

2026-2027



Annual Business Plan



ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Antakirinja Matu-Yankunytjatjara people as the Aboriginal traditional owners and custodians of the lands and waters in the area now known as District Council of Coober Pedy.

We respect the spiritual relationships with country and stories here that have developed over tens of thousands of years.

We recognise that this rich cultural heritage is a living culture and remains important to Antakirinja Matu-Yankunytjatjara land people, other Aboriginal people, and our non-Aboriginal communities today.

The wellbeing and prosperity of Antakirinja Matu-Yankunytjatjara land and other Aboriginal people is important to the strong, vibrant community we strive for.

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WHY WE ARE DIFFERENT

COUNCIL IS FINANCIALLY UNSUSTAINABLE

As highlighted in the ESCOSA financial review report delivered in February 2026, Council is not, has not been and is not forecast to be a financially sustainable Council.

There continues to be several issues that Council needs to address to change the financial outlook into the future:

- Debt and Borrowings – Council owes approx. \$2.4m to its largest creditor and \$7.7m to the Local Government Finance Authority (LGFA) in interest only loans (loans that have been rolled over since 2015). This budget has assumed this will continue. Council is working with the State Government to address both these debts in the long-term.
- Asset Replacement Backlog – There is a substantial investment required to catch up with asset replacement. The investment in asset replacement is driven by what Council can afford not what needs to be replaced.
- Asset Replacement Plans - Following the conclusion of Asset Revaluations in June 2027, updated asset management plans will enable Council to accurately reset planned asset replacement into the future.
- Service Levels – Council has assumed existing service levels will be delivered in FY27. This is dependent on a continuation of government grants in areas like Child Care and Children and Parents Program. Without government grant funding these programs cannot continue.
- Rates – Rates have been increased by 8.3% (3.3% CPI + 5% above inflation) and this is still not enough for Council to be financially sustainable. Council acknowledges that the affordability for the Community is a major concern and continues to work on addressing revenue gaps and expenditure savings.
- Administrators / Elected Member Council – This budget has assumed that the Administrator model will cease from

November 2026 and that an Elected Member Body will commence from November 2026.

STATE GOVERNMENT ANNOUNCEMENT – WATER BUSINESS

On 17 February 2026, the Minister for Local Government and the Minister for Housing Infrastructure, announced that the Water infrastructure in Coober Pedy would be transferred to SA Water by the end of 2026.

This is a material change in the structure of Council's Operations. This budget has assumed a continuation of operations of the water business until the end of the 2026-27 financial year, although the transfer team are hoping to conclude by December 2026.

Following this transfer Council will need to consider the impact on the remaining core Municipal operations and make necessary adjustments to continue to operate within the bounds of a much smaller Council structure.

PROFOUND BUDGET CHANGE REQUIRED

The Budget set in this document will require significant adjustment when the transition of Water to SA Water is completed (assumed December 2026). Council has produced this budget based on the information available and acknowledges that the budget adopted for July 2026 will be vastly different from the closing Council position at 30 June 2027.

Any changes to the budget resulting from the transfer of the water business and changes in Council structure will be adjusted as part of Council's Budget Review processes during the 2026-27 financial year.

THE COST OF RESOURCES

Being in a remote location makes it difficult to attract and retain skilled staff to resource all the services we deliver. This means that we also pay a notable amount more for the goods and services we buy.

Due to these issues, our community often pays more to receive services than their urban counterparts unless they can be subsidised by other funding sources such as grants from other levels of government.



A MESSAGE FROM THE ADMINISTRATORS

The three-person Administration Team continue in their respective roles until the general election in November 2026. From November 2026 it is assumed that Council would be returning to an elected member structure.

The Team of Administrators consists of:

- Principal Administrator – Mr Patrick Conlon – served as a State Government minister for 11 years and held the energy portfolio for nine years. He also notably held the police, emergency services, transport and infrastructure portfolios between 2002 and 2013.
- Supporting Administrator - Mrs Erika Vickery – a former Mayor of the Naracoorte Lucindale Council with over 22 years of experience as an elected member of the Council. Mrs Vickery has also served on a number of local government boards including being appointed as the President of the Local Government Association of SA.
- Supporting Administrator – Mr John Moyle – a former Chief Executive Officer of the City of Tea Tree Gully for a period of nine years concluding in 2022 and has had over 40 years of local government experience at three different councils with formal qualifications in financial management and council works management.

The Team of Administrators was appointed to assist the District Council of Coober Pedy to being a financially sustainable council.

Since Mr Patrick Conlon was appointed as Principal Administrator in November 2024 he has focused to address 2 primary responsibilities:

1. Identifying the structural changes necessary to allow the Council to emerge from administration on a sustainable footing and advocating for those changes with the relevant parties;
2. Ensuring that the Council operates under the existing structure to provide its services and discharge its obligations as well as circumstances allow.

Mr Conlon has met with the State Government Task Force on Coober Pedy. At these meetings, and in discussions with ministers, the difficulties faced in Coober Pedy have been detailed.

As well as canvassing the full range of issues facing the Township its has been stressed that there are two things that are essential if the council is to be placed on a sustainable footing:

1. The responsibility for water supply must be transferred to a third party; and
2. Some mechanism for addressing the Council's high debt levels must be found.

During the early part of 2025, the Office of Local Government (OLG) appointed Egis Oceania Pty Ltd to conduct a service level review of Coober Pedy. At the time of publishing this Plan the outcome of that review has not been made public.

Any recommendations from the OLG service level review will be considered by the Administrators for incorporating into the next budget, either as a change to the budget or as an amendment through Council's Budget Review process, depending on when the Final Service Review report is made available to Council.

During 2024-25, Council appointed Mr Garry Herdegen as Chief Executive Officer for a period of three years, commencing from 28 October 2024. The CEO will continue to focus on financial sustainability and efficiency changes throughout Council.

The 2026-27 Annual Business Plan has been prepared based on the following key changes:

- Rate revenue increase of 8.3% (CPI + 5%)
- Wastewater service charge increase of 5.3% (CPI +2%)
- All other operating revenue increase by 3.3% aligned with CPI.



ANNUAL BUSINESS PLAN AMENDMENTS SINCE PUBLIC CONSULTATION

- *Rates information will be updated with the latest Valuation data from the Valuer General.*
- *Financial Statements Forecast comparatives have been updated to the latest Forecast.*

OUR VISION

Coober Pedy is a vibrant, empowered, inspired community of people working together with pride and respect to honour their heritage and seek opportunities for all.

OUR STORY

Our community is built from many different components, where we have created our own culture based on past knowledge and experience, of Aboriginal traditional knowledge, and with a mix of new nationalities who were drawn by the allure of precious opal. Today we are a welcoming regional hub of the far north, with a focus on business, tourism, and opal mining, with great opportunities for future development and employment.

Our focus for the future is for the needs of individuals to be recognised, and to develop and continually improve Coober Pedy to be a happy, healthy, safe, prosperous, harmonious, and united community for all ages.

The District Council of Coober Pedy acknowledges the community of Coober Pedy in reminding us of our rich past and setting out an inspiring future through this vision.



HOW THIS PLAN WAS PREPARED

PURPOSE OF THIS DOCUMENT

The Annual Business Plan sets the proposed operational and capital programs for 2026-27 and how we will manage our budget. It is one of the key documents used by Council.

BUDGET BUILD APPROACH

The development of the Annual Business Plan 2026-27 adopted a 'bottom up' budget approach.

In December 2025, Managers were provided with budget templates to complete where they examined their costs and provided justification on their expenditure and provided assumptions for revenue.

Each Manager met with the Finance team in February 2026 to review their proposed budgets and prepare to present the budget to the CEO. These presentations took place in February 2026.

Two briefings were held in March 2026 with the Administrators and Audit and Risk Committee invited to a presentation on the Annual Business Plan & Budget 2026-27, Long-Term Financial Plan (LTFP) and Infrastructure Asset Management Plan (IAMP) Summary 2026-27 to 2035-36.

THE WAY FORWARD

Historically, Council has delivered operating deficits. The key driver for operating performance was historically not setting fees or rates at an adequate level to cover cost of service, including the costs associated with replacing major plant and infrastructure, the existing condition of Council's ageing infrastructure and delivering services at an unsustainable level.

To improve this situation, the Council must seek to achieve an operating surplus over the long term to replace assets at an adequate level, service its current loan portfolio and reduce operating costs.

Over the last few years, Council has reviewed its operations to reduce its deficit position by setting

revenue at a higher level and reducing costs and maintaining associated debt levels.

The 2026-27 budget anticipates an underlying operating deficit of \$1.085M or -5.3%. This is, however, dependent upon:

- Increasing rates revenue by 8.3% (CPI + 5%);
- Increasing Wastewater charge by 5.3%(CPI + 2%); and
- Securing grant funding for the Child Care Service of approximately \$627k.

ADMINISTRATOR REVIEW AND SUBMISSIONS

There were three written responses received during Public Consultation. No members of the public attended the Council Meeting during public consultation to make verbal submissions or ask questions.

Administrators had opportunity to attend two briefings on the Budget in March 2026.

LONG-TERM FINANCIAL PLAN 2027-2036

This Annual Business Plan is informed by and informs the Long-Term Financial Plan (LTFP).

The previously adopted LTFP sets the initial target in the development of the ABP. The Annual Business Plan has been developed in the context of the longer term i.e. the current version of the ABP forms year 1 of the next iteration of the LTFP 2026-27 to 2035-36.

INFRASTRUCTURE, ASSET MANAGEMENT PLAN SUMMARY 2027-2036

This year's Annual Business Plan has deviated from the previously adopted Infrastructure and Asset Management Plan (IAMP) Summary 2025-26 to 2034-35 to accommodate changes in timing of works and the availability of more accurate information for the replacement of assets.



The capital expenditure budget is based on the latest iteration of the IAMP Summary 2026-27 to 2035-36 and incorporates updated asset values for selected asset classes revalued during 2025-26.

During the early part of 2025, the Office of Local Government (OLG) appointed Egis Oceania Pty Ltd

to conduct a service level review of Coober Pedy. At the time of publishing this Plan the outcome of that review has not been made public.

FINANCING THIS PLAN

As shown in the chart on the following page, Council has a number of key revenue sources that support the 2026-27 budget delivery including the following:

RATES

Council's main revenue source is rates comprised of:

- general, other and separate rates, and
- wastewater charges.

STATUTORY CHARGES

Legislated charges to support environmental and public health and safety including:

- animal/wildlife management (including dog registration)
- building and development fees
- public health and support services and
- emergency management

USER CHARGES

User charges are those costs associated with the provision of specific services to a distinct group of the community including:

- cemetery fees
- water tariffs
- electricity tariffs and
- waste dumping fees

GRANTS, SUBSIDIES & CONTRIBUTIONS

External funds obtained from Commonwealth, State or other bodies contribute to the cost of Council's operations or capital projects including the following:

- Roads to Recovery;
- Financial Assistance Grants;
- Municipal Services Grant (Umoona);
- Remote Area Energy Scheme (RAES);
- Fuel tax Rebates;
- Children and Parenting Program Grant; and
- Childcare Sustainability Grants.

OTHER INCOME

Other income received by Council includes reimbursements and sundry income as well as cash balances, loan facilities and proceeds from asset sales.

NET BORROWINGS

Net borrowings refers to how Council will fund the operating deficit gap not funded by the sources mentioned above.

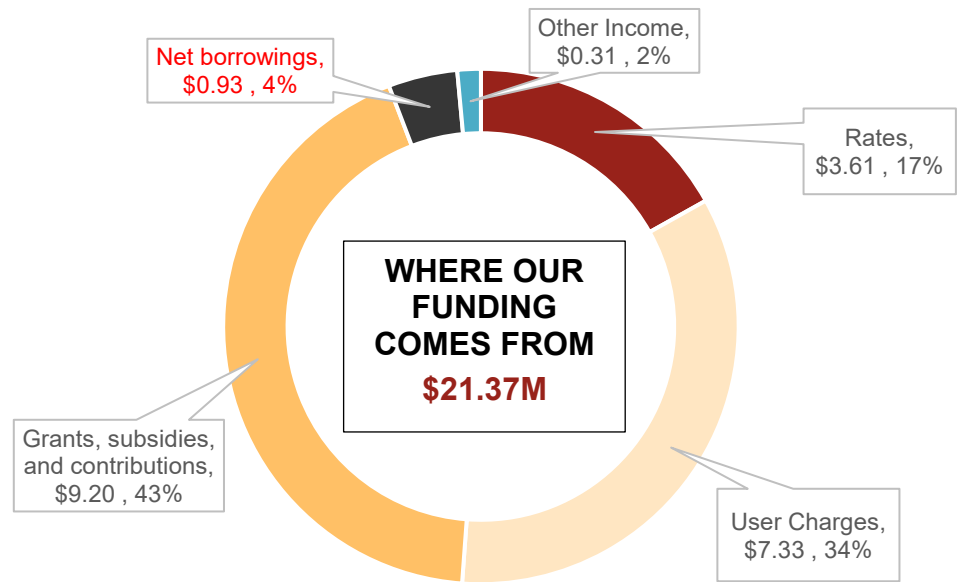
Operating result excluding depreciation plus any capital revenue less capital expenditure. Net borrowings is the bottom line reported on the Uniform Presentation of Finances.



FUNDING AND EXPENDITURE SUMMARY

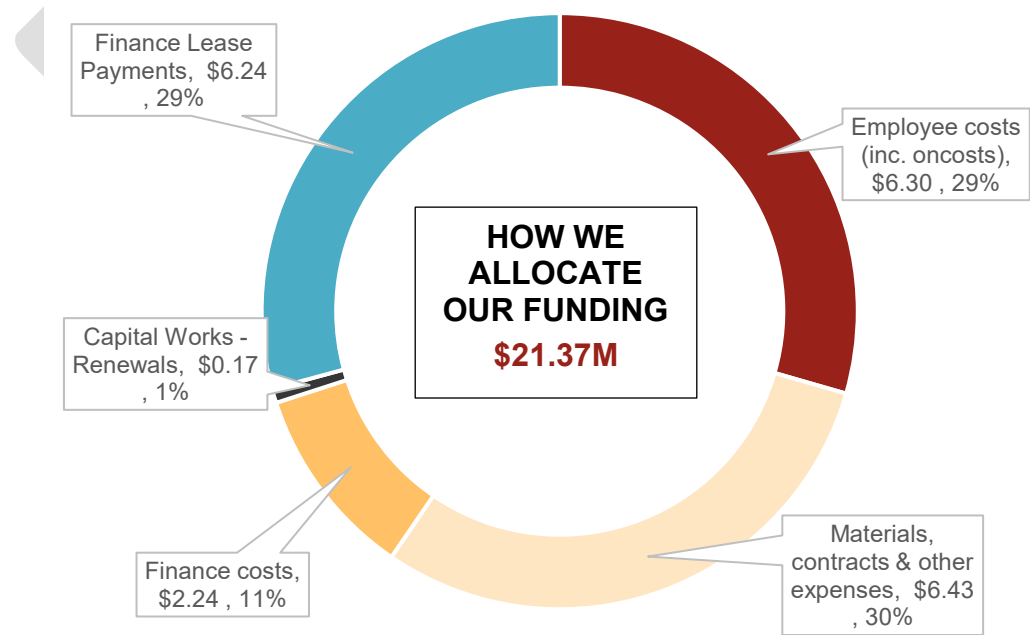
CONSOLIDATED (INCLUDING WATER AND ELECTRICITY) \$'M

WHERE THE MONEY COMES FROM



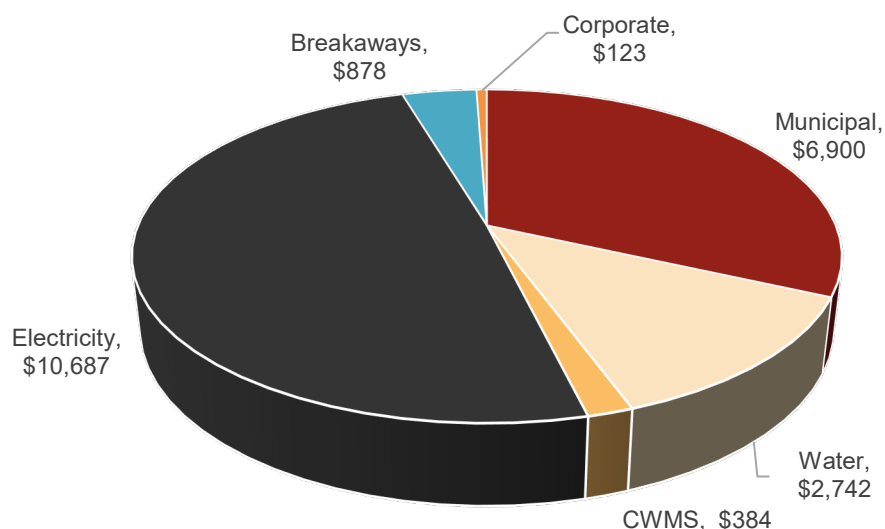
Note: Council is required to source additional funding (shown above as Net borrowings) to fund the services it provides.

HOW WE ALLOCATE OUR FUNDING



Operating Expenditure By Function

Operating Expenditure By Function \$'000s



Definitions:

Municipal – Like most other South Australian Councils, the District Council of Coober Pedy delivers core local government services to its community including : Roads and Paths; Drainage Maintenance; Environmental Management; Waste Management; Regulatory Services; Community Amenties; Economic & Communcity Development; Tourism; Airport; Cultural Events; Recreation; Children & Youth Programs; Child Care Service and Governance.

CWMS (Wastewater) – Council manages a community wastewater management system (CWMS) for 194 connected customers including a treatment plant and some recycling of wastewater.

Water – Council produces approximately 1,500 kL of potable water daily, distributed to approximately 1,550 residential, commercial and government premises via 90 kms of pipe network.

Electricity – Council maintains three-phase, single-phase and single-wire earth return (SWER) distribution systems, providing electricity to nearly 1,250 residential, commercial and government customers within the Council area.

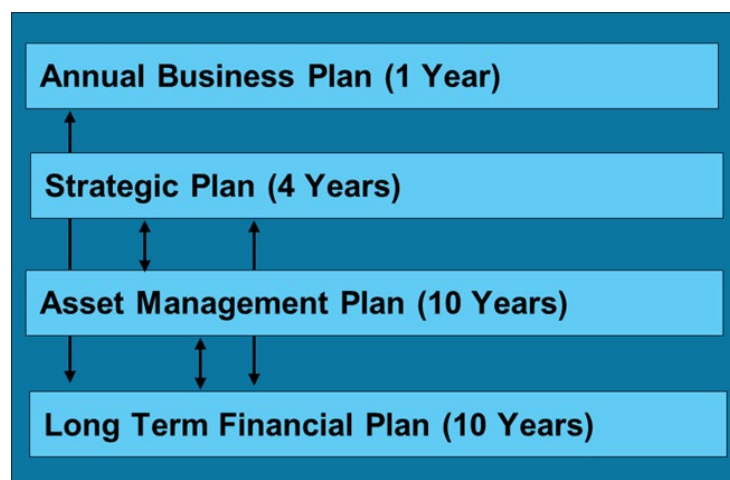
Breakaways – The Kanku-Breakaways Conservation Park is under a unique co-management agreement between Antakirinja Matu-Yankunyjtjajara Aboriginal Corporation (AMYAC), District Council of Coober Pedy and Department for Environment and Water (DEW). The Park is fully funded by the State Government at no cost to Council although the income and expenditure shows in Council's operating accounts.

Corporate – The corporate activities of the Council are those functions that support the rest of the organisation to deliver services to the community. This includes administration functions like paying suppliers and managing contractors as well as human resources and risk management, an area vitally important for the day-to day operations of Council. All the costs incurred within the corporate activity are allocated to other service areas via a corporate overhead allocation.



STRATEGIC CONTEXT

Hierarchy of Documents - Brings together the key planning documents to ensure that the vision, goals and objectives set by the Strategic Plan are implemented. The Annual Business Plan guides and is guided by other key strategic management documents as shown below:



Annual Business Plan (1 Year) - Each year, Council develops an Annual Business Plan guided by Council's planning documents that set strategic directions over the medium to long term and converts these into annual actions/deliverables. This shows the outcomes Council expects to achieve in the year, services, Key Performance Indicators

(KPIs) and the budget required to deliver these outcomes.

Strategic Plan (4 Years) – This Plan represents the vision, aspirations and priorities of our community now and into the future. It identifies the outcomes Council seeks to achieve and the strategies Council will put in place to get there. Council has not updated this since 2013 for the 2014 - 2018 financial years.

Long Term Financial Plan (10 Years) - The Long-Term Financial Plan (LTFP) shows the financial impact of the implementation of the Strategic Plan over the next 10 years and incorporates key assumptions from the Strategic Plan and Infrastructure and Asset Management Plan.

Infrastructure and Asset Management Plan (Asset Management Summary) (10 Years) – This Plan identifies the required future expenditure on infrastructure and funding required to maintain service levels. It is aligned with the LTFP.

HIGHLIGHTS

With finite resources, pressures to deliver more and increases in consumer's expectations of Council's services, there is a growing need for Council to deliver services tailored to meet the demand.

Council priority remains to focus on its service delivery to its community. All the steps taken in regards to activities like asset revaluations, and revenue reviews are undertaken with the ultimate goal of being financially sustainable to support the community into the broader future.

Community Support

Community Grants – A provision has been made for Council to provide \$20k in cash support, as well as \$6.6k in in-kind support to community programs via the community grants process.

Operating Projects

Asset Revaluations – Funds will be rolled over from 2025-26 to invest \$37.5k in revaluations for its

transportation asset classes as part of a 2-year program to address out of date asset values.

Revenue Review – An amount has been included for Council to invest \$20k in a review of its revenue, to establish key principles and ensure that where appropriate the revenue equals the cost of service.



CAPITAL EXPENDITURE

It is essential that Council manages and maintains its assets responsibly; to maximise the value and the services the community derives from them. Asset management has been hampered at this Council by limited working capital and the inability to borrow to maintain assets to a functioning level. As such, cash reserves are a driving factor in the capital works program.

The annual capital works program is informed by:

- (a) Cash Reserves;
- (b) The suite of asset management plans (e.g. roads, footpaths) comprising the Infrastructure, Asset Management Plan Summary 2027-2036; and
- (c) The Long-Term Financial Plan 2027-2036.

Total Capital – Renewal and Replacement

Breakaways Equipment
(Externally Funded)

\$60,000

Essential Services Equipment
Replacement

\$100,000

IT – Rolling Device
Replacement

\$5,000

Council has allocated \$100,000, per resolution #707 passed on 22 January 2025, for the purpose of Emergency Plant Replacement. The CEO has been delegated authority to direct these funds as and when required.



FINANCIAL SUSTAINABILITY – KEY FINANCIAL INDICATORS (KFIs)

Financial Sustainability

The financial sustainability evaluation of a Council is undertaken with reference to a properly developed and complete LTFP. The financial plan includes the forecast achievement of projected performance against industry accepted financial targets.

By achieving these targets Council is assumed to be operating in a financially sustainable manner.

Local Government Indicators

The following Key Financial Indicators are deemed by the Local Government sector to be the best indicators for determining financial sustainability.

Section 122 of the Local Government Act 1999 states that Councils should assess:

“...The sustainability of the Council’s financial performance and position, and... The extent of levels of services that will be required to be provided by the council to achieve its objectives and to the extent to which any infrastructure will need to be maintained, replaced or developed by the Council...”

These indicators are also a requirement of Council’s annual financial reporting in accordance with Local Government legislation and regulation.

The following Key Financial Indicators are deemed by the Local Government Sector to be the best indicators of financial sustainability:

- Operating surplus / (deficit) ratio;
- Net financial liabilities ratio; and
- Asset renewal funding ratio.

Council Specific Indicators:

Council’s may also adopt other ratios appropriate to their business. As such Council has:

- Underlying Operating Surplus;
- Underlying Net Financial Liabilities.

The financial statements use measures titled “Underlying Operating Surplus” and “Underlying Net Financial Liabilities” to present the undistorted financial performance of Council.

In these ratios the only adjustment made is for the Electricity Right of Use Lease entries.

The method used to calculate the lease liabilities results in the impact of these accounting entries changing every year, making year-on-year comparisons difficult. By removing these entries, the value of Councils assets, depreciation, finance costs and contract lease liabilities are reduced which enables a consistent year-on-year comparison.

FINANCIAL SUSTAINABILITY – KEY FINANCIAL INDICATORS (KFI) (Cont.)

Operating Surplus Ratio

This ratio is a measure of the ability to cover operational costs and have revenues available for capital funding, repayment of debt or consider the provision of a new service.

What is the purpose of this ratio?

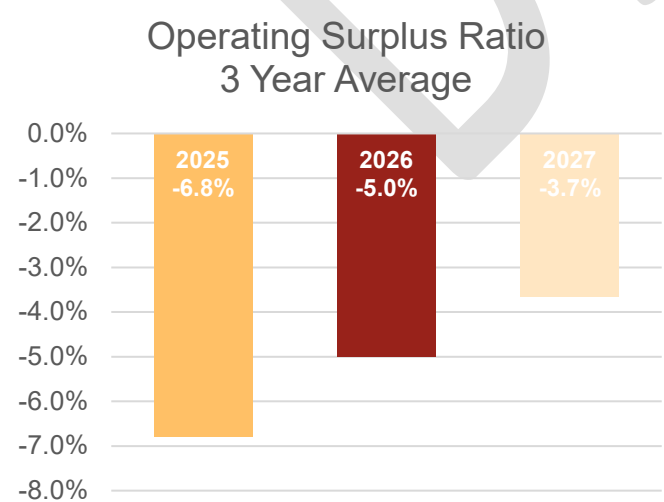
This financial indicator is useful in determining if current ratepayers are paying enough to cover products and services provided in each period.

How is this ratio calculated?

Operating surplus before capital revenues as a percentage of total operating revenue.

What is the proposed target?

The Council's Financial Sustainability and Treasury Management Policies (adopted on the 28 May 2025) are recommending a 1-4% average operating surplus ratio over 10 years.



Underlying Operating Surplus Ratio

This ratio is a measure of the ability to cover operational costs and have revenues available for capital funding, repayment of debt or consider the provision of a new service after making adjustment for timing variances (e.g. financial assistance grants paid in advance or prior year adjustments) and the electricity right-of-use lease entries.

What is the purpose of this ratio?

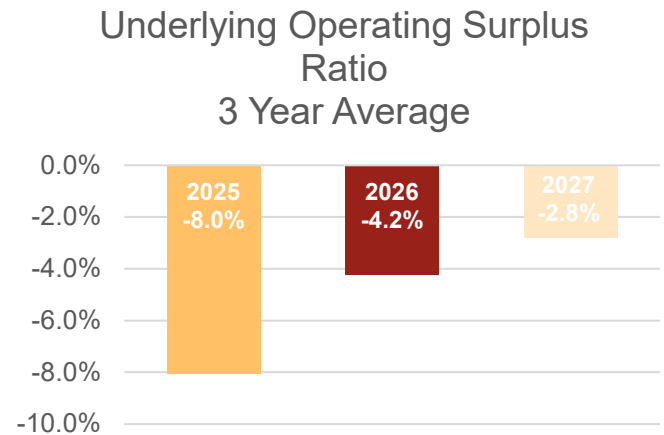
This financial indicator is useful in determining if current ratepayers are paying enough to cover products and services provided in each period.

How is this ratio calculated?

Operating surplus before capital revenues as a percentage of total operating revenue adjusting revenue and expenditure to remove the impact of the Electricity Right of Use Lease entries.

What is the proposed target?

The Council's Financial Sustainability and Treasury Management Policies (adopted on the 28 May 2025) are recommending a 1-2% average underlying operating surplus ratio over 10 years.



FINANCIAL SUSTAINABILITY – KEY FINANCIAL INDICATORS (KFIs) (Cont.)

Net Financial Liabilities Ratio

This ratio is a measure of the significance of the net amount owed at the end of the financial year compared with operating income for the year.

An increase in this ratio indicates that Council requires more of its operating income to fund its financial obligations.

What is the purpose of this ratio?

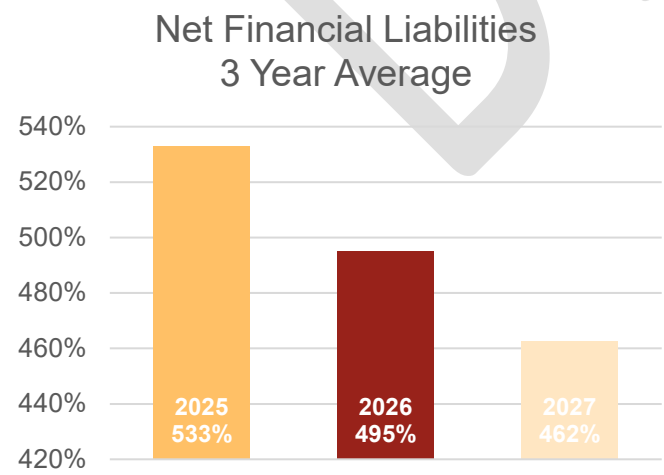
This financial indicator is useful in determining the level of indebtedness that Council has in comparison to its operating revenue.

How is this ratio calculated?

Net financial liabilities as a percentage of total operating revenue.

What is the target?

The Financial Sustainability and Treasury Management Policies are recommending a 250-400% average Net Financial Liabilities ratio over 10 years.



Underlying Net Financial Liabilities

It should also be noted that the ratio is significantly lower than the South Australian Local Government recommended maximum of 100% over 10 years reflecting Council’s debt and asset renewal position.

The higher the Net Financial Liabilities ratio, the higher the level of borrowings, but as this Council is restricted in its current borrowing options this ratio will continue to be lower than the recommended levels.

What is the purpose of this ratio?

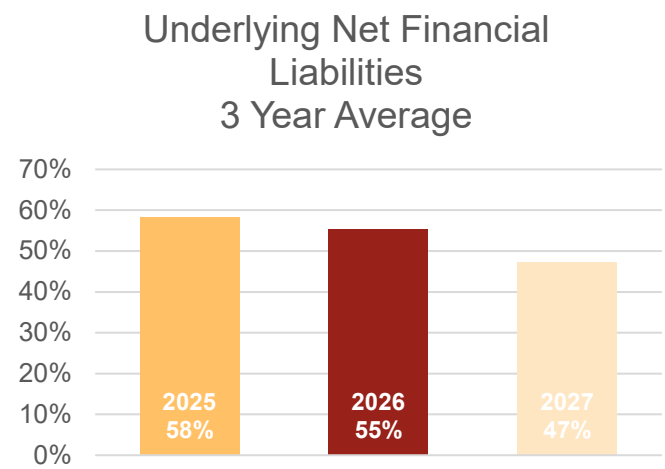
This financial indicator is useful in determining the level of indebtedness that Council has in comparison to its operating revenue.

How is this ratio calculated?

Net financial liabilities as a percentage of total operating revenue (adjusted to remove the impact of Electricity Right of Use Lease).

What is the target?

The Financial Sustainability and Treasury Management Policies are recommending a 30-35% average Net Financial Liabilities ratio over 10 years.



FINANCIAL SUSTAINABILITY – KEY FINANCIAL INDICATORS (KFI)s (Cont.)

Asset Renewal Funding Ratio

This ratio is a measure of whether assets are being renewed in line with Council's Infrastructure and Asset Management Plans.

Anything less than 100% means a council's replacement is not in line with the Infrastructure and Asset Management Plan.

What is the purpose of this ratio?

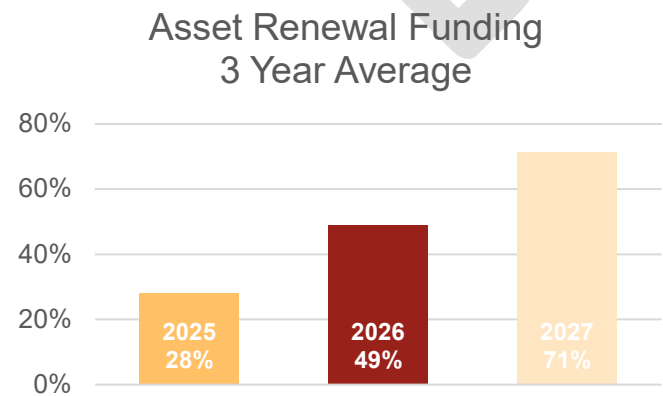
This financial indicator is useful in determining if Council is maintaining all of its assets. This is best demonstrated by comparing total Capital Renewal expenditure planned against Strategic Asset Management Plan requirements.

How is this ratio calculated?

Capital expenditure on renewal or replacement of existing assets as a percentage of asset management plan allocations.

What is the target?

The Financial Sustainability and Treasury Management Policies are recommending a 100% average Asset Renewal Funding Ratio over 10 years.



Asset Renewal Funding Ratio (Condition)

Our Council has proposed asset replacement plans based on Council's affordability not on asset condition.

Council still has a significant volume of asset replacement backlog that will need to be addressed in the future.

This presents the ratio using the expenditure required based on condition.

What is the purpose of this ratio?

This financial indicator has been provided to show the gap in regards to the expenditure Council should be incurring for required Asset Replacement.

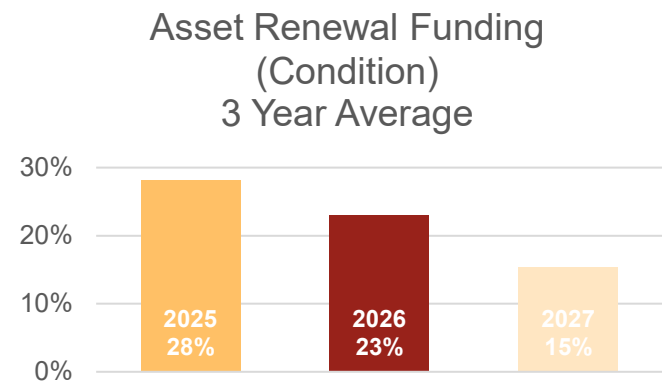
How is this ratio calculated?

Capital expenditure on renewal of existing assets as a percentage of asset management plan adjusted for condition data (i.e. including backlog).

The backlog replacement schedule in the modelling below has been assumed to be phased over 5 years.

What is the target?

The recommended target is that Council maintain an asset renewal of greater than or equal to 100% of the Asset Management Plan aligned with legislation.



FINANCIAL SUSTAINABILITY – A LONGER TERM VIEW

Council reviews its Long-Term Financial Plan annually with Asset Management Plan Summary and the Annual Business Plan and Budget to ensure that this document is developed in the context of Council's longer term financial performance and promote consistency across Council's key documents.

Considering the long term financial sustainability of Council, the following proposed increases have been included in this plan; municipal rates of 8.3% (3.3%

CPI + 5% increase) and waste water charge 5.3% (CPI + 2% increase).

The Long-Term Financial Plan 2027 – 2036, as adopted by Council on 24 June 2026, has withdrawn further pay down of the outstanding balance with our Electricity supplier and principal repayments of its loan with the Local Government Finance Authority, pending further advice from the State Government. Instead, Council has adopted a singular focus on asset replacement for any accumulated cash.

SIGNIFICANT INFLUENCES - EXTERNAL

Local Government Reform

Council was reviewed by Essential Services Commission of South Australia (ESCOSA) during the 2025 - 2026 year under the Local Government Advice Scheme established through the *Local Government Act 1999*. The aim of the Scheme is to provide independent, risk-based advice to assist councils when making long-term financial and investment decisions for the benefit of ratepayers.

A copy of the ESCOSA report and Council's response to ESCOSA's recommendations has been included in Appendix 1 to this report.

Political Landscape

Local Government reforms and funding/cost shifting (e.g. Financial Assistance Grants timing and amount of advance payments) have a huge influence on this Council.

Within South Australia, Local Council elections will be held in November 2026. The former Minister for Local Government announced the current term of Administration would conclude at the next General Election.

Economic Conditions

Increased cost of living has not only impacted our community, but also Council's ability to renew and maintain our assets where increased costs and interest rates combined with funding constraints mean that investment in assets is limited.

General price increases, including rising oil prices, local suppliers with stock shortages, and skilled

labour shortages, are just a few key issues being felt by the Council and our community.

Recent instability in the Middle East has raised concerns over the possible future increases of fuel impacting the community. The impact of this instability is unable to be measured at this early stage and so Council has used the most recent pricing to forecast costs for this budget. Council will continue to monitor the situation as things progress.

Population

The population of Coober Pedy has changed over time, rising between 2011 and 2016, before falling to pre-2011 levels in the 2021 census. According to the 2021 Census Coober Pedy had a population of 1,566. The population is also ageing, with a median age of 50 in 2021, rising from 46 in 2016.

Outstanding Debts

There is an increasing level of hardship being experienced within the community. This is impacting the ability of some ratepayers/customers to pay their rates and utilities. This has a flow on effect on Council finding the necessary cash balances to keep operating.

Interest Rates

Over the past 12 months (since April 2025), interest rates are increasing, with two interest rate decreases in May and August 2025 followed two interest rate increases in February 2026 and April 2026. The current forecast is for interest rates to continue to increase in the remainder of 2026.



SIGNIFICANT INFLUENCES - INTERNAL

Infrastructure and Asset Management Plan

Council has not previously had funds to undertake asset condition assessments and valuations. At this stage, the Summary Infrastructure and Asset Management Plan has been updated based upon the current asset register, the draft revaluations for select asset classes revalued in 2026 and Council's affordability.

The last full asset valuation undertaken based on depreciated current replacement cost was in 2019 for most asset classes, Electricity and stormwater reviewed in 2021 and water and wastewater being updated in 2022.

During 2025-26, Council engaged a consultant to conduct a two-year asset revaluation program for Buildings and structures, Community Wastewater Management System (CWMS) and Stormwater drainage assets (year 1) and Transportation Assets (Year 2)

This Asset Management Plan has been updated to incorporate the draft revaluation data for the year 1 asset classes. It will be issued for public consultation at the same time as this document.

Employee Costs

Over the last 10 years staffing levels have remained consistent, however, with a focus on delivery service the mix of staff has shifted from leadership to operational roles.

The result of this change in organisational structure has meant that the overall increase in employee costs over the period has been lower than CPI. It's also worth noting that individual salary increases have been largely in line with CPI over this same period.

Treasury Management

At this stage the District Council of Coober Pedy does not have access to additional borrowing capacity. This has limited the amount of expenditure in this version of the budget incorporated to maintain services and assets.



OUR ASSUMPTIONS

Our Business Model

We are currently exploring different operating models for the District Council of Coober Pedy. In preparing this business plan, however, we have assumed that Council operations will continue to deliver current service levels with the existing organization structure.

Inflation

Inflation at December 2025 was 3.30% (source: ABS Adelaide CPI December 2025). We have budgeted for known or likely price increases. We will endeavor to absorb increasing costs where possible.

Enterprise Bargaining

In 2025 Council executed a new enterprise bargaining agreement – the second review undertaken in two years.

Negotiations for a new enterprise bargaining process are due to commence before the conclusion of the current agreement in 2028

General Rate Revenue

An 8.3% increase in general rate revenue has been included in the budget which is in line with the

Council's Long-Term Financial Plan of increasing rate revenue in 2026-27 by 5% above inflation.

Water Service Charge and Usage Tariffs

We will be increasing the water access charge by inflation and the charge per kilolitre will also be increasing in line with inflation, in order to recover our forecast operating costs in order to supply to water to the town.

Wastewater Service Charge

We will be increasing the wastewater service charge by inflation +2 %, in order to recover our forecast operating costs in this area

Borrowings and Cash Position

With no access to new borrowings, we will be focusing on maintaining an adequate cash balance to fund operations during the year.

Capital Expenditure

We will undertake capital expenditure where grant funding is available. We will hire any plant and equipment essential for the existing service delivery model instead of purchasing outright to assist in our cash flows and ensure we have properly functioning equipment to carry out our services.



OUR FOCUS

Our primary focus for the 2026-27 financial year will continue to be **Conservativity** and **Sustainability**.

Business Structure

Council has continued to report on the modified business structure as adopted in 2024-25. Each of the essential services businesses (Electricity, Water and Wastewater) are reported separately from Council's core Municipal Business.

Financial Sustainability

The budget for 2026-27 has been drafted to ensure each of the individual Business Units are operating independently.

There is an application pending the Commonwealth Government for grant funding for the Mini Gems Child Care Center. If the application is unsuccessful the service would no longer be operating on a financially sustainable basis. Council would need to either review the fees payable by families or consider closing the service.

Asset Management

An area of great concern to the Council is the current condition of our infrastructure used in electricity, and wastewater essential services along with that of our major plant and equipment including our motor vehicles in all areas of Council's operations.

Of the 59 items listed in our plant register, 42 items or over 70 per cent have reached the end of their useful life.

Council will continue to supplement its fleet with equipment hired from third party providers for the time being, though we have reduced the number being used. This is due to Council's lack of working capital and inability to source lending options to purchase our own fleet items.



MUNICIPAL

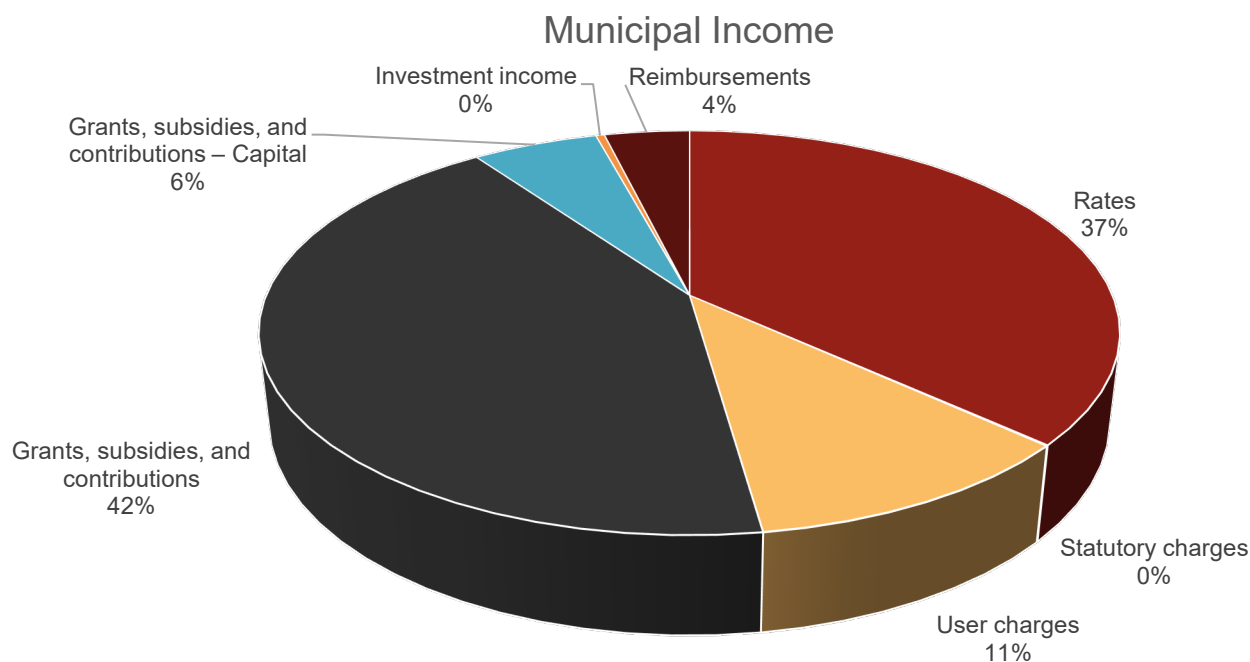


MUNICIPAL ACTIVITIES OF THE COUNCIL

FUNDING AND EXPENDITURE SUMMARY

MUNICIPAL

OPERATING INCOME



Definitions:

Rates – municipal rates, regional landscape levy, fines and penalties and legal fees recovered.

Statutory Charges – animal registration fees.

User Charges – bin sales, tip fees, skip bin collection, other animal related fees, cemetery fees, tourist water sales, landing fees, childcare contributions, swimming pool fees, Breakaways commercial operator fees and Breakaways park fees.

Grants, subsidies and contributions (Operating) – Municipal Services Umoona grant, children and youth grant, childcare grant, financial assistance grants, State Government Administrator support grant, Breakaways operating grant

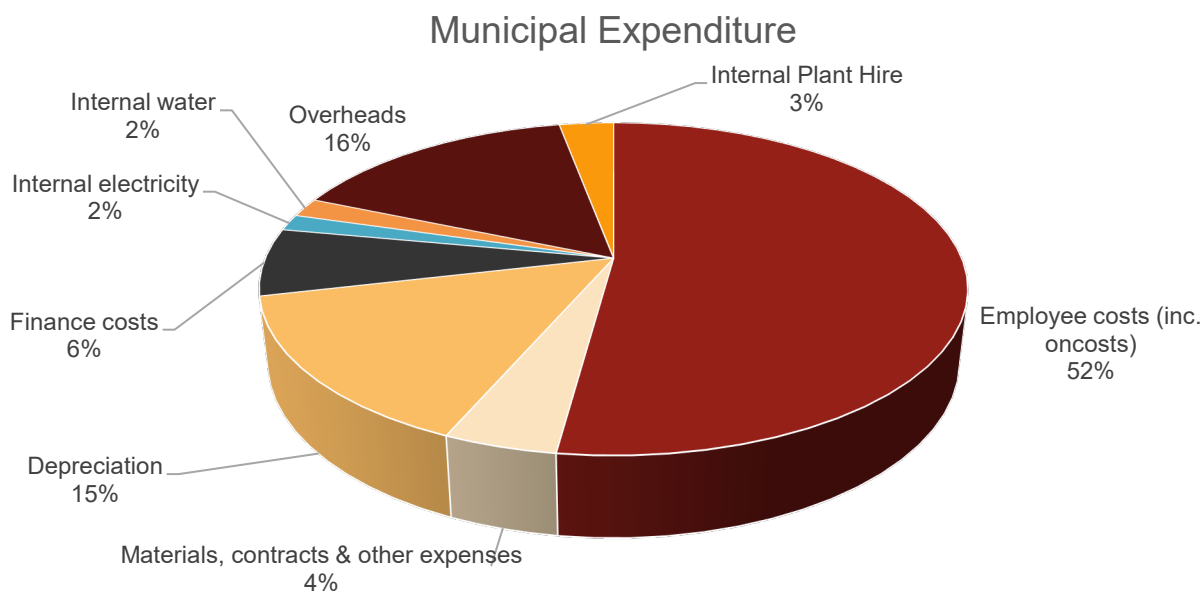
Grants, subsidies and contributions (Capital) – Roads to Recovery and Local Roads and Community Infrastructure grants.

Investment Income – Bank interest.

Reimbursements – Swimming pool reimbursements.



OPERATING EXPENSES



Definitions:

Employee Costs (inc. oncosts) – Staffing costs including oncosts such as annual leave, long service leave, payroll tax, sick leave, workcover and superannuation.

Materials, contracts & other expenses – costs of materials (such as road materials, parts), insurance, contractors (purchase of services), legal fees, telephone costs, stationery, membership fees and annual licenses.

Depreciation – allocation of costs attributed to the consumption of assets relating to this financial year.

Finance Costs – includes borrowing costs on Council loan and penalty interest on overdue balances.

Internal electricity – costs relating to the provision of electricity to Council facilities.

Internal water – costs relating to the provision of water to Council facilities.

Internal plant hire - costs relating to the use of Council plant (e.g. graders, loaders, utilities).

Overheads – functions provided through corporate services that support the rest of the organisation to deliver services to the community. This includes administration functions like: finance, asset management, human resources, workplace health and safety and risk management.

YOUR RATES AT A GLANCE

HOW WILL \$100 OF YOUR MUNICIPAL RATES BE SPENT

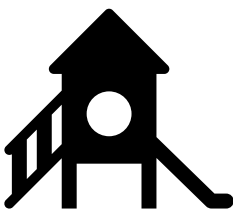
Roads and Paths - \$26.08



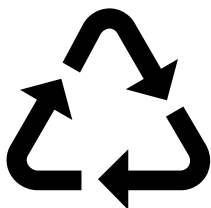
Governance - \$21.28



Recreation - \$14.87



Waste Management - \$7.75



Airport - \$7.75



Regulatory Services - \$4.62



Community Amenities - \$4.48



Economic & Community Development - \$4.15



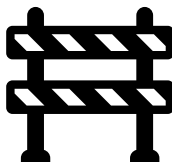
Environmental Maintenance - \$3.59



Tourism - \$3.21



Drainage Maintenance - \$0.55



Private Works - \$0.46



Cultural - \$0.26

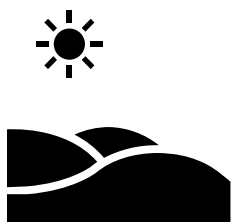


SERVICES NOT FUNDED BY MUNICIPAL RATES

Breakaways

(Funded by User Charges & Grants)

\$932k



Water

(Funded by User Charges, Service Charge & Grants)

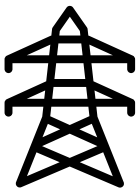
\$2,769k



Electricity

(Funded by User Charges & Grants)

\$10,024k



Children & Youth

(Funded by Grants)

\$91k



Wastewater

(Funded by Service Charge)

\$384k



Child Care

(Funded by User Charges & Grants)

\$977k



Like most other South Australian Councils, the District Council of Coober Pedy delivers core local government services to its community. These are the services typically funded by monies raised through general rates.

Even though the Council is a \$20M business, only a small proportion is related to its municipal activities.

With limited financial resources of Council, we often need to prioritise our essential services, such as water and electricity over our core services such as waste management and roads.

This means we cannot deliver all services at a level needed by our community. Our roads are of relatively poor standard, we cannot offer full transfer waste services due to our remoteness and we provide only the basic community support.

YOUR RATES AT A GLANCE (Cont.)

MUNICIPAL RATES SERVICES

Below is a detailed description of each of the services provided under municipal rates and the proportion of rates spent on each item:

LOCAL ROADS AND PATHS

We maintain 31km of sealed roads, 127km of unsealed roads and various other related assets including kerbing, footpaths, culverts, road signage and street lighting.

Our community experiences 3 to 4 significant rain events per year. The rainfall causes major damage to our road network, which Council is required to repair the damage at a significant cost.

GOVERNANCE

These activities support the Council, including council and committee meetings, public participation in decision-making and public relations. It includes a portion of the cost of the Administration team of three (3) people, Council's Chief Executive Officer, Executive Assistance support and the Governance Officer. The remaining portion is recovered via overhead allocations from each of the four business units (Municipal, Wastewater, Electricity and Water).

The main immediate governance challenges that we are facing are our out of date strategic and other planning documents, such as our Strategic Plan which has not been reviewed since 2013.

RECREATION

We improve the well-being of our community through recreation. This includes supporting community-based initiatives through managing the swimming pool operations, contributing to the library's operating expenses, and maintaining the playground, oval, community orchard plus bicycle and walking paths and skatepark.

WASTE MANAGEMENT

The Council collects approximately 1,400 domestic and 128 commercial bins every week, as well as operating a landfill site. We also provide hard waste collection on a fee basis and recycle electrical items and abandoned vehicles.

We cannot provide our community with a waste transfer station, and we do not provide a kerbside recycling service, something that is now common practice across Australia.

We believe it is important to divert recyclable materials from landfill but face numerous challenges in delivering this outcome. Our rubbish trucks are aging and will require replacement in the near future. We do not have the financial resources to replace them.

AIRPORT

Council owns and operates Coober Pedy Airport. Stringent safety standards are in place. This includes daily checks of the area and requires regular maintenance such as cleaning of lights, markings and markers, sweeping of the runway, taxiway and apron, as well as maintenance of buildings, grading, rolling, slashing and poisoning of vegetation within the airport runaway and taxiway perimeters. An Airport Audit in 2023 identified that major upgrades are required but are currently unfunded although government grant opportunities continue to be investigated to assist with this very necessary work.



YOUR RATES AT A GLANCE (Cont.)

MUNICIPAL RATES SERVICES

REGULATORY SERVICES

We undertake a variety of activities to maintain public health and safety including inspection of buildings and dugout construction sites, health and fire prevention inspections and animal control.

COMMUNITY AMENITIES

We maintain the cemetery, including the preparation of burial plots. We also maintain public toilets, drinking fountains, and community barbecues. Council must also acknowledge the work of volunteer groups within the community such as Clean up Australia whose work is of benefit to the entire community.

ECONOMIC AND COMMUNITY DEVELOPMENT

Council is a subscribing member of Regional Development Australia. It is very difficult to have a strong economy without a strong sense of connection, safety and wellbeing within a local community, and vice versa. We need to work towards creating new opportunities for business and development, including vocational education and training pathways, employment opportunities, support for entrepreneurial efforts, and partnership with relevant stakeholders.

We need to create a strategy to support local industries including opal mining and tourism, honoring Coober Pedy as the Opal Capital of the World. We need to work towards positioning Coober Pedy as the Far North Regional Hub of South Australia. This will bring additional opportunities and considerations from a wide range of sources for the community to consider.

ENVIRONMENTAL MANAGEMENT

The Council maintains the visual amenity of the town and supports initiatives aimed at improving environmental sustainability. We do not have funding for important projects such as upgrading the water system or creating a wetland to store wastewater and of conserving indigenous flora and fauna to name a few.

TOURISM - VISITOR INFORMATION CENTRE

We support the tourism industry in Coober Pedy by operating the Visitor Information Centre (VIC). The VIC is open from March through to October during the peak tourist months and is supported by dedicated staff. With limited funds, we cannot deliver the potential tourism projects identified in the Coober Pedy Together planning process. Where appropriate, the Council will seek grants and other funding sources, and collaborate with the community to turn our plans into reality. Council and Tourism Industry Council of South Australia (TiCSA) are working together regarding service levels for the VIC to ensure that it meets the requirements to maintain accreditation.

DRAINAGE MAINTENANCE

Our drainage network comprises of 0.7 km of stormwater pipe, 20 pits and 129 m of surface spoon drains.

PRIVATE WORKS

Council undertakes civil construction works on a fee for service basis as well as the sale of various materials. This includes annual and one-off contracts across areas such as water, electricity, roadworks and drainage.



YOUR RATES AT A GLANCE (Cont.)

MUNICIPAL RATES SERVICES

PRIVATE WORKS (Cont.)

While the Council would like to undertake more of these works to reduce the rate burden on its community further, the poor condition of the Council's major plant and difficulty in attracting staff have kept these works to a minimum.

CULTURAL

Cultural activities include events such as Australia Day, NAIDOC celebrations and citizenship ceremonies.

OTHER PROGRAMS NOT FUNDED BY MUNICIPAL RATES

As mentioned above the following programs are not funded by municipal rates, rather they are funded by either grants or user charges or both:

CHILDCARE

Council currently provides quality accredited childcare through the Mini Gems Children's Centre. It caters for children between the age of 6 weeks and six years.

Council understands and appreciates the need for high quality early childhood education in terms of child development outcomes and the flow on effects to employment and community engagement and connection.

If however, the Council is unable to source Government grants to operate this service Council does not have the funds available to continue the service.

CHILDREN AND YOUNG PEOPLE

We enhance the social development and well-being of children, young people and families through the Children and Parenting Support Program (CaPS) and community facilities.

This includes supporting families to build parenting skills, create community connections and implementing early intervention and prevention services.



Rating Strategy

General Rates

The Council funds its municipal activities through grants, returns on commercial activities and general rates.

In 2020-21, the Council reviewed how it levied general rates over properties in Coober Pedy. After consideration of all the issues, including those raised during a period of public consultation, it decided the most equitable method was:

1. A single rate in the dollar on all properties regardless of their use
2. No fixed charge
3. A transition period over several years using applying a 15% cap on individual rate increases.

Due to various circumstances, including Council's focus towards achieving financial sustainability, the transition period has been different from that originally adopted.

The Council considered a recommendation to review the existing rating structure at the March 2026 Council meeting and resolved to retain the existing model.

The Statutes Amendment (Local Government Elections Review) Bill 2025 (Bill) passed Parliament on 13 November 2025 that stated that Council will cease to be a defaulting council at the conclusion of the 2026 periodic council elections.

Council Administration and in particular the CEO do not believe that the rating structure should be changed by the current council when the next council will be appointed in late 2026. Council Administration accept that this will probably mean that no further review of the basis of rating will be undertaken for at least two years.

In the 2026-27 year general rate revenue will increase by 8.3% (CPI of 3.3% + 5% increase).

Purpose

In developing a rating methodology, the Council must make political and professional judgement based on a few guiding principles and objectives.

Equity

In developing the rating methodology, we have endeavored to ensure the rating responsibility is distributed in an equitable manner. To do this we aim to;

- improve equity in rate distribution across our community;
- prevent inequitable shifts in rate responsibility;
- collect a base contribution from all rateable properties;
- equally distribute the responsibility of rates across the community;
- raise an equitable level of contribution from each land use sector.

Benefit

To achieve the principle of benefit we will, wherever practicable, charge the direct beneficiary for benefits through user charges, services charges, and separate rates.

Economic Development

Our methodology also seeks to support Council's economic development focus by facilitating a strong and vibrant economic environment, supporting the growth of business within the area, balancing the issue of consumption of resources with economic development objectives and encouraging development on vacant land.



RATES MODELLING

Methodology

Our rates are determined by multiplying the applicable rate in the dollar by the capital valuation of rateable land in the council area plus a fixed charge (as detailed below).

Valuation Methodology

The council uses the capital value determined by the Valuer-General as the basis for valuing land and calculating rates.

We consider that the capital valuation (**CV**) method of valuing land provides the fairest method of distributing the rate burden across all ratepayers, and that this equates with the taxation principle that people should contribute to community, social and physical infrastructure in

accordance with their capacity to pay as measured by property wealth.

If a ratepayer is dissatisfied with the valuation made by the Office of the Valuer-General, then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation, explaining the basis for the objection, provided they have not:

- a) previously received a notice of this valuation under the Act, in which case the objection period is 60 days from the receipt of the first notice; or
- b) previously had an objection to the valuation considered by the Office of the Valuer-General.

VALUATION ANALYSIS					
	2025-26		2026-27		Variance
	No of Properties	Capital Value	No of Properties	Capital Value	\$
RESIDENTIAL	1203	\$114,792,943	1203	\$115,153,443	\$360,500
COMMERCIAL-SHOP	42	\$9,781,524	41	\$9,711,524	-\$70,000
COMMERCIAL-OFFICE	12	\$2,642,600	12	\$2,642,600	\$0
COMMERCIAL-OTHER	49	\$22,653,386	51	\$22,885,386	\$232,000
INDUSTRY LIGHT	20	\$2,057,000	20	\$2,059,500	\$2,500
INDUSTRY OTHER	3	\$309,000	3	\$309,000	0
VACANT LAND	266	\$6,630,000	265	\$6,515,000	-\$115,000
OTHER	12	\$1,513,717	13	\$1,564,217	\$50,500
TOTAL	1,607	\$160,380,170	1,608	\$160,840,670	\$460,500

Note: Values provided here are the current capital values at time of producing this report.



General Rates

The Annual Business Plan for 2026-27 includes an increase in general rate revenue of 8.3% as we move towards financial sustainability in accordance with Council's Long-Term Financial Plan adopted in 2025.

TOTAL GENERAL RATE (excluding rebates and remissions on rates that are not discretionary)		
2025-26	2026-27	% Change
2,379,663	2,577,175	8.3%

Discretionary Rebate

Council is applying a 100% discretionary rebate under Section 166 to the Not-for-Profit clubs domiciled, established and operating in the Coober Pedy township.

Differential Rating

While the Council has determined that it will move to a single rate in the dollar, it is applying differential rates during the transition period. We apply different rates based on land use as determined by the *Local Government (General) Regulations 2013*.

The following differential general rates will apply for the 2026-27 financial year:

Land Use	Cents in the dollar
Residential	1.588013
Commercial—Shop	1.826215
Commercial—Office	1.826215
Commercial—Other	1.826215
Industry Light	1.826215
Industry—Other	1.826215
Vacant Land	1.588013
Other	1.826215

Land Use Category

As part of the valuation assessment process, the Office of the Valuer-General applies a land use to each assessment to identify the predominant use of the land.

Council generally applies this land use for general rating purposes, however under the Act, Council is the authority that determines land use for rating purposes. As such the local government land use may vary from that used by other taxing authorities.

If a ratepayer believes that a particular property has been wrongly classified as to its land use, then an objection may be made as detailed in the "Valuation Methodology" section.

Fixed Charge

While the Council has determined that it will not apply a fixed charge long term, it is applying a reduced fixed charge during the transition period. In 2026-27 the fixed charge will be set at \$75.00 (2025-26 - \$75.00).

Rate Cap

(Discretionary Rebate – Substantial Change in **Quantum** of Rates)

As the Council transitions to a single rate in the dollar it will provide relief to an individual ratepayer who experiences a significant change in their annual general rate charge. A ratepayer's annual rate increase will be capped at 13% above that of the previous year. The rate of the cap has been determined as the general rates increase for 2026-27 of 8.3%, plus 4.7% increase for changes in valuations.

The rate cap does not apply when there is a change in property ownership during the previous financial year, where valuations have increased due to property improvements or where there has been a change to the land use code as determined by the Valuer General's Office.



Estimated Average General Rates

The estimated average rate per property is based on the total of all rateable properties and is therefore not necessarily indicative of either the rate or change in rates that individual ratepayers will experience.

Average general rate per land category			
Land use	2025-26	2026-27	Change
Residential	\$1,397.65	\$1,524.39	9.1%
Commercial—Shop	\$3,556.53	\$3,887.87	9.3%
Commercial—Office	\$3,702.61	\$3,951.73	6.7%
Commercial—Other	\$6,965.63	\$7,246.00	4.0%
Industry Light	\$1,826.81	\$1,946.26	6.5%
Industry—Other	\$1,671.32	\$1,778.82	6.4%
Vacant Land	\$424.81	\$447.97	5.5%
Other	\$718.09	\$306.93	-57.3%
Total	\$1,480.81	\$1,602.72	8.23%

	2025-26	2026-27
Average Residential Rate	\$117.44	\$124.56
Increases	9.17%	8.90%
No. of residential properties	811	1,423
with a 5-20% increase	67%	88%
No. of properties receiving capping	391	252
	24%	16%
Commercial rate in the dollar compared to residential	115%	115%

Regional Landscape Levy

The Council is required under the *Landscape South Australia Act 2019*, to collect the Regional Landscape Levy on behalf of the SA Arid Lands Landscape (SAAL) Board. Council does not retain this revenue or determine how the revenue is spent.

In 2023, the SAAL Board transitioned to a common levy basis across Council. Under the Landscape South Australia Act 2019 it is a requirement that the regional landscape levy is applied on a common basis across council areas in a landscape region. Following the landscape region boundaries realignment, Port Augusta

and the Flinders Ranges councils were added to the SAAL. To comply with this requirement, the SAAL Board transitioned to a common levy basis across Council in 2023-24.

The Regional Landscape Levy is now based on land-use. In 2026-27, Council will collect \$83,034 through a separate rate based on a fixed charge per property of:

Regional Landscape levy	
Land use	Charge
Residential	\$49.06
Commercial—Shop	\$98.12
Commercial—Office	\$98.12
Commercial—Other	\$98.12
Industry Light	\$98.12
Industry—Other	\$98.12
Vacant Land	\$49.06
Other	\$49.06
Primary Production	\$245.30

The Council is also paid a small administration fee by the Landscape Board to cover any administration costs by the Council in the collection of this fee.

Water Annual Service Charge

The Council applies an annual service charge on land within the Council's area to which the Council provides or makes available the provision of water. In 2026-27 the Council will raise \$618,713 through a water access fixed service charge of \$352.54 per property.

CWMS Service Rate

The Council applies a service rate in respect of all land within the Sewerage Service Scheme Area. In 2026-27, Council will raise \$293,821 through a CWMS Sewerage service rate of 0.595075 cents in the dollar.

This rate may change slightly as valuations are updated.



Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue				
	2025/26 (as adopted)	2026/27 (estimated)	Change	Comments
General Rates Revenue				
General Rates (existing properties)	\$2,429,540	\$2,635,398 (a)		For 2026-27, an expected increase in total General Rates revenue of 8.3% is projected. 'Subject to Council consideration and public Consultation
General Rates (new properties)		(b)		
General Rates (GROSS)	\$2,429,540	\$2,635,398 (c)		
Less: Mandatory Rebates	(\$16,686)	(\$22,910) (d)		
General Rates (NET)	\$2,412,854	\$2,612,488 (e)	8.3%	
(e)=(c)+(d)				
Other Rates (inc. service charges)				
Regional Landscape Levy	\$81,443	\$83,169 (f)		The Regional Landscape Levy is a State tax, it is not retained by council.
Waste collection	N/a	N/a (g)		Council does not have a separate Rates charge for waste collection
Water supply	\$598,948	\$618,713 (h)		Water Access Charge for Water customers
CWMS	\$278,857	\$293,821 (i)		CWMS charge for customers connected to the Council CWMS System
Separate and Special Rates	N/a	N/a (j)		N/a- Council does not currently use any separate or special rates
Electricity Supply	N/a	N/a (k)		N/a- Council does not currently use any electricity rates
	\$3,372,102	\$3,608,191		
Less: Discretionary Rebates	(\$33,191)	(\$35,313) (l)		
Expected Total Rates Revenue	\$3,257,468	\$3,489,709 (m)	7.1%	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
(m)=(e)+(g)+(h)+(i)+(j)+(k)+(l)				
Estimated growth in number of rateable properties				
Number of rateable properties	1,607	1,608 (n)	0.1%	Subject to final valuation for rate declaration
	Actual	Estimate		
'Grow th' is defined in the regulations as where new properties have been created which has added rateable properties to council's ratepayer base. Growth can also increase the need and expenditure related to infrastructure, services and programs which support these properties and residents.				
Estimated average General Rates per rateable property				
Average per rateable property	\$1,512	\$1,639 (o)	8.4%	Subject to Council consideration and public Consultation
(o)=(c)/(n)				
Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area). The total General Rates paid by all rateable properties will equal the amount adopted in the budget.				
Notes				
(d) Councils are required under the Local Government Act to provide a rebate to qualifying properties under a number of categories:				
Health Services - 100 per cent Religious purposes - 100 per cent Royal Zoological Society of SA - 100 per cent				
Community Services - 75 per cent Public Cemeteries - 100 per cent Educational purposes - 75 per cent				
The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).				
(e) Presented as required by the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(1)(ea)				
Please Note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from <u>all</u> rateable properties, not from individual rateable properties (ie. individual rates will not necessarily change by this figure).				
(f) Councils are required under the <i>Landscape South Australia Act 2019</i> to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's				
(i) Community Wastewater Management Systems				
(l) A council may grant a rebate of rates or service charges in a number of circumstances. The rates which are foregone via Discretionary Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who				
(m) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.				
(n) 'Grow th' as defined in the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(2)				



Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at the time of going out to consultation on the DRAFT Annual Business Plan and Budget (ABP&B). This information is updated regularly and therefore these figures may be subject to confirmation at the time of actual adoption of the ABP&B.

Expected Rates Revenue

	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the \$
	2025/26	2026/27	Change	2025/26	2026/27	2025/26	2026/27	Change	2026/27
Land Use (General Rates - GROSS)									
Residential	\$1,681,376	\$1,833,842	9%	1203	1203	\$1,398	\$1,524	(p)	\$127
Commercial - Shop	\$149,374	\$159,403	7%	42	41	\$3,557	\$3,888	(p)	\$331
Commercial - Office	\$44,431	\$47,421	7%	12	12	\$3,703	\$3,952	(p)	\$249
Commercial - Other	\$341,316	\$369,546	8%	49	51	\$6,966	\$7,246	(p)	\$280
Industry - Light	\$36,536	\$38,925	7%	20	20	\$1,827	\$1,946	(p)	\$119
Industry - Other	\$5,014	\$5,336	6%	3	3	\$1,671	\$1,779	(p)	\$107
Primary Production									0.0000
Vacant Land	\$112,999	\$118,712	5%	266	265	\$425	\$448	(p)	\$23
Other	\$8,617	\$3,990	-54%	12	13	\$718	\$307	(p)	-\$411
Total Land Use	\$2,379,663	\$2,577,175	8.3%	1,607	1,608	\$1,481	\$1,603	(p)	\$122

Subject to Council consideration and public consultation

Fixed Charge

	Total expected revenue			Charge		
	2025/26	2026/27	Change	2025/26	2026/27	Change
Fixed Charge	\$117,075	\$117,500	0%	\$75	\$75	(q)

This revenue amount is **included** in the General Rates GROSS figure at (c).

Adopted valuation method

Capital Value/Annual Value

Council has the option of adopting one of three valuation methodologies to assess the properties in its area for rating purposes:

Capital Value – the value of the land and all improvements on the land; or

Annual Value – a valuation of the rental potential of the property.

The District Council of Coober Pedy adopts the Capital Valuation methodology for rating purposes in its area.

The Council considers that capital valuation (CV) method of valuing land provides the fairest method for distributing rate burden across all ratepayers, and that this equates with the taxation principle that peoples should contribute to community, social and physical infrastructure in accordance with their capacity to pay as measured by property wealth.

Notes

(p) Average per rateable property calculated as General Rates for category, including any fixed charge or minimum rate (if applicable) but excluding any separate rates, *divided* by number of rateable properties within that category in the relevant financial year.

(q) A fixed charge can be levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge can be levied against two or more pieces of adjoining land (whether intercepted by a road or not) if they are owned by the same owner and occupied by the same occupier. Also if two or more pieces of rateable land within the area of the council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land.

(r) Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer.



Rating Policy



District Council of Coober Pedy

Policy No. 04.2024	Version No: 3	Date of Current Version: 25/06/2025
Resolution Number: 765		Last Reviewed: 30 April 2025
Responsible Officer/Department: Chief Executive Officer		Next Review Date: 8 May 2026
Applicable Legislation: <i>Local Government Act 1999</i> <i>Landscape South Australia Act 2019</i>		
Related Policies: Rate Rebate Policy Debt Recovery Policy Internal Review of a Council Decision Policy		
Supporting Procedures/Documents: Delegations Register		



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DEFINITIONS

TERM	DEFINITION
Accredited Financial Counsellor	Means a person who holds a Diploma of Community Services (financial Counselling) and who has worked at least twelve (12) months as a financial counsellor under the supervision of the South Australian Financial Counsellors Association.
Act	Means the <i>Local Government Act 1999</i>
Council	Means the District Council of Coober Pedy
Customer	Means a person or legal entity that is liable to pay rates on an owner-occupied property who has a rate notice raised on that property
Discretionary Rebate	Means rebates where Council may apply a rebate in accordance with criteria specified in section 166 of the Act
Financial Hardship	Means a circumstance of experiencing a lack of financial means that may be either ongoing or temporary and may result from unexpected events or unforeseen charges that impact cash flow, including but not limited to: • Changes in income or expenditure • Changes in employment status (such as losing a job or having hours reduced) • Significant life events such as a relationship breakdown or death in the family • Injury or illness • Emergency events or natural disasters Financial hardship does not include circumstances where a person chooses, without good reason, to not meet an unpaid financial obligation to the Council for which they are liable.
Mandatory Rebate	Means rebates where Council must grant rebates in accordance with section 160-165 of the Act
Ongoing Financial Hardship	Customers who have been identified as experiencing ongoing hardship are those who are suffering from a change in circumstances and one in which they do not



	expect to recover from within the next twelve (12) months. These customers may require ongoing assistance from Council.
Payment Plan	Means an agreement between Council and a customer to repay an amount of money within a timeframe according to an agreed schedule. Dependent on the individual situation of the customer, the payment plan could be considered under a short term and/or long term arrangement.
Rating	Means the overall process of raising revenue by way of levying rates and charges.
Temporary Financial Hardship	Means customers who have been identified as experiencing temporary hardship are those who are suffering from a short term (i.e. twelve (12) months) change in circumstances. These customers generally require flexibility and temporary assistances, such as extension of time to pay or an alternative payment plan.

INTRODUCTION

- 2.1** This document represents the Policy of the District Council of Coober Pedy, relating to its setting and collecting of rates in accordance with the provisions in Chapter 10 of the *Local Government Act 1999* (the **Act**).
- 2.2** All land within a Council area, except for land specifically exempt (e.g. Crown Land, Council occupied land and a few other limited categories) ¹ is rateable.
- 2.3** Rates are not fees for services. They constitute a system of taxation for Local Government purposes ² Local Government functions are defined broadly in the Act. ³
- 2.4** All systems of taxation try to balance various principles of taxation (see below).
- 2.5** In addition, Council can raise separate rates for specific areas of the Council or service rates or charges for specific services. Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and equity issues. The list of applicable fees and charges are available via Council's website www.cooberpedy.sa.gov.au or by contacting Customer Service on 08 8672 4600.

¹ See section 147 of the Act

² See section 150(a) of the Act

³ See section 7 of the Act



NOTE: This Policy does not cover fees and charges set for the provision of electricity, water and sewerage services.

PRINCIPLES OF TAXATION

- 3.1** Council must raise revenue to fund its operations which include activities related to governance and the delivery of municipal services to the community. Council's major source of district revenue is rates, derived as a tax on land within the Council area. All ratepayers derive benefits from paying rates through the services that are delivered by Council.
- 3.2** This Policy represents the Council's commitment to balancing the five main principles of taxation: ⁴
- i) Benefits received (i.e. services provided, or resources consumed). Reliance on this principle suggests that (all other things being equal) a person who received more benefits should pay a higher share of tax.
 - ii) Capacity to pay. This principle suggests that a person who has less capacity to pay should pay less; and that persons of similar means should pay similar amounts.
 - iii) Administrative simplicity. This principle refers to the costs involved in applying and collecting the tax and how difficult it is to avoid.
 - iv) Economic efficiency. This refers to whether or not the tax distorts economic behaviour.
 - v) Policy consistency. The principle that taxes should be internally consistent, and based on transparent, predictable rules that are understandable and acceptable to taxpayers.

STRATEGIC FOCUS

In setting the rates for the forthcoming year Council will consider the following:

4.1 General

- a) The Strategic Plan.
- b) The Long Term Financial Plan.
- c) The current economic climate and relevant factors such as inflation and interest rates.
- d) The impact of the level of rates on the community.
- e) The Infrastructure and Asset Management Plan.
- f) The level of recurrent expenditure and income expected for the year.
- g) The level of funding required for the delivery of Council services which are documented in the Annual Business Plan and Budget.
- h) The impact of the remote location on operating costs associated with maintenance of the town's facilities.

⁴ Balancing these principles is not a "compulsory" aspect of rating policy. Nevertheless these principles are broadly accepted throughout the world in a variety of contexts.



- i) The need to comply with the provisions of the provisions of the *Local Government Act 1999* as amended.
- j) The need to meet realistic community expectations consistent with Council's reason for being.

4.2 Other

Prior to determining the level of rates required each year, Council also considers:

- a) The infrastructure needs, service delivery needs and related expenditure priorities in relation to the Strategic Plan and community needs.
- b) Equity issues and the relationship between the various land uses and the previous rating structure.
- c) Extremities in valuation and how their effect can be minimised in setting rating levels.
- d) Increased use of "user pays" cost recovery systems. There will continue to be economic pressures applying to the Council in several ways, which will have an impact on the Council's budget and therefore put pressure on rates, for example:
 - i. The ageing infrastructure and plant and the need for replacement when Council has limited funds available.
 - ii. The cessation of some community grants previously received from other tiers of government.
 - iii. The need to fund long-term maintenance on road, drainage and essential infrastructure.

RATING PRINCIPLES

5.1 Council is permitted to adopt one of two valuation methodologies to value the properties in its area.⁵ They are:

- a rate based on the value of land subject to the rate; or
- A rate based on two components –
 - One being based on the value of land subject to the rate; and
 - The other being a fixed charge; or
- A rate based on some other factor or factors specifically allowed under the Act.

5.2 Council uses the capital value determined by the Valuer-General as the basis for valuing land and calculating rates. We consider that the capital valuation method of valuing land provides the fairest method of distributing the rate burden across all ratepayers and that this is a reasonable indicator of capacity to pay. During the period of transition to adopting the new method of rating Council is also charging a fixed rate.

5.3 If a ratepayer is dissatisfied with the valuation made by the Office of the Valuer-General, then the ratepayer may object to the Valuer-General in writing, within sixty (60) days of receiving the notice of the valuation, explaining the basis for the objection, provided they have not:

- a) previously received a notice of this valuation under the Act, in which case the objection period is sixty (60) days from the receipt of the first notice; or
- b) previously had an objection to the valuation considered by the Office of the Valuer-General.

⁵ Section 151 of the Act



METHOD OF RATING

6.1 General

During the development of the 2020-2021 annual budget the Council undertook a review of the methodology for levying general rates. After consideration of the issues the Council adopted the following rating methodology:

- A single rate in the dollar
- No fixed charge
- A transition over several years with a maximum cap of 10% above Council's proposed revenue increase.

•

6.2 Discretionary Rebate

Council is applying a 100% discretionary rebate under Section 166 to the Not-for-Profit clubs domiciled, established and operating in the Coober Pedy township.

6.3 General Rates

The Council has determined that it will increase general rate revenue by 7.5% for the financial year 2026-2027 as we move towards financial sustainability.

6.4 Differential Rating

While the Council has determined that it will move to a single rate in the dollar, it is applying differential rates during the transition period. The Act allows councils to impose rates that differ (i.e. higher or lower) based on the location of land, or the uses to which the land is put (residential, commercial, primary production, industrial, vacant, etc).⁶

We apply different rates based on land use as determined by the *Local Government (General) Regulations 2013*. Current categories of land use defined by the *Local Government (General) Regulations 2013* are:

- a) Residential
- b) Commercial-Shops
- c) Commercial-Office
- d) Commercial-Other
- e) Industrial-Light
- f) Industrial-Other
- g) Primary Production
- h) Vacant Land
- i) Other

As part of the valuation assessment process the Office of the Valuer-General applies a land use to each assessment to identify the predominant use of the land. Council generally applies this land use for general rating purposes, however under the Act, Council has the authority that determines land use for rating purposes. As such the local government land use may vary from that used by other taxing authorities. If a ratepayer believes that a particular property has been wrongly classified as to its land use, then an objection may be made as detailed in the "Valuation Methodology" section.

⁶ Section 156 of the Act



6.5 Fixed Charge

While the Council has determined that it will not apply a fixed charge long term, it is applying a reduced fixed charge during the transition period. In 2026-2027 the fixed charge will be set at \$75.

6.6 Rate Cap

(Discretionary Rebate – Substantial Change in Quantum of Rates)

As the Council transitions to a single rate in the dollar it will provide relief to an individual ratepayer who experiences a significant change in their annual general rate charge.

A ratepayer's annual rate increase will be capped at 13% above that of the previous year. The rate of the cap has been determined as the general rates increase for 2025-26 of 8.3%, plus 4.7% increase for changes in valuations.

The rate cap does not apply when there is a change in property ownership during the previous financial year, where valuations have increased due to property improvements or where there has been a change to the land use code as determined by the Valuer General's Office.

ADOPTION OF VALUATIONS

7.1 Council will adopt the most recent valuations available from the Valuer-General.

7.2 If a ratepayer is dissatisfied with the valuation made by the Valuer-General they may object to the Valuer-General in writing, within 60 days of receiving the first notice of the valuation, explaining the basis for the objection - provided they have not:

- a) Previously received a notice of this valuation under the Local Government Act 1999, in which case the objection period is 60 days from the receipt of the first notice; or
- b) Previously had an objection to the valuation considered by the Valuer-General.

7.3 Objections can be lodged with the Office of the Valuer-General via:
 Email: OVGO objections@sa.gov.au
 Post: GPO Box 1354 ADELAIDE SA 5001
 Online: www.valuergeneral.sa.gov.au
 In person: Land Services SA, Level 9, 101 Grenfell Street, Adelaide

For further information or a hard copy objection pack (including a reply-paid envelope) please call 1300 653 346. Council has no role in the valuation review process.

It is important to note that the lodgement of an objection does not change the due date for payment of rates.

NOTIONAL VALUES

8.1 Certain properties may be eligible for a notional value under the *Valuation of Land Act 1971* where the property is the principal place of residence of a ratepayer. This can relate to certain primary production land or where there is State heritage recognition.



- 8.2 A notional value is generally less than the capital value and this will result in reduced rates unless the minimum rate already applies. Application by the ratepayer for a notional value must be made to the Office of the Valuer- General.

BUSINESS IMPACT STATEMENT

- 9.1 Council will consider the impact of rates on all businesses in the Council area, including primary production. In considering the impact, Council will assess the following matters:
- Those elements of Council's Strategic Plan relating to business development.
 - The current and forecast economic climate identified in Access Economics' Business Outlook Publication.
 - Council's recent development approval trends.
 - The operating and capital projects and new programs for the coming year that will principally benefit industry and business development.
 - Valuation changes.

LANDSCAPE LEVY

- 10.1 The Council is required under the *Landscape South Australia Act 2019*, to collect the Regional Landscape Levy on behalf of the SA Arid Lands Landscape (SAAL) Board.
- 10.2 In 2023, the South Australian Arid Lands Landscape Board has transitioned to a common levy basis across Council. Under the *Landscape South Australia Act 2019* it is a requirement that the regional landscape levy is applied on a common basis across council areas in a landscape region. Following to the landscape region boundaries realignment, Port Augusta and the Flinders Ranges councils were added to the SAAL. To comply with this requirement, the SAAL Board transitioned to a common levy basis across Council in 2023-24.
- 10.3 Council does not retain this revenue or determine how the revenue is spent.

PAYMENT OF RATES

- 11.1 Rates can be paid by a single payment prior to the 1st Quarter due date or by quarterly instalments which are due in the months of September, December, March and June as prescribed each year by Council resolution.
- 11.2 The total outstanding balance of rates may be paid in full at any time. Council will send out instalment notices to ratepayers advising them of their next instalment due date at least 30 days prior to the due date.
- 11.3 Rates may be paid:
- By using the BPAY service through participating banks;
 - By mail by posting a cheque to PO Box 425 Coober Pedy SA 5723;
 - In person, at the Council office, Lot 773 Hutchison Street South Australia, during business hours of 9am to 4.30pm Monday to Thursday and 9am to 3.30pm on Friday EFTPOS facilities are available for over-the-counter payments;



- By Credit Card in person or by Phone 08 8672 4600

11.4 Penalties do apply to outstanding rates; therefore, any ratepayer who may, or is likely to, experience difficulty with meeting the standard payment requirements, or is planning an extended absence at the time rates are due is invited to contact our Rates Officer on 08 8672 4600 to discuss alternative payment arrangements. The Council treats such enquiries confidentially.

LATE PAYMENT OF RATES

12.1 The Act requires that councils impose a penalty of 2% on any payment for rates, whether instalment or otherwise, that is received late ⁷.

12.2 The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow councils to recover the administrative cost of following up unpaid rates and to cover any interest cost the council may incur because it has not received the rates on time. Rates remaining unpaid will be charged interest each month, set each year in accordance with Section 181(8)(c) of the Act. Council may at its discretion remit penalties for late payment of rates where ratepayers can demonstrate hardship.

12.3 Council issues an overdue notice for payment of rates when rates are overdue i.e. unpaid by the due date. An Overdue Notice is sent if not paid within ten (10) days and if more than two (2) instalments remain overdue a Final Notice is sent. The ratepayer has five (5) business days to pay or will be sent to debt collection agency. The debt collection agency charges collection fees that are recoverable from the ratepayer.

12.4 When the Council receives a payment in respect of overdue rates the Council applies the money received as follows:

- First – to satisfy any costs awarded in connection with court proceedings;
- Second – to satisfy any interest costs
- Third – in payment of any fines imposed
- Fourth – in payment of rates, in chronological order (starting with the oldest amount owing first). ⁸

POSTPONEMENT OF RATES

13.1 Hardship

Section 182 of the Act permits the Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship.

Where a ratepayer is suffering hardship in paying rates, he/she is invited to contact the Council's Rates Officer on (08) 8672 4600 in the first instance to discuss the matter. The Rates Officer will offer the ratepayer information on potential avenues of external assistance available.

⁷ Section 181(8) of the Act

⁸ Section 183 of the Act



All enquiries are treated confidentially.

For the purposes of considering an application to partially or wholly remit rates or to postpone rates on the basis of hardship a ratepayer experiencing financial hardship is someone who has identified the position themselves, or for whom the position has been identified by the Council or a financial counsellor or welfare agency as having the intention, but not the financial capacity to make required payments in accordance with Council's payment terms.

The ratepayer must request assistance from Council in writing providing complete details of the circumstances preventing them from meeting their financial obligation to Council. An initial "needs" assessment will be performed by Council officers to determine the level of support and services that may need to be engaged to assist the ratepayer including but not limited to financial counselling and interpretive services.

In assessing a ratepayers' eligibility for financial assistance, the Council may consider but is not limited to the following:

- The ratepayer is on Centrelink income and holds a pensioner concession care or holds a Centrelink low income health care card;
- The customer is eligible for a South Australian Government concession;
- The ratepayer has been referred by an accredited financial counsellor or welfare agency;
- The ratepayer advises they have previously applied for emergency relief (irrespective of whether or not their application was unsuccessful);
- The ratepayer's payment history indicates that they have had difficulty meeting their rate notices invoices in the past;
- Other personal circumstances that the applicant(s) may choose to disclose to support their application.

Where a ratepayer has been identified as experiencing financial hardship, the Council may offer the ratepayer as soon as is reasonably practicable, flexible and frequent payment options, having regard to the hardship ratepayer's usage, capacity to pay and current financial situation. The options may include, but are not limited to:

- An interest and fee-free payment plan for the ratepayer's residence only; or
- Other arrangement, under which the customer is given additional time to pay.

The Council will engage in discussion with the ratepayer to determine a realistic payment option and may, with the consent of the ratepayer work with their financial counsellor or the identified welfare agency to determine the payment arrangement and instalment amount that best suits the ratepayer and their individual circumstance and any changes in circumstance where renegotiation of the payment arrangement is needed.

Any exemption from incurring fines and interest is valid for twelve (12) months and if a payment plan is required beyond the initial twelve (12) month period then the exemption can



be reapplied. Fines and interest exemptions will be assessed and approved by the Chief Executive Officer or delegate.

No action will be taken to remove a ratepayer from a hardship program until the Council has sent the ratepayer a written notice, providing at least ten (10) working days from the date of the notice, to contact the Council to renegotiate re-entry into the program.

Where a ratepayer defaults on a payment plan, Council will attempt to make contact with the ratepayer by letter and/or phone and will also inform the relevant financial counselling service with a view to recommence the arrangement. A ratepayer defaulting on more than one payment plan will result in the reinstatement of fines and interest and the commencement of a debt collection process.

Any debt recovery processes will be placed on hold while Council is negotiating a suitable payment plan with a ratepayer who has applied and been accepted under this Policy

A remission or waiving of rates in whole or part will only be approved in exceptional circumstances due to the inequitable situation for the whole of the community. Under section 182 of the Act ratepayers may instead be considered for postponement of debt.

Postponement of debt is an arrangement with Council, where a large component of the rates debt on the principal place of residence or business can be postponed until the property is sold or the ownership is transferred to another party. Council has the right to impose fines and interest on the outstanding debt until it is paid in accordance with the Act. The debt must be paid in full at the time of sale of the property.

13.2 Long Term Rates Postponement for State Seniors

Under Section 182A of the Act a postponement of rates may be granted to persons meeting the requirements of Section 182A (1). Ratepayers who hold a State Seniors Card (or who are eligible to hold a State Seniors Card and have applied for one) are able to apply to Council to postpone payment of rates imposed on their principal place of residence. Postponed rates remain as a charge on the land and are not required to be repaid until title to the relevant land is transferred, or in the event of a failure to comply with a condition imposed on the postponement.

The Seniors Postponement Scheme is designed for, and is intended to assist those who are of modest income yet living in higher value homes. Any person who has an entitlement to a concession under the Rates and Land Tax Remission Act 1986 is entitled to apply that concession towards the proportion of rates that cannot be postponed.

Interest accruing on postponed balances is to be calculated with a premium of 1% over the cash advance debenture rate. Council may reject an application from an eligible person to postpone rates, if it appears to Council that the eligible ratepayer has a registered mortgage that secures an amount greater than 50% of the capital value of the land.



Persons who have postponed rates in the past, and are no longer eligible to do so (e.g. no longer use the land as principal place of residence, or no longer own the land) must notify the Council within six months after eligibility ceases. Failing to notify the council is an offence. Persons who have previously postponed rates will be notified, with each quarterly rates notice, about:

- the amount of rates outstanding under the postponement;
- the amount of interest that has accrued under the postponement, as at the end of the immediately preceding quarter;
- their entitlement to postpone a proportion of rates, again, without the need to make a further application;
- that if any amount (other than the minimum required amount) is not paid, it will be treated as postponed under this scheme, and will therefore attract interest; and
- the duty to notify the Council, within six months, if the entitlement to participate in the scheme ceases to exist.

REBATE OF RATES

14.1 The *Local Government Act 1999* requires Councils to make mandatory rebates on rates payable on some land. Specific provisions are made for the land used for health services⁹, community services¹⁰, religious purposes¹¹, public cemeteries¹², and educational institutions¹³. The Council under Section 166 of the Act may apply discretionary rebates.

100% rebates

- 14.1.1 Health Services – land being predominately used for service delivery or administration by a hospital or health centre incorporated under the *South Australian Health Commission Act 1976*.
- 14.1.2 Religious Purposes – land containing a church or other building used for public worship (and any grounds), or land solely used for religious purposes.
- 14.1.3 Public Cemeteries – land being used for the purposes of a public cemetery.
- 14.1.4 Royal Zoological Society of SA – land (other than land used as domestic premises) owned by, or under the care, control and management of the Royal Zoological Society of South Australia Incorporated.

75% rebates

- 14.1.5 Community Services – land being predominantly used for service delivery or administration (or both) by a community services organisation as defined by section 161(3) of the Act as a body that:
 - 14.1.5.1 Is incorporated on a non-for-profit basis for the benefit of the public; and
 - 14.1.5.2 Provides community services without charge or for a charge that is below the cost to the body of providing the services; and
 - 14.1.5.3 Does not restrict its services to persons who are members of the body.

⁹ Section 160 of the Act

¹⁰ Section 161 of the Act

¹¹ Section 162 of the Act

¹² Section 163 of the Act

¹³ Section 165 of the Act



14.1.6 Educational Purposes – land occupied by a government school under a lease or licence and being used for education purposes;

14.2 Council rebates rates to community organisations that encourage, enhance and foster the wellbeing of our community, especially the youth and aged. All properties subject to either a mandatory or discretionary rebate under Sections 160 to 166 of the *Local Government Act 1999* will be reported to, and subject to resolution by Council.

14.3 It is necessary for a community services organisation to satisfy all the criteria in Clause 14.1.5 to be entitled to the mandatory 75% rebate. Section 161(3) of the Act provides information on the definition of whether a body is considered incorporated on a not-for-profit basis.

14.4 Section 166(1) of the Act further describes other cases where Council may grant a rebate of rates or service charges (not being cases that fall within a previous provision).

14.5 Where the Council is satisfied from its own records or from other sources that a person or body meets the necessary criteria for a mandatory 100% or 75% rebate, under the Act the Council may grant the rebate of its own initiative.

14.6 Where the Council's records or other sources do not meet the criteria, it will require the person or body to apply for the rebate by lodging a Rate Rebate Application (available from the Council Office located at Lot 773 Hutchison Street Coober Pedy or online at www.cooberpedy.sa.gov.au) on or before 31 October in each year to be considered for a rebate in the rating year. Council reserves the right to refuse to consider rate rebate applications received after that date. However, applicants which satisfy the criteria for a mandatory 100% rebate will be granted the rebate at any time.

14.7 Council will, in writing, advise an applicant for a rebate of its determination of that application within sixty (6) business days of receiving the application or of receiving all information requested by the Council. The advise will state whether the application:

14.7.1 Has been granted and the amount of the rebate;

14.7.2 Has not been granted and the reason(s) why.

14.8 A person or body that is aggrieved by a determination of Council in respect of an application for a rate rebate may seek a review of that determination by writing to the Council in accordance with Council's Internal Review of a Council Decision Policy.

14.9 If a person or body has the benefit of a rebate or rates and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the Council of that fact and (whether or not the Council is so informed) the entitlement to a rebate ceases. If a person or body fails to do so that person or body is guilty of an offence.

14.10 Where the Council, for proper cause, determines that an entitlement to a rebate of rates under the Act no longer applies during the course of a financial year, the Council is entitled to recover rates, or rates at the increased level (as the case may be) proportionate to the remaining part of the financial year.



14.11 It is an offence for a person or body to make a false or misleading statement or representation in an application or to provide false or misleading information or evidence in support⁵ of an application made (or purporting to be made) under the Act.

14.12 Council has delegated its power to refuse application for an increase of mandatory rebates to a great percentage than that provided by the Act and has delegated its power pursuant to Section 44 of the act to determine application for discretionary rebates.

MAXIMUM INCREASE

15.1 The Council may fix a maximum increase in the general rate charged on any rateable land within its area that constitutes the principal place of residence of a principal ratepayer under Section 153 (3) of the *Local Government Act 1999*. If the Council fixes a maximum increase, it will do so on the application of the property owner for the relevant year ending 30 June provided that:

- a) the property has been the principal place of residence of the principal ratepayer since at least 1 July of the previous financial year;
- b) the property has not been subject to a change in land use since 1 July of the previous financial year; and
- c) the property has not been subject to improvements with a value of more than \$25,000 since 1 July of the previous financial year.

SALE OF LAND FOR NON-PAYMENT OF RATES

16.1 The *Local Government Act 1999* provides that a Council may sell any property where the rates have been in arrears for three years or more. The Council is required to notify the owner of its intention to sell the land if payment of the outstanding amount is not received within one month and must provide the owner with details of the outstanding amounts.

16.2 A rate cannot be challenged solely on the basis of non-compliance with this policy and must be paid in accordance with the required payment provisions. Where a ratepayer believes that the Council has failed to properly apply this policy it should raise the matter with the Council.

16.3 In the first instance contact the Rates Officer on 08 8672 4600 to discuss the matter. If, after this initial contact, a ratepayer is still dissatisfied they should write to the Chief Executive, DCCP@cpcouncil.sa.gov.au.

Rates Officer
Phone: 08 8672 4600
Email: DCCP@cpcouncil.sa.gov.au

TRAINING

17.1 Training will be targeted at customer service and finance staff and management.



REVIEW

This Policy will be reviewed annually at the time of preparation of the Annual Business Plan and Budget, as required by any legislative changes or at the direction of Council.

ACCESS TO THE POLICY

The Policy is available from the Rates Officer on 08 8672 4600 on Council's website [or](#) by writing to Coober Pedy Council, DCCP@cpccouncil.sa.gov.au

DOCUMENT CONTROL

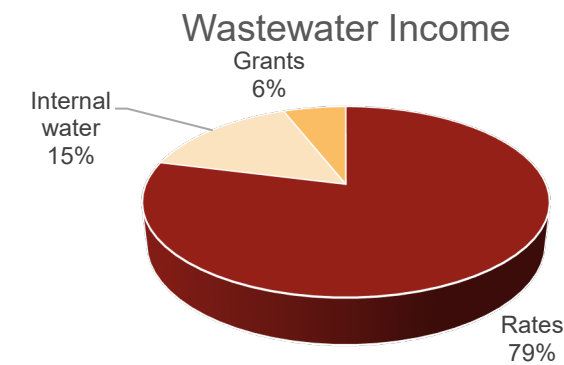
19.1 Version Control

Version #	Date Adopted	Resolution #	File # Document #	Description of Change
1	29 May 2024	589		New Policy for 2024-25 Financial Year
2	30 April 2025	765		Updated Policy for 2025-26 Financial Year
3				Updated Policy to policy template, added Hardship clauses, added Rate Rebate clauses.



FUNDING AND EXPENDITURE SUMMARY – WASTEWATER

OPERATING INCOME

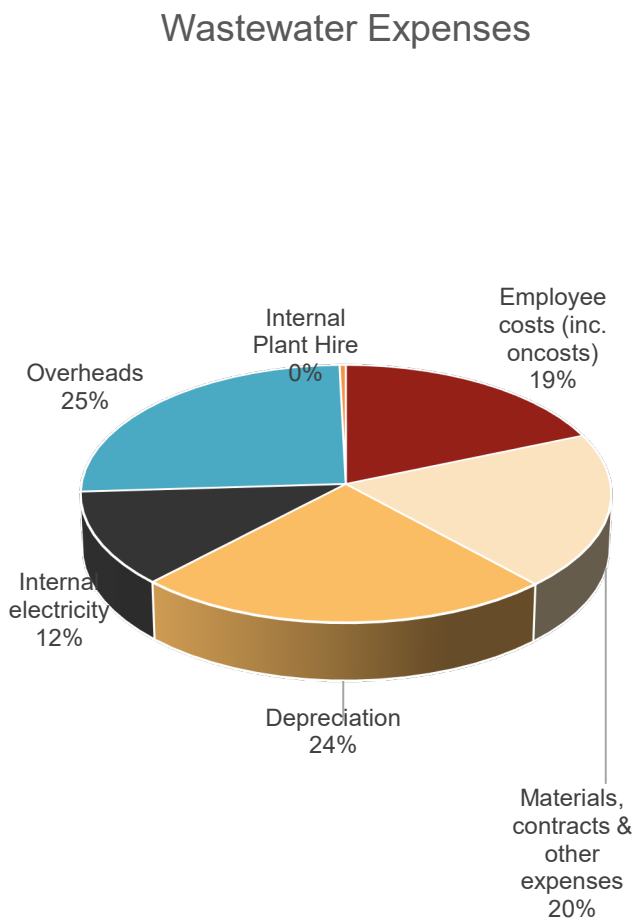


Definitions:

Rates – Wastewater service charge.

Internal water – recovery of costs relating to the provision of water to Council facilities.

OPERATING EXPENSE



Definitions:

Employee Costs (inc. oncosts) – Staffing costs including oncosts such as annual leave, long service leave, payroll tax, sick leave, workcover and superannuation.

Materials, contracts & other expenses – purchase of electricity, costs of materials (such as wires, clamps and parts), insurance, contractors (purchase of services), legal fees, telephone costs, stationery, membership fees and annual licenses.

Depreciation – allocation of costs attributed to the consumption of assets relating to this financial year.

Internal electricity – costs relating to the provision of electricity to Council facilities.

Internal plant hire - costs relating to the use of Council plant (e.g. crane, elevated work platform, utilities).

Overheads – functions provided through corporate services that support the rest of the organisation to deliver services to the community. This includes administration functions like: finance, asset management, human resources, workplace health and safety and risk management. It also includes a calculation for the cost of capital.

WASTEWATER

What we do

We manage a community wastewater management system (CWMS) and associated treatment plant for 194 connected customers. This involves the maintenance of dump points, three pumping stations and over 35km of wastewater infrastructure. The recycled water network is approximately 4 kilometres, and primarily services the Council’s Oval and the Orchard from the treatment plant.

The management of wastewater also includes primary, secondary and tertiary treatment of effluent, aeration and sludge maintenance. We also inspect approximately 20 grease trap sites around the town every quarter.

The challenges we face

We cannot currently provide wastewater services to all residential and commercial customers in our community. We do not accept disposal of grease waste from grease traps and are unable to supply treated effluent to community projects due to plant capacity and compliance restrictions. Use of treated effluent is limited to subsurface applications only.

Funding

The management of wastewater is funded by the Community Wastewater Service Charge (a service charge under S155 of the *Local Government Act 1999*).

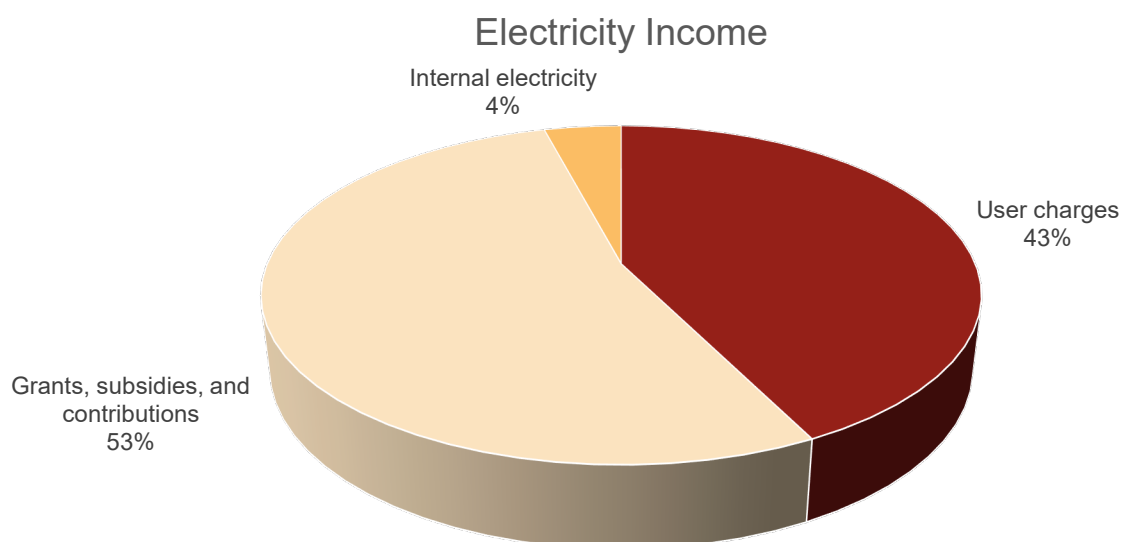
The Service Charge is calculated on given rate of cents in the dollar per dollar of the capital valuation of the connected property. The following charges will apply for 2026-27 (*noting it is subject to change following receipt of final valuations*):

WASTEWATER SCHEME SERVICE RATE (Service Rate S155 LG Act)	
All land where the is service provided or made available to	0.595075 cents in the dollar



FUNDING AND EXPENDITURE SUMMARY - ELECTRICITY

OPERATING INCOME



The final amounts of revenue for each of these items will not be determined until the approval of the budget by the Minister for Energy and Mining.

Definitions:

User Charges – electricity access and usage charges, connection fees and the sale of carbon credits.

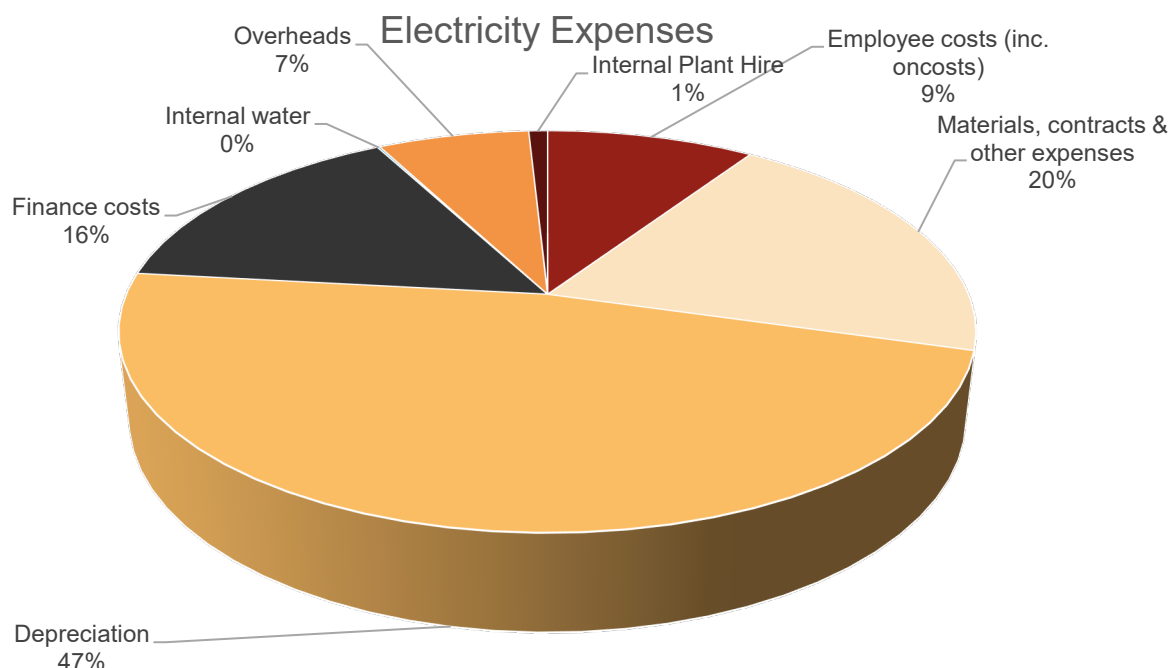
Grants, subsidies and contributions (Operating) – Remote Area Energy Scheme (RAES) subsidy and fuel tax rebates.

Internal Electricity – recovery of costs relating to the provision of electricity to Council facilities.

Other Income – legal fees recovered.



OPERATING EXPENSE

**Definitions:**

Employee Costs (inc. oncosts) – Staffing costs including oncosts such as annual leave, long service leave, payroll tax, sick leave, workcover and superannuation.

Materials, contracts & other expenses – purchase of electricity, costs of materials (such as wires, clamps and parts), insurance, contractors (purchase of services), legal fees, telephone costs, stationery, membership fees and annual licenses.

Depreciation – allocation of costs attributed to the consumption of assets relating to this financial year.

Finance Costs – includes interest on the right of use lease over the electricity assets.

Internal water – costs relating to the provision of water to Council facilities.

Internal plant hire - costs relating to the use of Council plant (e.g. crane, elevated work platform, utilities).

Overheads – functions provided through corporate services that support the rest of the organisation to deliver services to the community. This includes administration functions like: finance, asset management, human resources, workplace health and safety and risk management. It also includes a calculation for cost of capital.



ELECTRICITY

What we do

Council receives some of its funding for electricity from the Remote Area Subsidy Scheme (RAES). This means residential and business customers in Coober Pedy pay a charge comparable to that paid by those on the National Electricity Market in South Australia.

The Council maintains three-phase, single-phase and single-wire earth return (SWER) distribution systems, providing electricity to nearly 1,250 residential, commercial and government customers. This requires us to maintain transformers, switches and fuses, restring power lines and connect and disconnect meters, and undertake unplanned maintenance from natural events such as lightning strikes.

As part of this program, we also provide approximately 458 streetlights for the safety and convenience of our community.

In 2021, we replaced the majority of our electricity meters with Smart Meters. We can now remotely access usage data thereby reducing costs.

Council is replacing lighting with energy efficient LED bulbs, as part of the ongoing maintenance of the network and its approach to reducing operating costs.

The challenges we face

We are not equipped to find high voltage underground faults. A high voltage underground fault may mean businesses or essential services are off-line for at least two days.

Due to staffing shortages and high competition, we have been unable to recruit come required electricity staff. As such, we are contracting staff to fill the current vacancy.

Distribution Lines

The distribution system in Coober Pedy operates at 50Hz and has a total of 115.5 circuit kilometers of power lines operating at 6.6kV (3 Phase), 19kV Single Wire Earth Return (SWER) or 415/240V (LV). The lengths of lines for each voltage are provided below:

Voltage	Overhead Lines (km)	Underground Cables (km)
19k V SWER	37.5	0.5
6.6kV	18.6	4
LV	59	9
Total	115.1	13.5



Network Tariffs

Electricity Tariffs are set by the State Government as part of the RAES scheme. The Tariffs are reviewed by the government annually and take effect around the beginning of the calendar year (date is determined by the state government).

Electricity Tariffs (Effective 01 November 2025)		
Residential Tariff	Rate	
Supply Charge	\$110.30	Per quarter
All kwh	\$0.410	Per kWh
Commercial Tariff	Rate	
Supply Charge	\$127.00	Per quarter
All kwh	\$0.461	Per kWh
State and Commonwealth Government Agencies Tariff	Rate	
Supply Charge	\$127.00	Per quarter
All kwh	\$0.963	Per kWh

Time of Use Tariffs

The following tariffs apply to customers who have private generation (solar and/or wind) installation and remain connected to the RAES grid). Customers must complete an application form and have their energy generations assessed to be eligible for this rate.

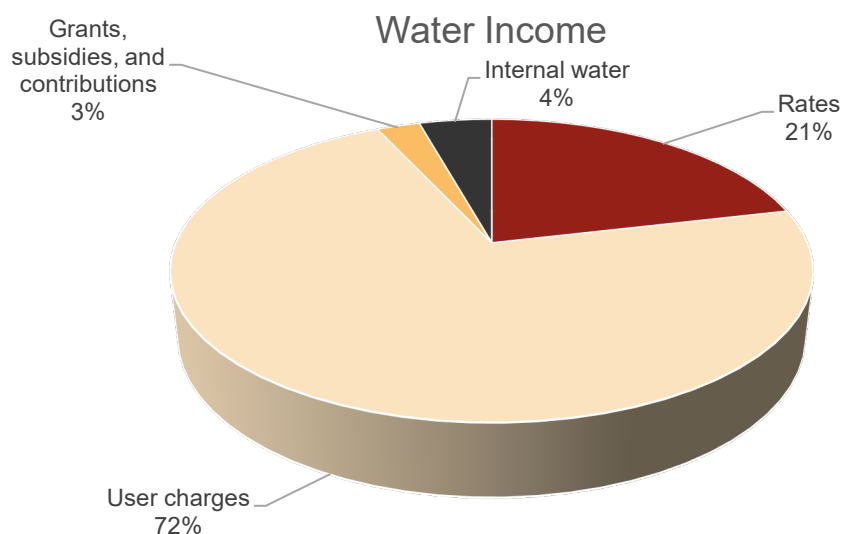
Electricity Tariffs (Effective 01 November 2025)		
Residential Time of Use Tariff	Rate	
Supply Charge	\$117.40	Per quarter
Peak - 5pm to 9.59am (cents/kWh)	\$0.472	Cper kwh
Off Peak - 10am to 4.59pm (cents/kWh)	\$0.305	Cper kwh
Commercial Time of Use Tariff	Rate	
Supply Charge	\$135.40	Per quarter
Peak - 5pm to 9.59am (cents/kWh)	\$0.547	Cper kwh
Off Peak - 10am to 4.59pm (cents/kWh)	\$0.370	Cper kwh
State and Commonwealth Government Agencies Time of Use Tariff	Rate	
Supply Charge	\$135.40	Per quarter
Peak - 5pm to 9.59am (cents/kWh)	\$0.963	Cper kwh
Off Peak - 10am to 4.59pm (cents/kWh)	\$0.809	Cper kwh





FUNDING AND EXPENDITURE SUMMARY - WATER

OPERATING INCOME



Definitions:

Rates – Water access charge.

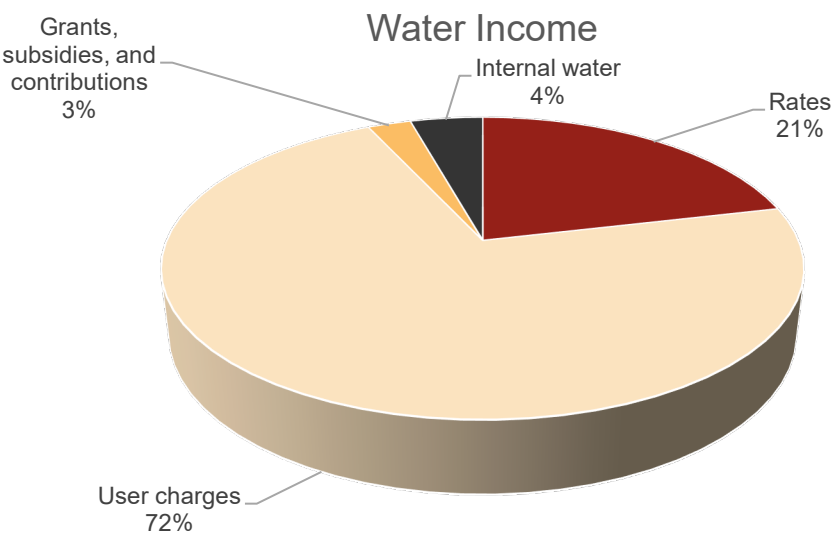
User Charges – water usage charges and connection fees.

Grants, subsidies and contributions (Operating) – Fuel tax rebates.

Internal Water – recovery of costs relating to the provision of water to Council facilities.



OPERATING EXPENSE



Definitions:

Employee Costs (inc. oncosts) – Staffing costs including oncosts such as annual leave, long service leave, payroll tax, sick leave, workcover and superannuation.

Materials, contracts & other expenses – costs of materials (such as meters, pumps, filters), insurance, contractors (purchase of services), legal fees, telephone costs, stationery, membership fees and annual licenses.

Depreciation – allocation of costs attributed to the consumption of assets relating to this financial year.

Internal electricity – costs relating to the provision of electricity to Council facilities.

Internal plant hire - costs relating to the use of Council plant (e.g. crane, elevated work platform, utilities).

Overheads – functions provided through corporate services that support the rest of the organisation to deliver services to the community. This includes administration functions like: finance, asset management, human resources, workplace health and safety and risk management. It also includes a calculation for cost of capital.

WATER

What we do

We produce approximately 1,500 kL of potable water daily, distributed to nearly 1,550 residential, commercial and government premises via 90 kms of pipe network. This requires the operation and maintenance of four distribution pumps, one emergency pump, generator and numerous valves.

The production of potable water requires us to maintain two bore pumps and two diesel generators as well as treating the water using various processes including dosing to remove iron and other metals and using a reverse osmosis process to remove salt.

We also test three times daily for chlorine, ph. levels and residual chlorine as well as monthly for E. coli and other pathogens. We provide a standpipe for bulk water purchases. The bore is located outside of

town and distance from the bore to the treatment plan is 26km. The size of the pipe from the bore to the creek is 220mm and from the creek to the plant is 195mm.

On 17 February 2026, the Minister for Local Government and the Minister for Housing Infrastructure, announced that the Water infrastructure in Coober Pedy would be transferred to SA Water by the end of 2026.

This budget has assumed a continuation of water operations until the end of 2026-27 or further direction is provided by the Ministers or the taskforce. Any changes in implementation of the transfer of assets will be adjusted as part of Council's Budget Review processes.

Funding

Customer charges fund the production and supply of water. The following tariffs will apply for 2026-27 from September 2026 at a date to be determined by Council's Chief Executive Officer:

WATER ACCESS TARIFF (Service Tariff S155 LG Act)	
Annual service tariff per property that the water service is provided to or made available to.	\$352.54
WATER USAGE TARIFF	
	Price per kL
Residential Tariff	
Tier 1 – less than 35kL per quarter	\$9.30
Tier 2 - 35kL to 130kL per quarter	\$13.02
Tier 3 - Above 130kL per quarter	\$14.83
Commercial Tariff	
Tier 1 – less than 35kL per quarter	\$9.30
Tier 2 - 35kL to 130kL per quarter	\$13.02
Tier 3 - Above 130kL per quarter	\$14.83
Wholesale Tariff	
Tier 1	\$9.30



KANKU BREAKAWAYS



KANKU BREAKAWAYS

Kanku Breakaways is not part of Council’s operations.

Activities are controlled by an SA Government appointed board which is independent of Council and we process revenue and expenses on their behalf.

Kanku-Breakaways Conservation Park covers almost 15,000 hectares featuring majestic arid scenery.

The area is home to almost 60 native flora species including acacias, mallee and eremophila. It is also

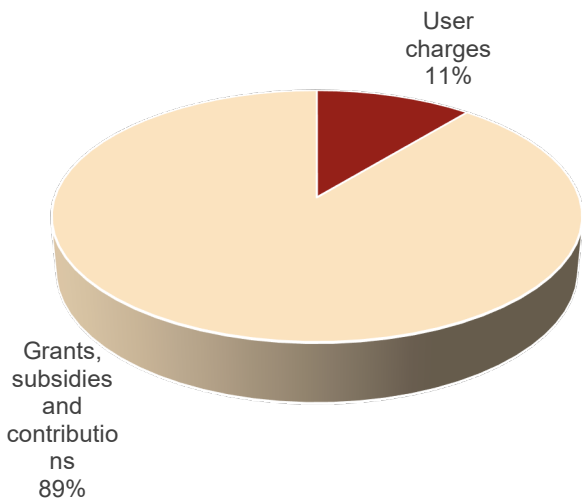
home to a variety of wildlife, including red kangaroos, euro, echidna, numerous bird species and the fattailed dunnart (a mouse-like marsupial).

The Kanku-Breakaways Conservation Park forms part of the traditional country of the Antakirinja Matuntjara Yankunytjatjara people. It is owned by Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC).

The Park is under a unique co-management agreement between the AMYAC, District Council of Coober Pedy and Department for Environment and Water (DEW).

OPERATING INCOME

Breakaways Income

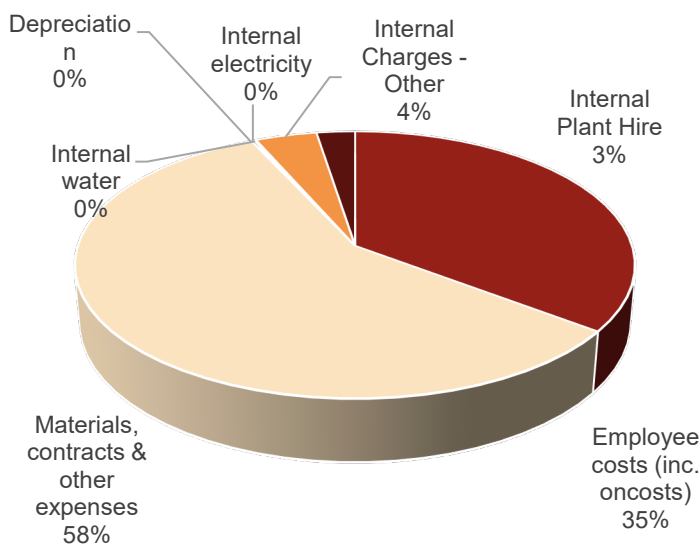


User Charges – Breakaways commercial operator fees and Breakaways Park fees.

Grants, subsidies and contributions (Operating) – Breakaways operating grant and carried forward park fees.

OPERATING EXPENSE

Breakaways Expense



Employee Costs (inc. oncosts) – Staffing costs including oncosts such as annual leave, long service leave, payroll tax, sick leave, work cover and superannuation.

Materials, contracts & other expenses – Board fees, insurance, telephone costs, stationery, membership fees and annual licences.

Internal plant hire – motor vehicle costs.

Internal Electricity - costs relating to the provision of electricity.



FINANCIAL STATEMENTS



Budgeted Statement of Comprehensive Income

For the period ending 30 June 2027

2024-25 Audited Actual \$'000	Description	2025-26 Original Budget \$'000	2025-26 Forecast \$'000	2026-27 Budget \$'000
INCOME				
3,156	Rates	3,376	3,376	3,608
7	Statutory charges	6	11	5
7,839	User charges	7,519	7,327	7,328
8,222	Grants, subsidies, and contributions	9,085	8,381	8,783
139	Grants, subsidies, and contributions – Capital	87	112	414
43	Investment income	40	40	28
315	Reimbursements	263	292	280
299	Other income	2	2	1
20,020	Total Income	20,378	19,540	20,447
EXPENSES				
5,618	Employee costs (inc. oncosts)	5,821	6,078	6,297
11,988	Materials, contracts & other expenses	12,999	12,472	12,623
(6,094)	Power – fixed payments	(6,063)	(6,063)	(6,190)
1,204	Depreciation	1,196	1,196	1,804
4,835	Power – Asset Depreciation	4,835	4,835	4,943
577	Finance costs	506	506	522
1,856	Power – Lease interest	1,768	1,768	1,716
19,985	Total Direct Expenses	21,062	20,792	21,714
(6)	Total Internal Charges	(0)	-	-
41	OPERATING SURPLUS / (DEFICIT)	(683)	(1,251)	(1,268)
-	- Amounts specifically received for new or upgraded assets	338	-	-
(4)	Net Gain/Loss on Disposal	-	-	-
37	NET SURPLUS/(DEFICIT) transferred to Equity Statement	(346)	(1,251)	(1,268)
Other Comprehensive Income				
288	Changes in revaluation surplus -IPPE	-	20,414	(4,880)
325	TOTAL COMPREHENSIVE INCOME	(346)	19,163	(6,148)
UNDERLYING OPERATING SURPLUS/ (DEFICIT)				
41	OPERATING SURPLUS / (DEFICIT)	(683)	(1,251)	(1,268)
43	Add Back Roads to Recovery	43	-	414
-	0 Grants, subsidies and contributions - Capital	(87)	(112)	(414)
-	1 Net FA Grants adjustment	-	590	-
597	Right of use Power Assets	540	540	469
681	TOTAL UNDERLYING OPERATING SURPLUS/ (DEFICIT)	(188)	(234)	(798)



Budgeted Statement of Financial Position

as of 30 June 2027

2024-25 Audited Actual \$'000	Description	2025-26 Original Budget \$'000	2025-26 Forecast \$'000	2026-27 Budget \$'000
ASSETS				
Current Assets				
1,084	Cash and cash equivalents	739	1,058	1,547
3,532	Trade & other receivables	2,789	3,156	2,964
560	Inventories	574	665	788
-	Non-Current Assets held for Sale	-	-	-
5,176	Total Current Assets	4,102	4,879	5,298
Non-current Assets				
4	Financial Assets		3	3
111,778	Infrastructure, property, plant & equipment	104,383	126,077	114,590
12.06	Capital Works in Progress	0	-	-
111,794	Total Non-Current Assets	104,383	126,080	114,593
116,970	TOTAL ASSETS	108,485	130,959	119,891
LIABILITIES				
Current Liabilities				
6,654	Trade & other payables	5,632	4,842	4,473
12,135	Current Borrowings	12,136	12,226	12,319
176	Current Provisions	224	534	534
18,964	Total Current Liabilities	17,991	17,602	17,326
Non-current Liabilities				
84,051	Non-current Borrowings	77,841	79,614	74,994
54	Non-current Provisions	46	54	54
84,105	Total Non-current Liabilities	77,887	79,667	75,048
103,069	TOTAL LIABILITIES	95,878	97,270	92,375
13,901	NET ASSETS	12,607	33,689	27,517
EQUITY				
(4,060)	Accumulated Surplus	(2,829)	(4,686)	(7,815)
17,936	Asset Revaluation Reserves	15,412	38,350	35,307
25	Other Reserves	25	25	25
13,901	TOTAL EQUITY	12,607	33,689	27,517



Budget Statement of Cash Flows

as of 30 June 2027

2024-25 Audited Actual \$'000	Description	2025-26 Original Budget \$'000	2025-26 Forecast \$'000	2026-27 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
3,001	Rates - general & other	3,362	3,371	3,589
7	Fees & other charges	7	12	7
7,716	User charges	7,738	7,524	7,172
43	Investment receipts	44	30	28
8,146	Grants utilised for operating purposes	9,330	8,656	8,803
315	Reimbursements	287	385	284
299	Other revenues	76	159	14
Payments				
(5,718)	Employee costs	(5,799)	(5,581)	(6,267)
(6,491)	Materials, contracts & other expenses	(7,546)	(7,597)	(6,608)
(2,433)	Finance payments	(2,274)	(2,272)	(2,238)
4,884	Net Cash provided by (or used in) Operating Activities	5,225	4,687	4,784
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
157	Amounts specifically for new or upgraded assets	162	-	-
(18)	Amounts specifically for new or upgraded assets	(18)	122	401
7	Sale of replaced assets	-	-	-
-	Sale of surplus assets	-	-	-
Payments				
(326)	Expenditure on renewal/replacement of assets	(371)	(489)	(165)
(122)	Expenditure on new/upgraded assets	-	-	-
(303)	Net Cash provided by (or used in) Investing Activities	(228)	(367)	236
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
8,137	Proceeds from borrowings	8,137	7,700	7,700
Payments				
(8,223)	Repayment of borrowings	(8,187)	(7,700)	(7,700)
(4,271)	Repayment of finance lease liabilities	(4,295)	(4,346)	(4,526)
-	Repayment of Bonds and Deposits	-	-	(5)
(4,358)	Net Cash provided by (or used in) Financing Activities	(4,346)	(4,346)	(4,531)
224	NET INCREASE (DECREASE) IN CASH HELD	651	(26)	489
860	Cash & cash equivalents at beginning of period	88	1,084	1,058
1,084	Cash & cash equivalents at end of period	739	1,058	1,547



Statement of Changes in Equity

as of 30 June 2027

	Accumulated Surpluses \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	Total Equity \$'000
2024-25 AUDITED ACTUAL				
Balance at end of previous reporting period	(1,860)	15,412	25	13,577
Net Surplus/(Deficit) for Year	37	-	-	37
Other Comprehensive Income				-
Gain on revaluation of infrastructure, property, plant & equipment	-	288	-	288
Transfers between reserves	(2,237)	2,237		-
Balance at end of period	(4,060)	17,937	25	13,902
2025-26 ORIGINAL BUDGET				
Balance at end of previous reporting period	(2,146)	15,412	25	13,290
Net Surplus/(Deficit) for Year	(683)	-	-	(683)
Balance at end of period	(2,829)	15,412	25	12,607
2025-26 FORECAST				
Balance at end of previous reporting period	(4,060)	17,937	25	13,902
Net Surplus/(Deficit) for Year	(627)	-	-	(627)
Gain on revaluation of infrastructure, property, plant & equipment	-	20,414	-	20,414
Balance at end of period	(4,687)	38,351	25	33,689
2026-27 BUDGET				
Balance at end of previous reporting period	(4,687)	38,351	25	33,689
Net Surplus/(Deficit) for Year	(1,268)	-	-	(1,268)
Other Comprehensive Income	-	-	-	-
Gain on revaluation of infrastructure, property, plant & equipment	-	(4,880)	-	(4,880)
Transfers between reserves	-	-	-	-
Balance at end of period	(5,955)	33,471	25	27,541



Budget Uniform Presentation of Finances

For the period ending 30 June 2027

2024-25 Audited Actual \$'000	Description	2025-26 Original Budget \$'000	2025-26 Forecast \$'000	2026-27 Budget \$'000
INCOME				
3,156	Rates	3,376	3,343	3,608
7	Statutory charges	6	11	5
7,839	User charges	7,519	7,869	7,328
8,222	Grants, subsidies, and contributions	9,085	8,917	8,783
139	Grants, subsidies, and contributions – Capital	87	112	414
43	Investment income	40	29	28
315	Reimbursements	263	296	280
299	Other income	2	2	1
20,020	Total Income	20,378	20,579	20,447
EXPENSES				
5,618	Employee costs (inc. oncosts)	5,821	5,779	6,297
11,988	Materials, contracts & other expenses	12,999	12,601	12,623
(6,094)	Power – fixed payments	(6,063)	(6,063)	(6,190)
1,204	Depreciation	1,196	1,768	1,804
4,835	Power – Asset Depreciation	4,835	4,835	4,943
577	Finance costs	506	504	522
1,856	Power – Lease interest	1,768	1,768	1,716
19,985	Total Direct Expenses	21,062	21,192	21,714
(6)	Total Internal Charges	(0)	-	-
41	OPERATING SURPLUS / (DEFICIT)	(683)	(613)	(1,268)
-581	Net timing adjustment for general purpose grant funding	-	-	-
-139	Less: grants, subsidies and contributions - capital	-87	-112	-414
(679)	Adjusted Operating surplus / (deficit)	(770)	(725)	(1,681)
Net Outlays on Existing Assets				
-326	Capital Expenditure on renewal and replacement of Existing Assets	-371	-489	-165
-6,094	Finance lease payments for right of use assets on existing assets	-6,063	-6,114	-6,242
6,039	Depreciation, Amortisation and Impairment	6,031	6,603	6,747
139	Add back grants, subsidies and contributions - Capital new/upgraded	87	112	414
7	Proceeds from Sale of Replaced Assets	0	0	0
(235)	Total Net Outlays on Existing Assets	(317)	112	754
Net Outlays on New and Upgraded Assets				
-122	Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	0	0	0
0	Add back grants, subsidies and contributions - Capital new/upgraded	0	0	0
0	Add back amounts received specifically for new and upgraded assets	0	0	0
(122)	Total Net Outlays on New and Upgraded Assets	-	-	-
(1,036)	Net Lending / (Borrowing) for Financial Year	(1,087)	(613)	(927)



Budgeted Financial Indicators

for the period ending 30 June 2027

2024-25		2025-26	2025-26	2026-27
Audited Actual	Description	Original Budget	Forecast	Budget
\$'000		\$'000	\$'000	\$'000
0.2% OPERATING SURPLUS RATIO		-3.4%	-6.4%	-6.2%

41 Operating Surplus	-683	-1,251	-1,268
20,020 Total Operating Income	20,378	19,540	20,447

This ratio expresses the operating surplus as a percentage of total operating revenue.

-0.1% UNDERLYING OPERATING SURPLUS RATIO		-1.1%	-1.2%	-3.9%
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-15 Underlying Operating Surplus	-230	-234	-798
19,367 Total Operating Income	20,378	19,540	20,447

This ratio expresses the normalised operating surplus as a percentage of total operating revenue.

492% NET FINANCIAL LIABILITIES RATIO		453%	483%	445%
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98,453 Net Financial Liabilities	92,350	94,303	91,038
20,020 Total Operating Income	20,378	19,540	20,447

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

50% UNDERLYING NET FINANCIAL LIABILITIES RATIO		51%	54%	35%
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9,760 Underlying Net Financial Liabilities	10,412	10,497	7,236
19,367 Total Operating Income	20,378	19,540	20,447

Underlying Net Financial Liabilities are defined as total liabilities (not including EDL lease) less financial assets. These are expressed as a percentage of total operating revenue

63% ASSET RENEWAL FUNDING RATIO		100%	139%	100%
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306 Net Asset Renewals	371	517	165
488 Infrastructure & Asset Management Plan required expenditure	371	371	165

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets and excludes new capital expenditure on the acquisition of additional assets.



Budgeted Statement of Comprehensive Income – Municipal

For the period ending 30 June 2027

2024-25 Audited Actual \$'000	Description	2025-26 Original Budget \$'000	2025-26 Forecast \$'000	2026-27 Budget \$'000
INCOME				
2,327	Rates	2,499	2,499	2,695
7	Statutory charges	6	11	5
292	User charges	774	717	802
3,194	Grants, subsidies, and contributions	2,062	2,063	3,113
139	Grants, subsidies, and contributions – Capital	87	112	414
43	Investment income	19	40	28
315	Reimbursements	263	292	280
267	Other income	-	-	1
6,584	Total Income	5,710	5,734	7,338
EXPENSES				
3,833	Employee costs (inc. oncosts)	2,409	3,980	4,121
984	Materials, contracts & other expenses	2,528	1,544	2,089
453	Depreciation	264	462	1,172
572	Finance costs	500	500	519
5,842	Total Direct Expenses	5,701	6,486	7,901
	- Total Internal Charges	-	-	-
742	OPERATING SURPLUS / (DEFICIT)	9	(752)	(563)
-	Amounts specifically received for new or upgraded assets	-	-	-
-	Net Gain/Loss on Disposal	-	-	-
742	NET SURPLUS/(DEFICIT) transferred to Equity Statement	9	(752)	(563)
Other Comprehensive Income				
288	Changes in revaluation surplus -IPPE	-	16,921	962
1,030	TOTAL COMPREHENSIVE INCOME	9	16,169	399
UNDERLYING OPERATING SURPLUS/ (DEFICIT)				
742	OPERATING SURPLUS / (DEFICIT)	9	(752)	(563)
43	Add Back Roads to Recovery	-	-	414
(0)	Grants, subsidies and contributions - Capital	(87)	(112)	(414)
(1)	Net FA Grants adjustment	-	-	-
-	Right of use Power Assets	-	-	-
784	TOTAL UNDERLYING OPERATING SURPLUS/ (DEFICIT)	(78)	(864)	(563)



Budget Statement of Financial Position - Municipal

as of 30 June 2027

2024-25 Audited Actual \$'000	Description	2025-26 Original Budget \$'000	2025-26 Forecast \$'000	2026-27 Budget \$'000
ASSETS				
Current Assets				
-1,056	Cash and cash equivalents	-334	-346	-374
1,077	Trade & other receivables	778	598	672
560	Inventories	574	665	787
-	Non-Current Assets held for Sale	-	-	-
581	Total Current Assets	1,018	917	1,085
Non-current Assets				
4	Trade & other receivables		3	3
14,135	Infrastructure, property, plant & equipment	14,021	30,386	30,341
-	Capital Works in Progress	0	-	-
14,139	Total Non-Current Assets	14,021	30,389	30,344
14,720	TOTAL ASSETS	15,039	31,306	31,429
LIABILITIES				
Current Liabilities				
2,103	Trade & other payables	3,273	1,990	1,715
7,700	Current Borrowings	7,700	7,700	7,700
534	Current Provisions	224	534	534
10,337	Total Current Liabilities	11,197	10,224	9,949
Non-current Liabilities				
-	Non-current Borrowings	-	-	0
54	Non-current Provisions	46	54	54
54	Total Non-current Liabilities	46	54	54
10,391	TOTAL LIABILITIES	11,243	10,278	10,003
4,329	NET ASSETS	3,796	21,028	21,426
EQUITY				
(1,951)	Accumulated Surplus	41	(2,172)	(2,736)
6,255	Asset Revaluation Reserves	3,730	23,175	24,137
25	Other Reserves	25	25	25
4,329	TOTAL EQUITY	3,796	21,028	21,426



Budgeted Statement of Comprehensive Income – Wastewater (CWMS)

For the period ending 30 June 2027

2024-25 Audited Actual \$'000	Description	2025-26 Original Budget \$'000	2025-26 Forecast \$'000	2026-27 Budget \$'000
INCOME				
	272 Rates	279	266	294
	- Grants, subsidies, and contributions	-	-	22
	272 Total Income	279	266	316
EXPENSES				
	77 Employee costs (inc. oncosts)	108	83	82
	132 Materials, contracts & other expenses	36	135	197
	44 Depreciation	45	105	105
	- Finance costs	-	-	-
	253 Total Direct Expenses	189	323	384
	- Total Internal Charges	90	-	-
	19 OPERATING SURPLUS / (DEFICIT)	-	(57)	(68)
	Amounts specifically received for new or upgraded assets			
	Net Gain/Loss on Disposal			
19	NET SURPLUS/(DEFICIT) transferred to Equity Statement	-	(57)	(68)
	Other Comprehensive Income			
	Changes in revaluation surplus -IPPE		3,494	163
	19 TOTAL COMPREHENSIVE INCOME	-	3,437	95
UNDERLYING OPERATING SURPLUS/ (DEFICIT)				
	19 OPERATING SURPLUS / (DEFICIT)	-	(57)	(68)
19	TOTAL UNDERLYING OPERATING SURPLUS/ (DEFICIT)	-	(57)	(68)



Budgeted Statement of Financial Position– Wastewater (CWMS)

as of 30 June 2027

2024-25 Audited Actual \$'000	Description	2025-26 Original Budget \$'000	2025-26 Forecast \$'000	2026-27 Budget \$'000
ASSETS				
Current Assets				
255	Cash and cash equivalents	288	306	340
43	Trade & other receivables	42	40	44
	- Inventories	-	-	-
	- Non-Current Assets held for Sale	-	-	-
298	Total Current Assets	330	346	384
Non-current Assets				
1,496	Infrastructure, property, plant & equipment	1,447	4,885	4,942
	- Capital Works in Progress	-	-	-
1,496	Total Non-Current Assets	1,447	4,885	4,942
1,794	TOTAL ASSETS	1,777	5,231	5,326
LIABILITIES				
Current Liabilities				
	- Trade & other payables	-	-	-
	- Current Borrowings	-	-	-
	- Current Provisions	-	-	-
0	Total Current Liabilities	0	0	0
Non-current Liabilities				
	- Non-current Borrowings	-	-	-
	- Non-current Provisions	-	-	-
0	Total Non-current Liabilities	0	0	0
0	TOTAL LIABILITIES	0	0	0
1,794	NET ASSETS	1,777	5,231	5,326
EQUITY				
528	Accumulated Surplus	511	471	403
1,266	Asset Revaluation Reserves	1,266	4,760	4,923
	- Other Reserves	-	-	-
1,794	TOTAL EQUITY	1,777	5,231	5,326



Budget Statement of Comprehensive Income – Electricity

For the period ending 30 June 2027

2024-25 Audited Actual \$'000	Description	2025-26 Original Budget \$'000	2025-26 Forecast \$'000	2026-27 Budget \$'000
INCOME				
5,583	User charges	4,551	5,100	4,451
4,939	Grants, subsidies, and contributions	6,236	5,838	5,573
1	Other income	2	2	-
10,523	Total Income	10,789	10,940	10,024
EXPENSES				
835	Employee costs (inc. oncosts)	1,046	1,005	1,040
3,578	Materials, contracts & other expenses	2,886	3,505	2,668
5,174	Depreciation	5,151	5,151	5,260
1,861	Finance costs	1,774	1,772	1,719
11,448	Total Direct Expenses	10,857	11,433	10,687
	- Total Internal Charges	640	-	-
	(925) OPERATING SURPLUS / (DEFICIT)	(708)	(493)	(663)
Amounts specifically received for new or upgraded assets				
(4)	Net Gain/Loss on Disposal		(14)	
(929)	NET SURPLUS/(DEFICIT) transferred to Equity Statement	(708)	(507)	(663)
Other Comprehensive Income				
	Changes in revaluation surplus -IPPE			168
(929)	TOTAL COMPREHENSIVE INCOME	(708)	(507)	(495)
UNDERLYING OPERATING SURPLUS/ (DEFICIT)				
(925)	OPERATING SURPLUS / (DEFICIT)	(708)	(493)	(663)
597	Right of use Power Assets	540	540	469
(328)	TOTAL UNDERLYING OPERATING SURPLUS/ (DEFICIT)	(168)	47	(194)



Budget Statement of Financial Position - Electricity

as of 30 June 2027

2024-25 Audited Actual \$'000	Description	2025-26 Original Budget \$'000	2025-26 Forecast \$'000	2026-27 Budget \$'000
ASSETS				
Current Assets				
2,120	Cash and cash equivalents	802	608	849
1,311	Trade & other receivables	1,066	1,635	1,376
-	- Inventories	-	-	-
-	- Non-Current Assets held for Sale	-	-	-
3,431	Total Current Assets	1,868	2,243	2,225
Non-current Assets				
89,404	Infrastructure, property, plant & equipment	82,488	84,398	79,306
-	- Capital Works in Progress	-	-	-
89,404	Total Non-Current Assets	82,488	84,398	79,306
92,835	TOTAL ASSETS	84,356	86,641	81,531
LIABILITIES				
Current Liabilities				
4,187	Trade & other payables	2,354	2,847	2,758
4,435	Current Borrowings	4,436	4,526	4,619
-	- Current Provisions	-	-	-
8,622	Total Current Liabilities	6,790	7,373	7,377
Non-current Liabilities				
84,051	Non-current Borrowings	77,841	79,613	74,994
-	- Non-current Provisions	-	-	-
84,051	Total Non-current Liabilities	77,841	79,613	74,994
92,673	TOTAL LIABILITIES	84,631	86,986	82,371
162	NET ASSETS	-275	-345	-840
EQUITY				
(5,916)	Accumulated Surplus	(6,353)	(6,423)	(7,086)
6,078	Asset Revaluation Reserves	6,078	6,078	6,246
-	- Other Reserves	-	-	-
162	TOTAL EQUITY	-275	-345	-840



Budgeted Statement of Comprehensive Income - Water

For the period ending 30 June 2027

2024-25 Audited Actual \$'000	Description	2025-26 Original Budget \$'000	2025-26 Forecast \$'000	2026-27 Budget \$'000
INCOME				
557	Rates	599	584	619
	- Statutory charges	-	-	-
1,964	User charges	2,059	2,101	2,075
89	Grants, subsidies, and contributions	59	101	75
31	Other income	-	-	-
2,641	Total Income	2,717	2,786	2,769
EXPENSES				
874	Employee costs (inc. oncosts)	943	859	1,054
1,194	Materials, contracts & other expenses	660	1,395	1,479
368	Depreciation	373	373	209
	- Finance costs	-	-	-
2,436	Total Direct Expenses	1,976	2,627	2,742
	- Total Internal Charges	725	-	-
205	OPERATING SURPLUS / (DEFICIT)	16	159	27
	Amounts specifically received for new or upgraded assets			
	Net Gain/Loss on Disposal			
205	NET SURPLUS/(DEFICIT) transferred to Equity Statement	16	159	27
	Other Comprehensive Income			
	Changes in revaluation surplus -IPPE			(6,199)
205	TOTAL COMPREHENSIVE INCOME	16	159	(6,172)
UNDERLYING OPERATING SURPLUS/ (DEFICIT)				
205	OPERATING SURPLUS / (DEFICIT)	16	159	27
205	TOTAL UNDERLYING OPERATING SURPLUS/ (DEFICIT)	16	159	27



Budgeted Statement of Financial Position - Water

as of 30 June 2027

2024-25 Audited Actual \$'000	Description	2025-26 Original Budget \$'000	2025-26 Forecast \$'000	2026-27 Budget \$'000
ASSETS				
Current Assets				
(235)	Cash and cash equivalents	(16)	490	732
1,101	Trade & other receivables	903	882	872
	- Inventories	-	-	-
	- Non-Current Assets held for Sale	-	-	-
866	Total Current Assets	887	1,372	1,604
Non-current Assets				
6,756	Infrastructure, property, plant & equipment	6,426	6,408	-
	- Capital Works in Progress	-	-	-
6,756	Total Non-Current Assets	6,426	6,408	0
7,622	TOTAL ASSETS	7,313	7,780	1,604
LIABILITIES				
Current Liabilities				
5	Trade & other payables	5	5	-
	- Current Borrowings	-	-	-
	- Current Provisions	-	-	-
5	Total Current Liabilities	5	5	0
Non-current Liabilities				
	- Non-current Borrowings	-	-	-
	- Non-current Provisions	-	-	-
0	Total Non-current Liabilities	0	0	0
5	TOTAL LIABILITIES	5	5	0
7,617	NET ASSETS	7,308	7,775	1,604
EQUITY				
3,280	Accumulated Surplus	2,971	3,438	1,604
4,337	Asset Revaluation Reserves	4,337	4,337	-
	- Other Reserves	-	-	-
7,617	TOTAL EQUITY	7,308	7,775	1,604



APPENDIX 1 – ESCOSA ADVICE

In 2025-6, the District Council of Coober Pedy was part of the fourth tranche of Councils in the State to be reviewed by ESCOSA. In February 2026, ESCOSA provided advice on the financial position of the Council, which outlined some challenges to achieving and maintaining financial sustainability. Council is actively working to address the issues raised. We aim to ensure that our operations remain sustainable while continuing to provide the necessary and highly valued services for our community.

Council provides a full copy of ECOSA's advice and a response to the 9 ESCOSA recommendations in the Annual Business Plan and Budget.

1. Asset Divestment

ESCOSA Recommendation	Council Response
Administrator and Minister to consider the potential for removing from the Council the responsibility for management of the essential services, either temporarily or permanently, leaving the Council with responsibility only for municipal operations.	On 17 February 2026, the Minister for Local Government and the Minister for Housing Infrastructure, announced that the Water infrastructure in Coober Pedy would be transferred to SA Water by the end of 2026.

2. External Resourcing

ESCOSA Recommendation	Council Response
Consider the possibility of staff or similar/equivalent resources, where practicable, being based outside of Coober Pedy, to assist the Council to access required skills and expertise over the long term.	Council has reviewed its IT Managed Service Provider, effective from 1 October 2026, this service has transitioned to a new provider strengthening Council's IT platform and data security. In 2022, Council entered a five-year contract for external financial support services. This contractor has been responsible for managing Council's budget process, updating its financial strategic documents, managing Council's end of Financial Year reporting and other financial management requirements. Council has three part-time staff based outside of Coober Pedy providing support in areas of Governance and Finance. These staff have been providing remote services for between 5 years and 8 Months. Council has a shared services agreement with Light Regional Council for the provision of an Environmental Health Officer. This agreement has been in place prior to 2022. Council has also engaged an external consultant for Planning and Building assessments.



3. Productivity Targets

ESCOSA Recommendation	Council Response
Include cost savings targets or productivity improvements of the municipal operations in its Long-Term Financial Plans and Annual Business Plans (as appropriate), to provide evidence of constraining cost growth and achieving efficiency across its operations and service delivery; and publish achievements against the planned improvements.	Council will work towards establishing productivity targets as part of its Strategic Management Plan development, as per <i>The Act</i>, due by November 2028 Whilst Council is in the midst of a major organisational restructure with the transfer of the water assets it will be difficult to identify and then deliver on productivity targets until the transfer has been completed and the new organisation structure finalised.

4. Debt Management

ESCOSA Recommendation	Council Response
Consider how to best strategically manage the outstanding debts to the Local Government Finance Authority and Energy Developments Pty Ltd, including consultation with the Local Government Finance Authority and State Government.	The current debt structure is a key consideration of the state government in its preparations to restore Coober Pedy to an Elected Council Structure. Following the appointment of the new State Government Ministry (following the General Election in March 2026), planning on the future state of Coober Pedy will be recommenced.

5. Asset Management

ESCOSA Recommendation	Council Response
Consult with the State Government on how best to mitigate the risk of critical asset failure for essential service provision, noting the existing funding constraints for urgent repairs and maintenance of the Council's asset base and skills gap regarding essential service operations.	Emergency management plans are already in development as a part of ensuring service delivery during the transition period of the Water Asset transfer. The State Government is already providing support to the Electricity network through the Remote Area Energy Subsidy (RAES) Scheme.



6. Service Review

ESCOSA Recommendation	Council Response
Consult with the community on its preferences for delayed/reduced services, debt, or additional rate charges, once the essential services are stabilized.	Council will engage with the community regarding the future service delivery model as part of its Strategic Management Plan development, as per <i>The Act</i>, due by November 2028. A service review was undertaken by the Office of Local Government (OLG) in 2024-25, which included consultation with the community. The outcomes of the review were used to present to the State Government taskforce with the recommendation to transition essential services from Coober Pedy Council to another provider. Whilst Council is in the midst of a major organisational restructure, with the transfer of the water assets, it will be difficult to identify and then implement further organisational change until the transfer has been completed.

7. Asset Revaluations

ESCOSA Recommendation	Council Response
Undertake formal valuations at least every four years and annual indexation of asset values between formal valuations, to maintain a more accurate understanding of current asset values and likely renewal and replacement costs.	In 2025, Council engaged a consultants to conduct condition assessments and revaluations on selected asset classes over a 2-year program plan. Year 1 of the revaluation plan is in progress with the final report being delivered at the end of March 2026. Year 2 of the plan is planned for completion in March 2027.



8. Asset Management Plans

ESCOSA Recommendation

Prepare separate asset management plans for each major asset group, informed by detailed engineering studies, of asset valuations, condition assessments and remaining useful lives, and include these expenditure forecasts in the annual budget and annual Long-Term Financial Plan update.

Council Response

Following the completion of each asset class revaluation, the Finance Team will update each Asset Class Asset Management Plan (AMP), including forward work programs. An AMP Summary will be produced for 2026-27 to 2035-36 to align with the Annual Business Plan (ABP) 2026-27 and Long-term Financial Plan (LTFP) 2026-27 to 2035-36.

Following adoption of the AMP Summary individual asset class AMPs will be drafted based on the following schedule:

- Year 1 Asset Class Asset Management Plans are expected to be completed by the end of 2026.
- Year 2 Asset Class Asset Management Plans are expected to be completed by the end of 2027.

9. Asset Replacement

ESCOSA Recommendation

Continue prioritising asset renewal and replacement needs over expenditure on new and upgraded assets, to the extent possible, to ensure that the requirements of the Infrastructure and Asset Management Plan are delivered, and service standards maintained

Council Response

When funds are available Council has prioritised asset renewal and replacement over new and upgraded assets. This will continue to be Council's focus into the future.

With revised AMPs and forward works programs (per the schedule listed above), Council will be better informed as to the timing of asset replacement and assign priority in their future financial planning.

