fits all' arrangements all conspire against adopting the state's more broadly established local governance model.

The need for appropriate governance arrangements in some form is not debatable. Rather the question is: what kind of arrangement is the right fit? Under the current arrangements, local administration is primarily undertaken by volunteer progress associations in the individual outback communities with the assistance and advice of the trust. The progress associations play a vital role in deciding local priorities, managing local affairs and fostering social cohesion and cultural development. They also provide some funding for local projects.

In recent years, however, the organisations have taken responsibilities for the management and maintenance of essential services and infrastructure, such as aerodromes and water supplies. The reliance on them trying to take these roles and responsibilities is becoming increasingly burdensome as factors such as risk management and insurance compliance gain importance in parallel with the increasing number of responsibilities. Volunteer burnout, the lack of capacity or capability to perform certain functions within some communities and the overreliance on 'one-off' grant funding adds to the problem.

At the same time as these changes have been taking place, civil society's understanding of the importance of a strategic approach to business planning, budgeting and community engagement has made significant advancements. Communities at all levels have come to expect a more strategic approach to governance, and rightly so. These changes, too, have influenced the government's thinking in arriving at the proposals being laid before the council today.

In relation to the consultation to inform the government's response, the then minister for state/local government relations, the member for Wright—whose contribution to the preparation of this legislation I wish to acknowledge here—initiated, in May 2007, a review of the operations and governance arrangements of the trust. As part of that review, feedback on possible future governance options was sought from residents. The community itself was widely engaged. Some of the key themes emerging included:

* being an advocate for the outback was seen as a legitimate role for the trust, particularly in an advisory role to state agencies;
* support was given for more systematic consultation processes;
* there was support for the trust taking control of wider infrastructure issues, such as aerodromes;
* many felt the trust should support and assist community associations in their cultural and social development role;
* it was felt that more streamlined strategic planning, budgeting and business planning processes would lend greater transparency and accountability to the trust; and
* there was broad recognition of the need for some form of local rating to deliver the changes, though with disagreement as to whether any scheme should be community-based or outback-wide.

Drawing on this and other feedback, the government has decided to introduce the following provisions in the draft legislation. The bill seeks to establish a newly-named body—the Outback Communities Authority ('the authority'). While this will be the same body corporate in law as the Outback Areas Community Development Trust, albeit with significantly enhanced powers, the government firmly believes that a change of name is necessary to signal a break from the past and reinforce the close links between the authority and the state government. This will be important as the authority seeks to enhance its influence within government by articulating the views, interests and aspirations of outback communities.

In addition, the authority may establish committees to inform its work. The bill also allows for the area of the authority to be fine tuned by regulation. In terms of functions and objectives, the Outback Communities Authority's functions and objectives will be largely similar to that of its predecessor, the trust. However, changes will be made to put the new body on a more strategic footing. Some of these provisions are broadly reflected in this bill being laid before the council today, but the new bill goes further in that it requires the new body to:

* give more long-term consideration to asset management and replacement;
* consider national and state objectives and strategies to inform its work;
* work collaboratively with governments at all levels;
* ensure it has robust processes in place for engaging outback communities and informing external decision making processes with implications for those communities; and
* provide an efficient service, remain accountable and manage its resources effectively.

While the trust has a history of conducting itself with these sorts of aspirations in mind (insofar as it has been equipped to do so), the inclusion of such provisions on the face of this bill will provide added impetus to the drive to provide a more strategic and focussed service. Furthermore its successor, the authority, will be supported in its delivery of this role by Public Service employees assigned to it by the appropriate government agency, currently the Department of Planning and Local Government.

In terms of management and budget planning, the Outback Communities Authority will be required and enabled to engage more systematically in strategic, management and budgetary planning processes in the following ways:

it must, in consultation with outback communities, prepare strategic management plans for ministerial approval on a five-yearly basis. These plans are to include details of the authority's objectives, intended activities, proposed collaborative work, and long-term financial and asset management plans;

it must, in consultation with outback communities, prepare a business plan and budget for ministerial approval on an annual basis. These are to include details of the authority's objectives, intended activities, proposed expenditure and revenue requirements, and rates payable for the year and the likely impact of this on communities;

it may enter into agreements, to be known as community affairs resourcing and management agreements, with individual community organisations to establish ground rules in regard to financial support, service provision, insurance schemes, rates expenditure or governance arrangements. This measure is designed to ensure realistic expectations on behalf of both parties.

In relation to community consultation, the Outback Communities Authority must prepare and adopt a public consultation policy for use in connection with its key planning and budgetary processes and arrangements, including but not limited to those I have just cited. Through this policy, it must ensure that stakeholders are given reasonable opportunity to make submissions on all matters subject to consultation.

With regard to revenue-raising powers, it is proposed to introduce two mechanisms for the authority to raise revenue to contribute towards the funding of facilities and infrastructure in outback areas. One is an asset sustainability levy and the other is a community contribution scheme. The introduction of these arrangements will be balanced with provisions in the bill requiring the authority's accountability, transparency and attention to community input, and the application of both of these mechanisms will be subject to additional public consultation requirements.

The rationale for applying the asset sustainability levy is based on the idea of a shared community responsibility to contribute to the maintenance of existing public use facilities and infrastructure in the outback . It would apply to all properties (including pastoral leases) located within the Outback Communities Authority area, except for those uses of land currently exempt from council rates under the Local Government Act 1999*,* and be applied as a fixed charge (similar to a local government general rate).

It is expected that these funds collected from the levy would only partially cover the total cost of providing the prescribed services. The remaining costs would still be sourced from commonwealth local government grant moneys, allocations that are sought by the Outback Communities Authority through the normal budget allocation process, and other specific commonwealth and state grants.

It is also proposed to provide the Outback Communities Authority with the capacity to declare a localised user pays system (a community contribution scheme) to enable it to raise revenue for municipal-type services and activities. This will be done at the individual community level, so revenue will only be expended in the community in which it is raised. These schemes will be developed in consultation with individual communities but, unlike a general rates system, will be applied only with the specific agreement of the individual community on which it is proposed to be levied. A community affairs resourcing and management agreement authorising community contributions for a specific purpose will only be developed at the request of the community concerned.

The government believes that the introduction of both an outback-wide and a community specific levy will reflect the fact that certain projects will in themselves be community-specific whereas others, such as UHF transmitters, will benefit the broader outback community.

It is also proposed that the Outback Communities Authority be given similar powers to maintain local amenity and deal with nuisances, as provided in the Local Government Act 1999 (Chapter 12), whereby councils may issue an order to a land owner, occupier or other person to stop or prevent them from carrying out an activity on private land. These relate to the unsightly condition of land, hazards on lands adjoining a public place, animals that may cause a nuisance or hazard, and the use of a caravan or vehicle as a place of habitation. It is also proposed that the authority be given appropriate powers similar to those of a council to deal with illegal dumping on public places and roads.

As with the current trust, the Outback Communities Authority must prepare an annual report for the minister, giving details of its activities, together with an audited statement of income and expenditure. Under the new arrangements, however, the report must also include an assessment of those activities against its business plan aspirations for the previous financial year.

In relation to transitional arrangements, the government recognises that these proposals, if adopted, would signal a generational change in governance for the Outback area of this state. While the changes represented will, I believe, be to the benefit of those living in the jurisdiction covered by the changes, clearly there will be some who will have worries about adapting to the new arrangements. The government is fully conscious of and sympathetic to such concerns, and it is expected that there will be a gradual introduction of the new rates, the amount of which must be approved by the minister.

The fact that the legislation will require the Outback Communities Authority to consult extensively on the strategic directions driving the use of its powers, on detailed business planning, including any planned introduction of an asset sustainability levy or community contribution, should serve to further allay any such concerns and ensure that the community is fully informed and provided with ample opportunity to contribute to the manner and direction of its governance. I commend the bill to the council.

Debate adjourned on motion of Hon. J.M.A. Lensink.