



DISTRICT COUNCIL OF COOBER PEDY

“Opal Capital of the World ”

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ADMINISTRATORS ELEVENTH REPORT ON THE ADMINISTRATION OF THE AFFAIRS OF THE DISTRICT COUNCIL OF COOBER PEDY TO THE MINISTER FOR LOCAL GOVERNMENT 20 FEBRUARY 2026

The Administrators of the District Council of Coober Pedy (the Council) are required to provide reports to you on the administration of affairs of the Council at intervals of not more than every three months, pursuant to section 273(13) of the Local Government Act 1999, with the eleventh report of the current Administration team in accordance with the Minister’s letter dated 12 April 2023.

Regarding the financial management of the Council and progress made on other key matters since the appointment of Administrators, we provide the following information which should be read in conjunction with the previous reports.

1. 2025-26 Financial Reporting

Regular monthly reports continue to be provided to the Council, presented at the monthly Ordinary Meeting of Council and also prepared on an exception basis highlighting positive and negative items, and overall trends.

Key information presented is provided in the following table:

Forecast Full Year Position as at 31 December 2025

	FY25 Adopted Budget	BR1	Forecast FY25 as at 31 December 2025	Variance BR1 to Forecast
\$				
Income	20,378,214	19,598,312	19,623,356	25,044
Expenditure	21,061,568	21,180,403	21,060,403	(120,000)
Internal Charges	(5)	(6)	(6)	-
Operating Result	(683,349)	(1,582,085)	(1,437,041)	145,044
Underlying Operating Result	(230,410)	(539,180)	(419,180)	120,000
Cash Position at 30 June 2025	738,751	39,875	39,875	(0)
Capital Expenditure	371,445	371,445	516,489	145,044

Since the last report Council adopted Budget Review 1 for the 2025/26 Financial Year, which projected an operating result of (\$1.582M) and an underlying operating result of (\$0.539M). The cash position to the 30 June 2026 was projected to be \$0.040M. All monthly financial reports and budget reviews have continued to be distributed to the Local Government Finance Authority (LGFA) and the Office of Local Government (OLG).

Coober Pedy is awaiting the results of the ESCOSA review conducted in FY2026. Given the fact that there is a possibility of significant restructuring of the Council's responsibilities, there are difficulties with the effectiveness of the review process. We have had discussions with ESCOSA about this and it understands those difficulties.

Cash Flow

The ongoing management of the cash flow of Council remains a difficult task, which continues to be challenged by extra cost pressures being uncovered. The lack of any overdraft facility adds to the challenge.

A revised cash flow forecast will continue to be reported each month (including to the OLG) based on updated information as it comes to hand.

Council is not able to invest in asset renewal at a time when aging assets are impacting on service delivery.

The current cash forecast is suggesting there will be a small cash balance in June 2026 and negative cash balances in July, September and October 2026. Income and expenditure is being monitored closely to ensure that in the absence of an overdraft, cash remains available at these times. It is likely that a revised payment schedule will be required for some payments and Council may have to hold back some debtor payments passed their due dates.

FBT Liability 2008-2018 (11 years) and amendments to the returns of 2019-2022.

As previously reported Council has been working with a specialist FBT consulting firm to review and prepare the FBT returns for the 11 years from 2008 to 2018 and amendments to the returns of 2019-2022.

Council has now received notification from the ATO via its Account statements that the outstanding FBT liability, penalties and interest have been waived. The current status of Council's ATO account is that all Business Activity Statements (BAS) returns and Fringe Benefits Tax (FBT) returns are up to date.

The final amount that was waived (including penalties and interest) was \$471,042 as at 3 February 2026.

Outstanding Debtors

Council is still very concerned with the growing outstanding debtors, particularly the electricity debtors. As at 31 December 2025 there are now 39 electricity accounts with an outstanding balance of \$342k compared with 42 electricity accounts with an outstanding balance totalling \$312k in August 2025; all of whom are experiencing hardship. In addition, there were 84 accounts (up from 13 in August 2025) with an outstanding balance of \$245k (up from \$51k in August 2025) who are scheduled to have their accounts disconnected. Under the essential services licence Council is not authorised to cease provision of electricity whilst there is an active payment plan in place. The overall outstanding electricity balance as at 31 December 2025 is \$1,928k.

The outstanding debtors for water as at 31 December 2025 is \$1,130k. A long standing account with a value of \$187k belongs to one customer. This outstanding debt is being handled by the Chief Executive Officer and the State Government. This debtor represents 10% of the total outstanding balance owed to Council which is significant. Should these funds not be received, this has the impact of delaying the repayment of funds to EDL and the LGFA and impact Council's overall cash position.

Both classes of debtors continue to severely impact Council's ability to manage cashflow. In some cases, the customers consumption is higher than their repayments can cover due to hardship situations.

The outstanding debt for non-payment of Council rates is \$1,270k as at 31 December 2025. There is currently \$35k identified as qualifying for consideration for auction (under section 184 of the *Local Government Act 1999*) and another \$234k that is being managed by the debt collection agency, with a further \$204k that is overdue.

Infrastructure

To retain funding under the Local Roads Community Infrastructure (**LRCI**) Programs Council renegotiated projects and requested extensions for LRCI 2,3 and 4.

LRCI 2 – Playground Shade Structure has been completed.

LRCI 3 – CCTV project has been extended, expected completion date April 2026. This has been further delayed due to a shortage of infrastructure to complete the project. While all CCTV cameras, recording equipment and majority of networking components are now in Coober Pedy, other essential components remain on backorder. Without these components proceeding with the installation would risk significant damage to the installed equipment during summer storm conditions. These items have been ordered and are pending delivery.

LRCI 4 – Replacement of Public Toilet has been completed, and replacement of road signage has also been completed.

Council was unsuccessful in engaging a contractor to complete the Hutchison Street footpath upgrade and repairs so this project was completed by Council staff.

2. Progress on John Comrie Report March 2022 Recommendations Including Addendum of March 2023 – Updated June 2024.

RECOMMENDATION No.1 – Completed see 6th report

RECOMMENDATION No.2 – Completed see 6th report

RECOMMENDATION No.3 – Completed see 10th report

RECOMMENDATION No.4 – Complete see 10th report

RECOMMENDATION No.5 – Completed see 8th report

RECOMMENDATION No.6:

DCCP manage its water, sewer and electricity activities as separate ‘business units’ (as far as practically feasible) including giving consideration to formally establishing one or more subsidiaries for their oversight.

Status – On Hold

Given the implications and resource investment required to establish subsidiaries this recommendation is on hold.

In the interim changes were made to the management reporting structure in FY23 & beyond, which is enabling a more individual view of each of these business units (see also Recommendation No.4 (above)).

RECOMMENDATION No. 7:

That DCCP, LGA of SA, LGFA and State Government representatives meet with a view to agreeing arrangements for DCCP to fully repay its arrears to EDL as soon as possible.

Status – Ongoing

Cash Flow projections are produced every month and discussions are ongoing with the various parties regarding the Council’s Cash Flow situation. Council has ensured that the repayment of the EDL liability continues to be priority through the LTFP process, however Council and the A&RC do not see the repayment occurring earlier without further significant increases in Council rates which is not sustainable for the community, significant decreases in municipal service levels or by the sale of some Council assets or a combination of all or some of these options.

As at 31 December 2025 the outstanding amount owing to EDL is \$1.290m, for the October 2025 and November 2025 invoices. Council is forecast to make another payment before 28 February 2025.

RECOMMENDATION No.8 – Complete see 10th report

RECOMMENDATION No.9:

That DCCP develop a risk register, and it be regularly updated as warranted and be monitored and reviewed at least annually by its audit committee.

Status – In Progress

Council staff have commenced work on developing a risk register. The initial workshop with Council staff was held on 9 June 2023 and Council staff have identified its tolerance for risk for each risk category. It is now in the process of developing the detailed strategy and risk register.

Council also presented an update of the risk register progress to the A&RC at the February 2024 and the December 2025 meetings.. In December 2025, the Strategic Risks identified were presented to the A&RC. The Management team are continuing to work on the Operational and Financial Risks for this register.

RECOMMENDATION No. 10 – Complete and Ongoing see 10th Report

RECOMMENDATION No.11 – Completed see 6th report

RECOMMENDATION No.12: Completed see 6th report

3. Other Matters Addressed or Arisen since our last report

Regional Public Health Plan

The Draft Regional Public Health Plan was provided to Council on 21 January 2026 which is currently out for public consultation. SA Health have also reviewed the document and correspondence to the Minister for Health and Wellbeing is being prepared.

Municipal services review

Council's Services and Asset Management Review led by the Office of Local Government and undertaken by Egis Oceania is in its final stages. The municipal services review has actively engaged with the Coober Pedy community to determine the community priorities and gain a clear understanding of services the Council can sustainably provide within the revenue generated from council rates. Outcomes of the review will include a service level policy that outlines how the Council can operate in a financially sustainable manner, as well as an updated infrastructure and asset management plan.

The CEO is currently working with a working group comprised of representatives from the Office of Local Government. Council's Administrators, Council's finance consultants and an independent finance consultant appointed by the Office of Local Government to assist in developing some options for restructuring of Council in the future, pending the outcomes of any change in service levels mainly occurring by essential services being transferred to third parties.

CEO Performance Review Committee

The CEO Review Committee met in December 2025 and finalised the reporting year ending 30 November 2025. The Committee was satisfied with the performance of the CEO and provided him with a modest increase in salary and still well within the parameters set by the Remuneration Tribunal for Council CEOs in SA.

Audit and Risk Committee

Since our last report the Audit and Risk Committee has held 2 meetings in November and December 2025. Council's end-of-year audit report and financial statements (attached) were presented to the Committee and then to Council.

Of major concern is that Council continued to receive an Adverse Audit Report relating to a couple of issues involving the lack of current and up to date Asset Management plans with up-to-date Asset Valuations.

Council has commenced seeking consultants to undertake this work but due to our extremely poor financial position we are unable to fund all of this required work in the current financial year. However we intend to progress the work required over several years focusing initially on our road and property assets this year.

Policies and other Key Corporate Document Reviews

The following policies as have been reviewed and adopted by Council since our last report as part of our continued Good Governance approach and improved Internal Controls:

- Accounting for Assets Policy
- Debt Recovery Policy
- Prudential Management Policy
- Considered and endorsed a Draft Disability Access and Inclusion Plan 2025-2029 for initial public consultation.

Building Fire Safety Committee

We are pleased to advise that we have been working with the Department for Housing and Urban Development for the State to assist Council in meeting our obligations for inspecting properties deemed to be higher risk as required in the *Planning, Development and Infrastructure Act 2016*. These inspections commenced in late October 2025 and are being carried out by a joint Committee of Council and the Out of Council Areas Committee representatives established for these purposes.

LGFA Loan Borrowing History

At the Ordinary Meeting of Council 24 September 2025, a summary of the historical borrowings from the Local Government Finance Authority (**LGFA**) was provided.

By September 2016 Council had borrowed \$7.8m, since then Council has only paid \$100,000 against the principal and continues to roll over the debt of \$7.7m. No further new loans have been obtained since 2016 despite what has been stated by others and only the existing \$7.7m loan with the LGFA has been periodically rolled over to 15 July 2026.

Other Key Council Decisions

Other key decisions of Council since our September 2025 report include;

- Adopted our Annual Report for 2025-26 (attached)
- To make a submission regarding on financial sustainability of local government to the Federal Government's House of Representatives Standing Committee on Regional Development, Infrastructure and Transport

Aerodrome Annual Technical Inspection Corrective Action

At the Ordinary Meeting of Council 16 December 2025, a report on Aerodrome Annual Technical Inspection Corrective Action was provided. The Annual Technical Inspection (ATI) was conducted in August 2025. The ATI report included a corrective action plan labelled appendix A. This purpose of this report is to identify the actions that are achievable in the 25/26 budget.

Facilities	Status	Achievable in the 25/26 budget?
Taxiway		
Complete additional crack sealing, or a larger scale patch seal over cracking in the taxiway as an interim holding treatment.	Ongoing	Yes
Reconstruct failed taxiway pavement including raising the longitudinal profile to improve drainage and pavement	Incomplete	No, subject to capital funding
Runway 04/22		
Crack seal open cracks in the southwest turning node.	Ongoing	Yes
Plan for future runway resealing as periodic maintenance in budgeting or funding proposals.	Incomplete. Has been costed	No, subject to capital funding
Apron		
Plan for reconstruction of Bay 2 in conjunction with the taxiway.	Incomplete	No, subject to capital funding
Consider sealing the entrance to the GA apron and access to the hangar as part of future sealing works.	Incomplete	No, subject to capital funding
Consider a future taxiway connecting from the gravel apron to the Runway 22 threshold.	Incomplete	No, subject to capital funding
Runway 14/32		
Resheet the gravel Runway 14/32; include replacing half drum strip markers with standard gables.	Incomplete	Partially. Replacement of half drum strip markers with gable markers can be achieved. Resheeting of the gravel runway is subject to capital funding
Aerodrome Lighting		
Review aerodrome lighting inspection schedules in the Aerodrome Manual and ensure inspections are completed in line with the updated schedules.	Complete	
Conduct a stocktake of portable lighting and ensure regular inspections are documented.	Partially completed	Yes

Plan for replacement of the aerodrome lighting with new LED lights at a compliant spacing, installed with pit and duct system	Incomplete. Has been costed	No, subject to capital funding
Formalise generator inspections.	Complete	
Check the UPS and battery backup operation of the AVDATA unit to ensure operating in times of power failure.	Complete	
Operating Procedures		
Obtain updated PANS OPS information from ifp@airservicesaustralia.com	Complete	
Include standby power and switchover time in the ERSA publication.	Incomplete	Yes
Add distance and bearing to Coober Pedy to AD Diagram	Complete	
Include the Aerodrome Emergency Response as an agenda item in future emergency response agency meeting.	Incomplete	Yes

Electricity Distribution

On 15 January 2026, there was a whole town outage due to an excavator operating in vicinity of the powerlines and tore down the Stobie Pole and high voltage powerlines which caused the circuit breakers at the power station to trip.

Due to this damage, it caused the Stuart Range Caravan Park to lose supply altogether as the underground high voltage cable was torn out from the damaged Stobie Pole. The high voltage cable that was installed originally is a cable that is no longer made and to order the new cable there is a 6 week wait. We have decided to go another route to get supply back to the customer by installing Stobie poles and a transformer at the front of the Caravan park in Crown Land controlled by DCCP, then installing underground low voltage to the consumer mains into the park.

We are expecting to have this completed by 13 February 2026 at the latest, due to short staffing and extreme heat weather conditions.

Water Distribution

On 13 January 2026, Council's Reverse Osmosis plant suffered a failure to one of its high-pressure pipes resulting in critical damage to the electrical control units. This resulted in a complete shutdown of the plant, eliminating our ability to produce water.

In situations such as this, Council is completely reliant on specialist technicians from Adelaide. In this case the technicians were immediately able to make the drive to Coober Pedy to begin repairs.

At the time of the shutdown, Council had 5.5 Megalitres of water stored (approximately 4 to 5 days supply). By the time water production resumed, water storage was at 1.5 Megalitres (approximately 1 days supply).

If Council was unable to secure the services of specialists immediately, it is highly likely that water supply to the township would have ceased.

4. Conclusion

The Quarterly report shows Council still faces a number of challenges but is taking all the reasonable steps it can in its current circumstances with limited cash available.

Please do not hesitate to contact me if you have any questions or requirements of us.

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'P. Conlon', written in a cursive style.

Mr Patrick Conlon
Principal Administrator