

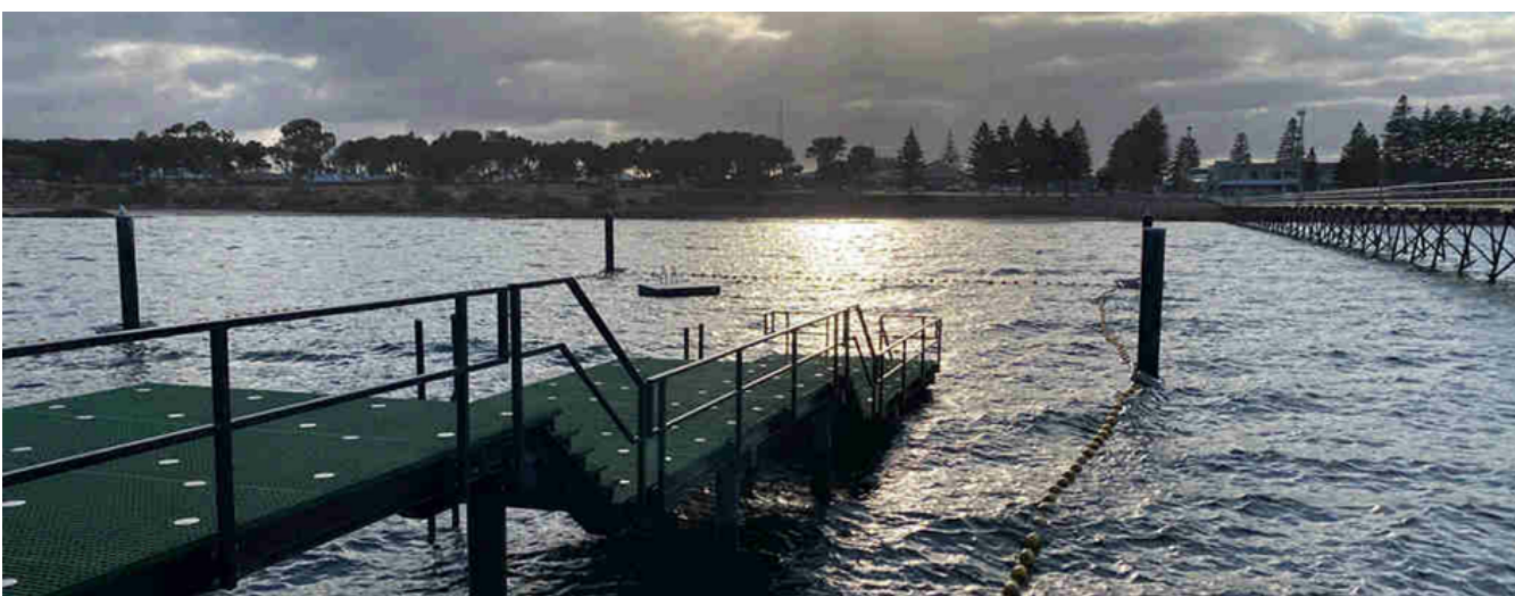


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EXECUTIVE SUMMARY

The District Council of Ceduna's Annual Business Plan for 2026/2027 provides an overview of the services, programs and strategic projects Council plans to deliver to the Community in 2026/2027.

The Annual Business Plan has been prepared on the basis of Council focusing on the delivery of the traditional core Council services of Roads, Rates and Rubbish, in addition to the maintenance of existing assets and infrastructure within essential services to the Community. The services provided by Council reflect both its obligations under a range of legislation and the Community's expressed desire for specific services, facilities and infrastructure.

In developing the 2026/2027 Annual Business Plan, Council has given particular attention to the current volatile economic climate effecting costs due to heightened world oil prices, whilst continuing to provide all of its current services to the Community.

In the context of these circumstances, Council plans an increase in General Rate Revenue of 5.3% which is 0.4% above the Adelaide March 2026 full year CPI from existing assessments rated in 2025/2026. The General Rate increase of \$293,000 is necessary to assist in the offset current and forecast increases in the delivery of Council's services projected at \$729,000 for 2026/2027, whilst Council also attempts to reduce operational costs to minimise increases in rating revenue.

Council's General Rate Increase is 1.6% below Council's recommendation Long Term Financial Plan increase of 2.0% above inflation, as Council's General Rate Increase is focused on additional costs associated with core Council services and not increasing General Rates to subsidise current deficit producing activities such as the Ceduna Aerodrome, Ceduna Koonibba Water West Scheme and Thevenard Marina that have been highlighted as activities impacting Council Financial Sustainability.

Key elements of the 2026/2027 Annual Business Plan include –

- \$0.837 Million Operating Deficit (before Capital Amounts), resulting from Total Operating Revenues of \$15.055 Million and Total Operating Expenses of \$15.892 Million
- \$0.083 Million Operating Deficit (before Capital Amounts) removing the Financial Operating Positions of Ceduna Aerodrome, Ceduna Koonibba Water West Scheme and Thevenard Marina from Council's Operating Position.
- General Rate Revenue increase of 5.3% which is 0.4% above the Adelaide March 2026 full year CPI to be raised from existing assessments.
- 15.3% General Rate Cap for eligible assessments
- Overall, 5.2% increase in Service Charge revenue.
- \$4.662 Million in Capital Expenditure for the refurbishment of existing assets
- \$2.812 Million in Capital Expenditure for the construction or purchase of new assets or upgrading of existing assets.
- \$1.300 Million in additional borrowing facilities

ANNUAL BUSINESS PLAN AMENDMENTS

In accordance with Section 123(6a) of the Local Government Act 1999, if a Council adopts its Annual Business Plan with amendments not included in its Draft Annual Business Plan for Community Consultation, the Council must detail any significant amendments in its adopted Annual Business Plan.

Following the release of Council's Draft Annual Business Plan for Community Consultation and the adoption of Council's Annual Business Plan, the following is a list of significant amendments to Council's Annual Business Plan.

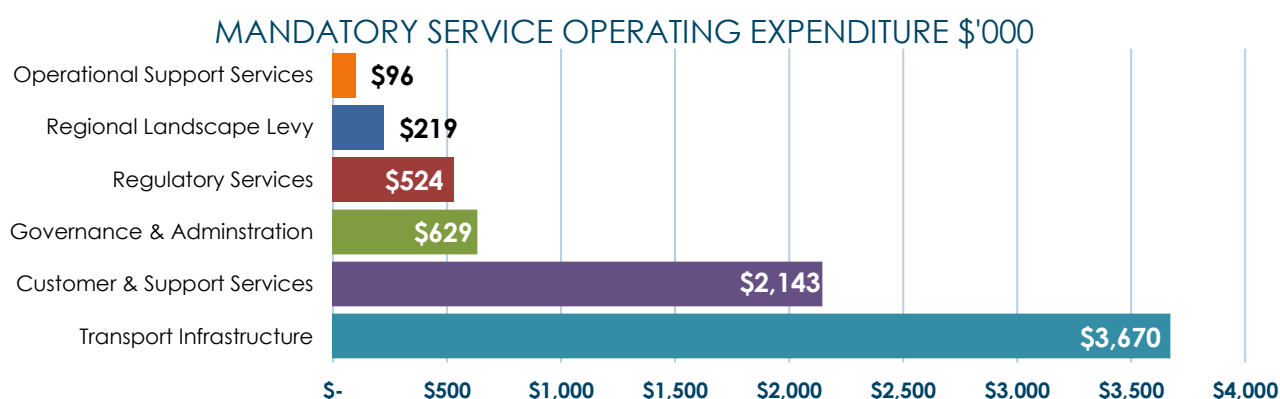
1. The 2025/2026 forecast figures have been updated to reflect Budget Review 3, adopted by Council in May 2026, which has adjusted the opening figures for 2026/2027.
2. The forecast Operating Deficit has decreased from \$0.953 Million in the Draft Annual Business Plan (DABP) to \$0.837 Million.
3. In May 2026, Council approved to extend the trial of the Visitor Information Centre (**VIC**) under Council management through to the end of 2026/2027 financial year, to allow further assessment of the long-term operational, tourism, community and economic outcomes associated with the service, this has resulted in an increase in User Charges Income, an increase in Employee Costs and a decrease in Contractor Costs.
4. Loan interest costs have been recalculated, resulting in a reduction of \$0.128 Million to Finance Costs.
5. Capital Renewal expenditure has increased from \$4.415 Million in the DABP to \$4.662 Million due to the inclusion of 3 capital projects rolled over from 2025/2026.
Aerodrome Lighting, Landfill Weighbridge and Land Purchase and Boundary Fencing
6. Capital New expenditure has increased from \$0.080 Million in the DABP to \$2.812 Million due to the inclusion of 2 capital projects rolled over from 2025/2026.
Smoky Bay STEDS and Cell 7 Construction

PROVIDING SERVICES TO THE COMMUNITY

Council provides an extensive range of services to the Community. Some services are mandated due to Acts of Parliament, including the Local Government Act 1999 and are deemed a Mandatory Service that Council must provide. In addition, Council also provides a variety of programs and services to the Community, whilst not required by specific legislation, are provided on the basis of Community need or expectation. These services are deemed Discretionary Services.

Mandatory Services

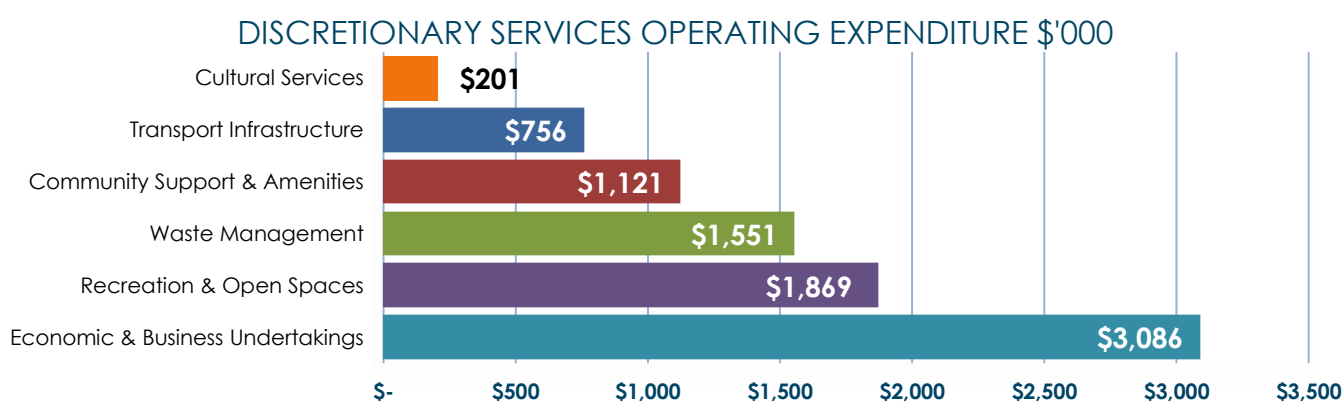
In 2026/2027, Council plans to commit \$7.282 Million or 47.13% of Total Operating Expenditure on the provision of Mandatory Services. (Operating Expenditure includes all direct expenditures incurred in providing the service and depreciation of assets). Council also plans to commit Capital Expenditure of \$3.974 Million for the renewal and creation of new assets associated with the long term delivery of Mandatory Services. The following graph provides a functional breakdown of the services for which the 2026/2027 operational expenditure is planned.



Discretionary Services

Councils also provide a variety of programs and services to the Community which, whilst not required by specific legislation, are provided on the basis of community need or expectation, for the benefit of the Community. In 2026/2027, Council plans to commit \$8.585 Million or 52.87% of Total Operating Expenditure on the provision of Discretionary Services. (Operating Expenditure includes all direct expenditures incurred in providing the service and depreciation of assets). Transport Infrastructure includes the Ceduna Aerodrome. In many cases, expenditure is offset by user charges or service charges associated with delivery of the service.

Council also plans to commit Capital Expenditure of \$3.523 Million for the renewal and creation of new assets associated with the long term delivery of Discretionary Services. The following graph provides a functional breakdown of the services for which the 2026/2027 operational expenditure is planned.



2026/2027 KEY FUNCTIONS

Along with providing routine Council services, each year Council has specific Operational and Capital projects that are unique to each year. Council's operations can be separated into two core units being:

- Corporate, Governance and Regulatory Services; and
- Engineering Services.

The following highlights Operational and Capital budgeting within each area of Council's operations as well as highlighting details on Capital Expenditure for 2026/2027 in each of Council's core units.

Corporate, Governance and Regulatory Services

The Corporate Services Department incorporates Council's administrative and governance areas, economic development and tourism, planning and building and statutory compliance areas.

FUNCTION	OPERATING EXPENSES \$'000	OPERATING INCOME \$'000	CAPITAL NEW \$'000	CAPITAL RENEWAL \$'000	CAPITAL INCOME \$'000
Buildings - Halls	\$0	\$0	\$0	\$0	\$0
Cemetery Operations	\$163	-\$8	\$0	\$0	\$0
Community Buildings	\$107	-\$20	\$0	\$115 ¹	\$0
Community Services	\$82	-\$65	\$0	\$70 ²	\$0
Corporate Administration Buildings	\$220	\$0	\$0	\$38 ³	\$0
Corporate Services Management	\$285	-\$150	\$0	\$0	\$0
Economic Development	\$1,604	-\$2,293	\$0	\$0	\$0
Elected Members Expenses	\$39	\$0	\$0	\$0	\$0
General Managers Office	\$156	\$0	\$0	\$0	\$0
General Purpose Revenue	\$272	\$0	\$0	\$0	\$0
Governance	\$0	-\$5,982	\$0	\$0	\$0
Human Resources Management	\$35	\$0	\$0	\$0	\$0
Information Technology	\$144	\$0	\$0	\$0	\$0
Libraries	\$278	\$0	\$0	\$0	\$0
Records Services	\$38	-\$3	\$0	\$0	\$0
Regulatory Services	\$26	\$0	\$0	\$0	\$0
Tourism Operations	\$522	-\$75	\$0	\$0	\$0
Unclassified Activities	\$499	-\$285	\$0	\$0	\$0
Grand Total	\$4,473	-\$8,883	\$0	\$223	\$0

CAPITAL PROJECTS

NUMBER	PROJECT	BUDGET
1	Show Pavilion Demolish	\$80,000
1	Doctor House Repairs	\$35,000
2	Replace Community CCTV Cameras and Infrastructure	\$70,000
3	Council Administration Building Improvements	\$38,000

Engineering Services

The Engineering Services Department delivers the construction and maintenance of Council's extensive infrastructure network.

FUNCTION	OPERATING EXPENSES \$'000	OPERATING INCOME \$'000	CAPITAL NEW \$'000	CAPITAL RENEWAL \$'000	CAPITAL INCOME \$'000
Aerodrome Operations	\$593	-\$593	\$0	\$72 ¹	\$0
Depot Buildings	\$190	\$0	\$0	\$8 ²	\$0
Domestic Waste Operations	\$550	-\$556	\$0	\$0	\$0
Environment	\$844	-\$219	\$0	\$0	\$0
Footpath & Kerbing	\$97	\$0	\$0	\$139 ³	\$0
Infrastructure Services Management	-\$235	-\$115	\$0	\$1,099 ⁴	\$0
Marine Services (Pool/Jetty/Boat Ramp)	\$830	-\$87	\$0	\$0	\$0
Parks & Gardens	\$1,327	\$0	\$0	\$90 ⁵	\$0
Plant Operations	\$146	\$0	\$0	\$0	\$0
Private Works	\$0	\$0	\$0	\$0	\$0
Public Amenities	\$210	\$0	\$0	\$25 ⁶	\$0
Sealed Rural Roads	\$0	\$0	\$0	\$0	\$0
Sewerage Services	\$989	-\$1,088	\$1,393 ¹¹	\$60 ⁷	\$0
Stormwater Drainage	\$121	\$0	\$0	\$0	\$0
Township Roads	\$1,082	\$0	\$0	\$803 ⁸	\$0
Unsealed Rural Roads	\$2,351	-\$1,670	\$0	\$1,883 ⁹	\$0
Waste Disposal Services	\$987	-\$1,097	\$1,419 ¹²	\$260 ¹⁰	\$0
Water Supply	\$965	-\$743	\$0	\$0	\$0
Grand Total	\$11,045	-\$6,168	\$2,812	\$4,439	\$0

CAPITAL PROJECTS

NUMBER	PROJECT	BUDGET
1	Reseal Aerodrome Refuelling Area and Replace Generator Shed	\$54,000
1	Aerodrome Lighting	\$18,000
2	Replace Depot Air Conditioners	\$8,000
3	Repair Footpaths in Thevenard and Ceduna	\$139,000
4	Plant Replacement and Purchase Program <i>Garbage refuse truck, street sweeper, 1 vehicle replacement, replace 2 air conditioners, minor plant</i>	\$1,099,500
5	Replace Ceduna Foreshore Irrigation	\$79,000
5	Replace Parks and Gardens Bin Surrounds	\$11,000
6	Thevenard Toilet Block Demolition	\$25,000
7	Replace Pump Station 12 Equipment	\$60,000
8	Reseal Roads in Ceduna and Thevenard	\$651,000
8	Replace Road Signs	\$152,000
9	Unsealed Road Construction Program <i>Miltaburra Road, Ten Chain Road West, Nurka Road, Nielsens Road, Davenport Creek Road, Trowbridge Road, Pimbaacla Road</i>	\$1,883,000
10	Landfill Weighbridge and Land Purchase	\$260,000
11	Smoky Bay STEDS	\$1,312,846
11	Upgrade Pump Station 6 Equipment	\$80,000
12	Cell 7 Construction	\$1,184,354
12	Land Purchase and Boundary Fencing	\$235,000

HOW WILL COUNCIL FUND THE ANNUAL BUSINESS PLAN

The 2026/2027 Annual Business Plan has been prepared on the basis of Council focusing on the delivery of the traditional core Council services of Roads, Rates and Rubbish, in addition to the maintenance of existing assets and infrastructure within essential services to the Community.

In delivering the services and projects detailed in this Annual Business Plan, Council plans a \$0.837 Million Operating Deficit, resulting from Total Operating Revenues of \$15.055 Million and Total Operating Expenses of \$15.892 Million.

In addition to the operational budget considerations, included within the 2026/2027 Annual Business Plan is Capital Expenditure of \$7.474 Million (\$4.662 Million on replacing and renewing existing assets and \$2.812 Million on New and Upgraded Assets).

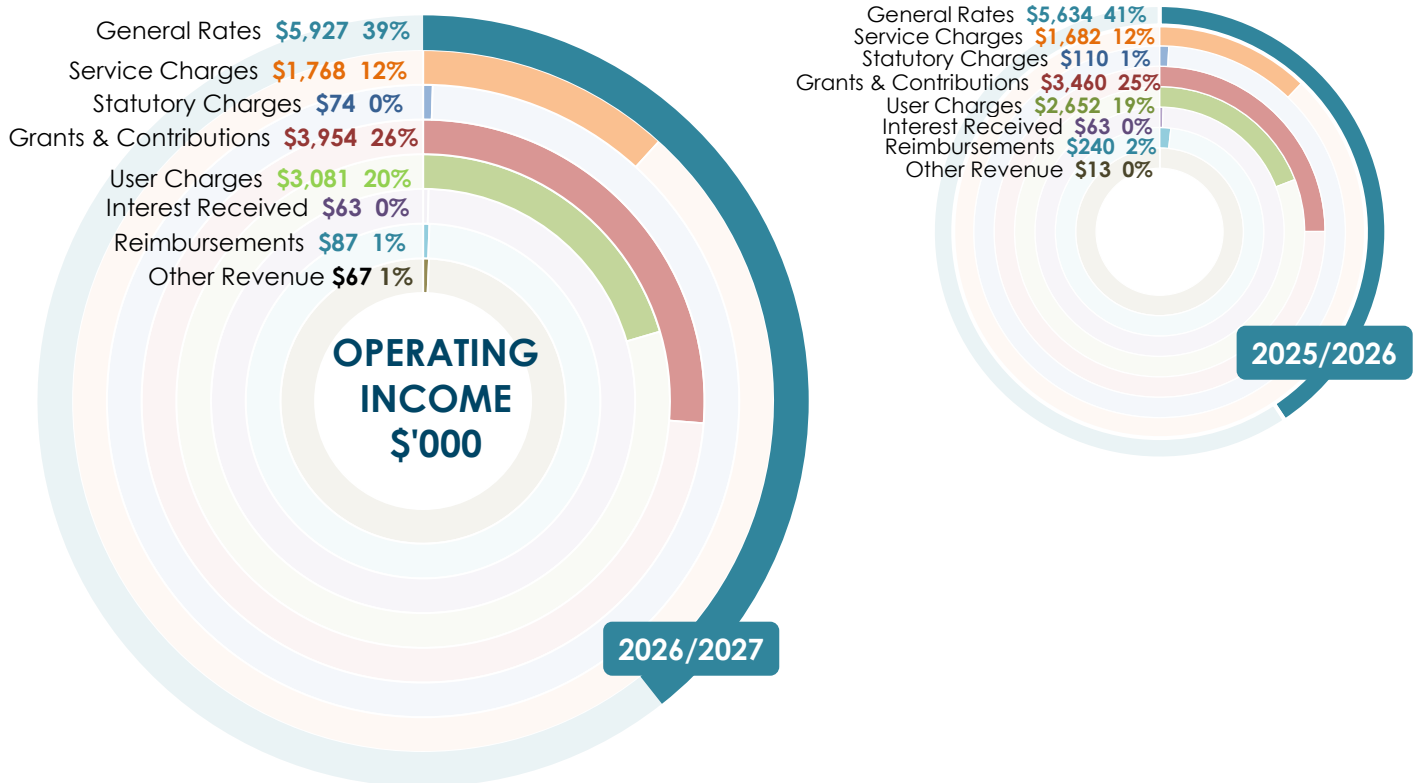
For further details of the Budgeted Annual Financial Statements refer to Appendix 1 of the Annual Business Plan.

Operating Income

Council has budgeted to receive reportable Operating Income of \$15.055 Million in 2026/2027 which is an increase of \$1.202 Million or 8.68% on Council's estimated 2025/2026 operating income. The increase is primarily due to the introduction of the increased landfill disposal fees at the Ceduna Landfill Site introduced in November 2025. The 2026/2027 financial year will gain from receiving a full year of landfill fees. 2026/2027 financial year will also receive an increase in Roads to Recovery grant funding.

Council's operating income is derived from a number of different sources including Rates and Charges, Statutory and User Charges, Grants, Subsidies and Contributions, Investment Income and Other Income. Details of the full listing of fees and charges for 2026/2027 will be available on Council's website.

The following graph details the split in operating income categories for 2026/2027.



RATES AND SERVICE CHARGES

Council will levy \$7.695 Million in total rates and service charges for 2026/2027. The predominant portion of Council's total rate revenue is to be \$5.927 Million in general rate revenue.

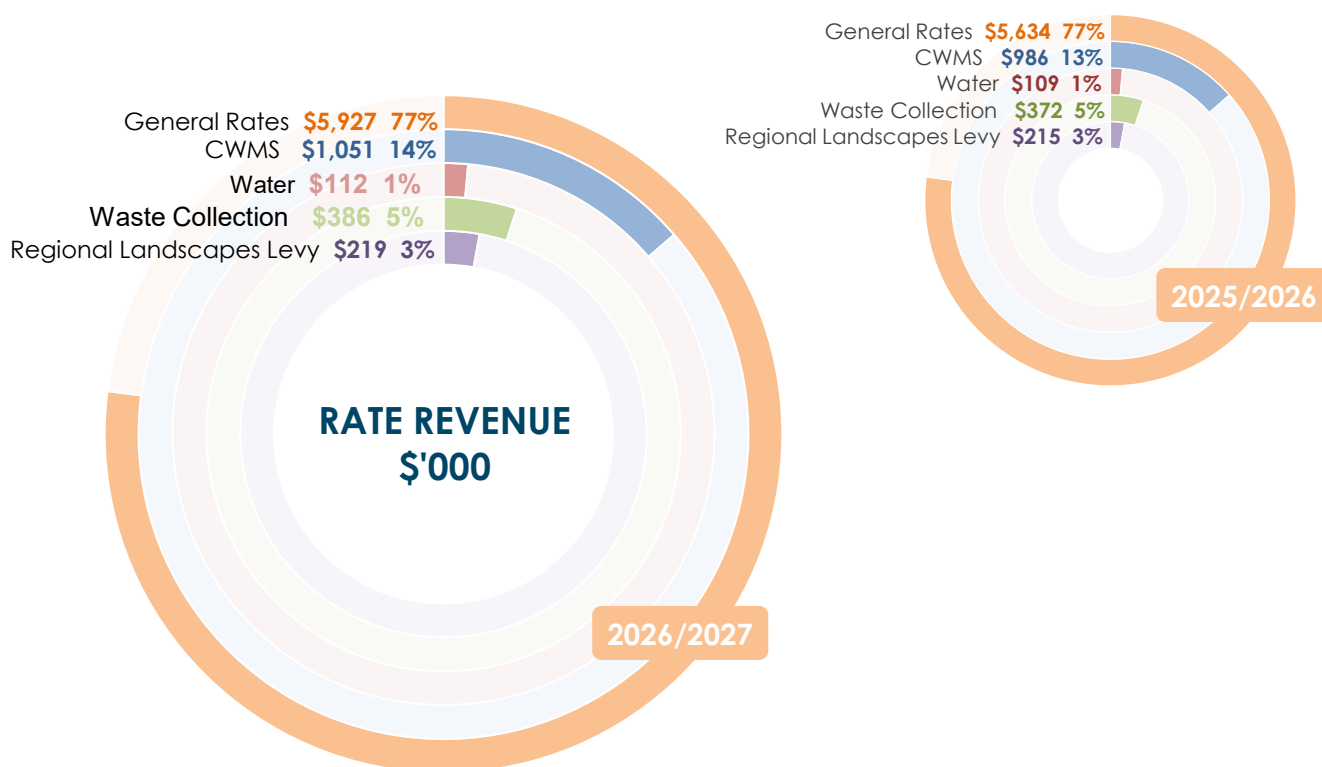
The following factors were considered as part of this decision:

- Consumer Price Index of 4.9% (March 2026) however, costs have varied across Council's range of goods and services of between 2% to 11%
- Council Long Term Financial Plan recommendation of 2.0% General Rate Increase above CPI to fund current unfunded maintenance and future renewal of new Council Assets
- Council is mindful that current economic conditions effecting ratepayers through significant living costs

Also forming part of Council's rates income are service charges levied for Waste Collection Services, Community Wastewater Management Systems (CWMS) and the Ceduna/Koonibba Water West Scheme. In addition, Council also collects a separate rate (Regional Landscapes Levy) on behalf of the South Australian Government.

Additionally, information on all of Council's rates income streams are detailed under the heading "How Council Will Levy Rates and Charges" in this Annual Business Plan.

The following graph details the revenue received from the different rates streams for 2026/2027.

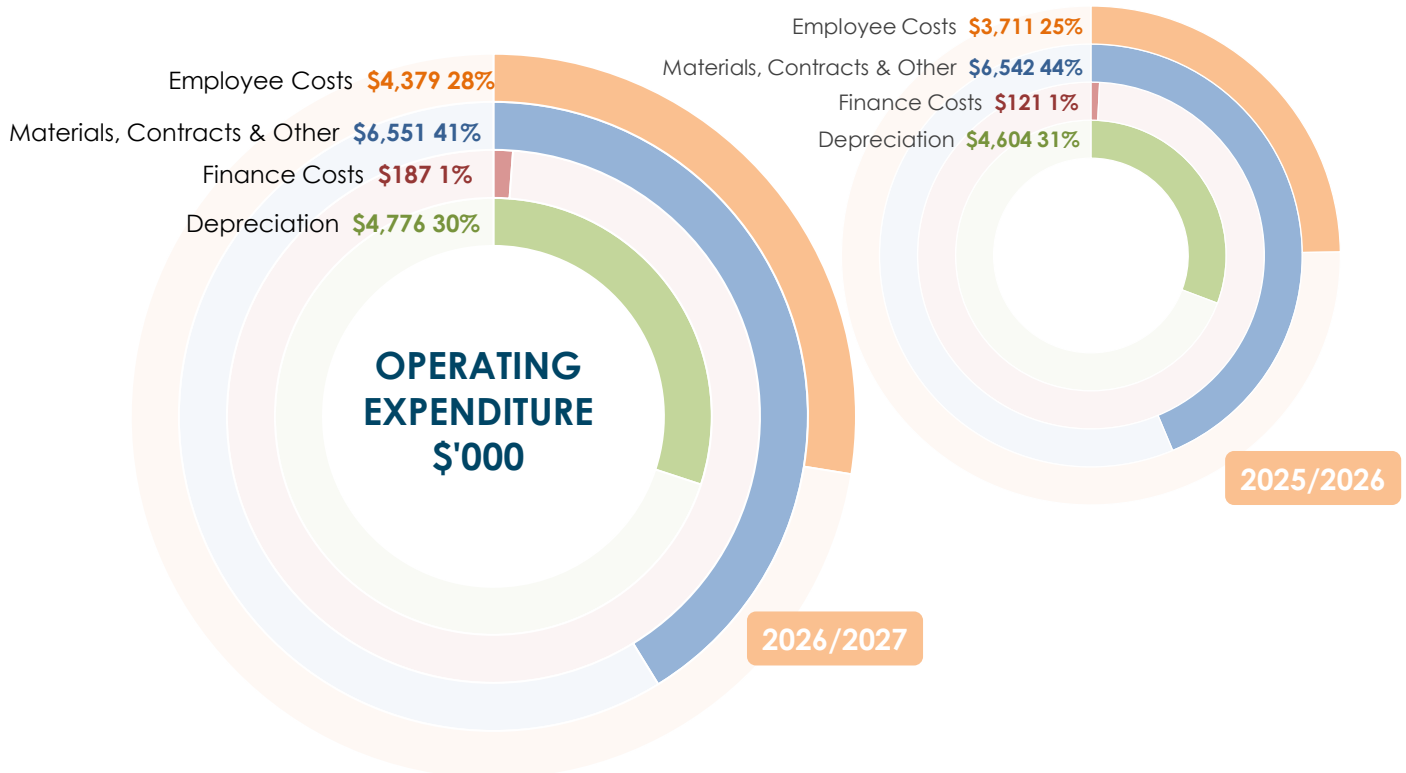


Details pertaining to Government and Council Rate Concessions, Rebates, provisions for assisting in cases of hardship in the payment of rates and Council's rights to sell land for the non-payment of rates can be found in Appendix 2 of this Annual Business Plan.

Operating Expenditure

In 2026/2027 Council has budgeted for operating expenditure of \$15.892 Million including depreciation of \$4.776 Million. This is a 4.82% or \$0.730 Million increase in Council's current budgeted operating expenditure compared to 2025/2026.

The following graph separates Council's 2026/2027 Operating Expenditure into its 4 primary categories:



Operational Employee costs are to increase by \$668K (18.00%) from 2025-26 to 2026-27 as a result of the following factors:

1. Council employing additional staff to run the Visitor Information Centre for 2026-27 instead of operating this service under contract (\$250K)
2. Understated Employee Costs in 2025-26 as a result of several long term position vacancies
3. Wage increases in 2026-27 in line with Enterprise Bargaining Agreements for Council employees

Finance costs are to increase by \$66K (54.54%) as a result of Council utilising borrowings to fund capital replacement projects.

IMPACT ON COUNCIL'S FINANCIAL POSITION

Local Government in South Australia has adopted a set of Key Financial Indicators which provide both an indicator of the current Financial Health (and hence Sustainability) of Council and can also demonstrate the improving (or declining) trend in Council's Financial Position over time.

Council's current Strategic Targets for each of the Local Government Financial Indicators, adopted as part of Council's Long Term Financial Plan are:

FINANCIAL INDICATOR	STRATEGIC TARGET
Operating Surplus (Deficit) Ratio	0 % - 5 %
Net Financial Liabilities Ratio	< 80 %
Asset Renewal Funding Ratio	90 % - 110 %

The following graphs show the Key Financial Indicator trends for the District Council of Ceduna over the last 8 years, in addition to the Key Financial Indicators pertaining to Council's 2026/2027 Annual Business Plan.

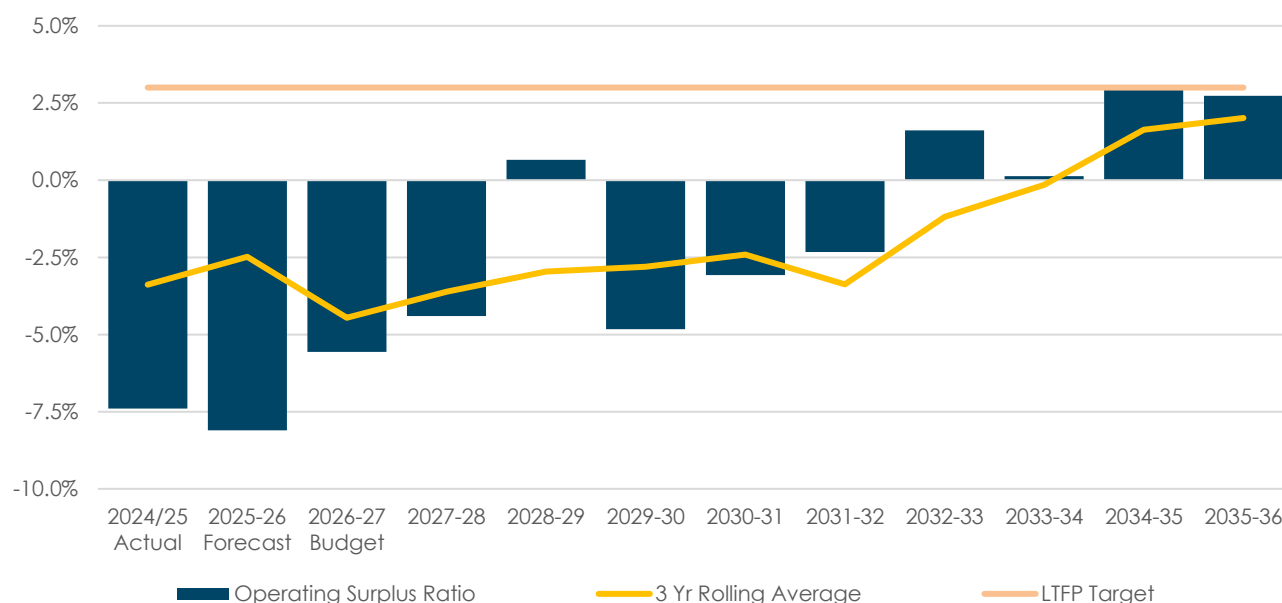
OPERATING SURPLUS RATIO

An operating surplus ratio indicates the extent to which operating revenues are sufficient to meet all operating expenses including depreciation as a percentage of total operating revenue.

Council's projected 2026/2027 operating surplus ratio is well below Council's strategic target as a result of 3 discretionary council activities (being Ceduna Aerodrome, Thevenard Marina & Ceduna Koonibba Water West Scheme) operating in deficits to the combined value of \$750,000 for 2026/2027. Additionally, Council is forecast to experience higher operational expenditure expected throughout 2026/2027 as a result of higher fuel prices, impacting directly through fuel expenses, plus indirectly in higher contractor and freight prices. As it is expected that fuel prices will return to pre middle east conflict prices in the future, Council has decided not to increase rate revenue to counteract this "one-off" increase in fuel prices and associated other costs (such as higher materials and contractors prices).

A continuation of Operating Deficits would place Council in a position where it may not be able to fund future services, including the renewal of existing assets without the necessity to borrow additional funds.

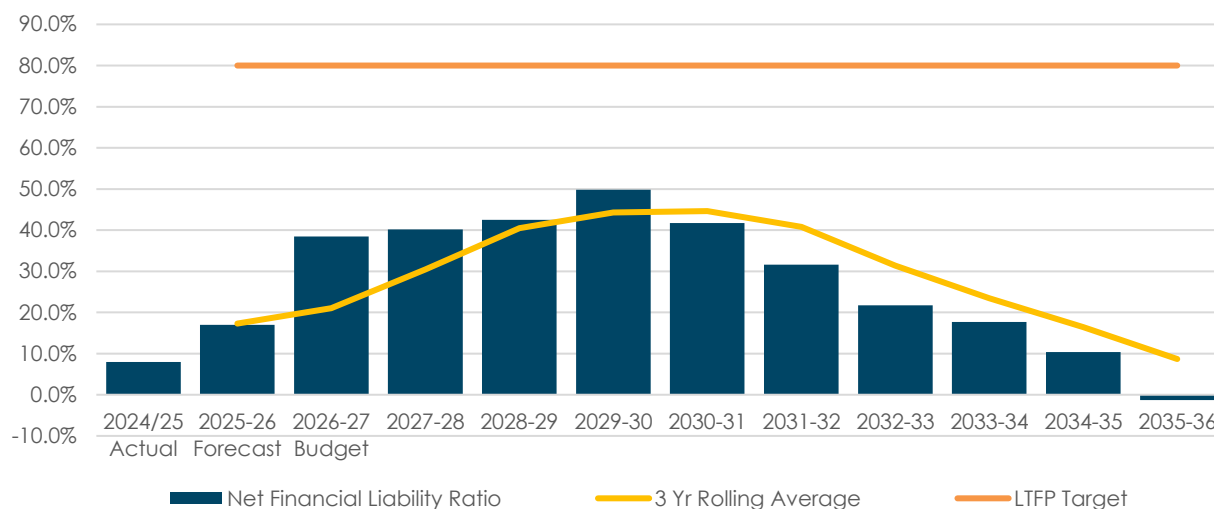
Operating Surplus Ratio



NET FINANCIAL LIABILITIES RATIO

This ratio indicates the extent to which the net financial liabilities (NFL) of the Council can be met by the Council's total operating revenue.

Net Financial Liabilities Ratio



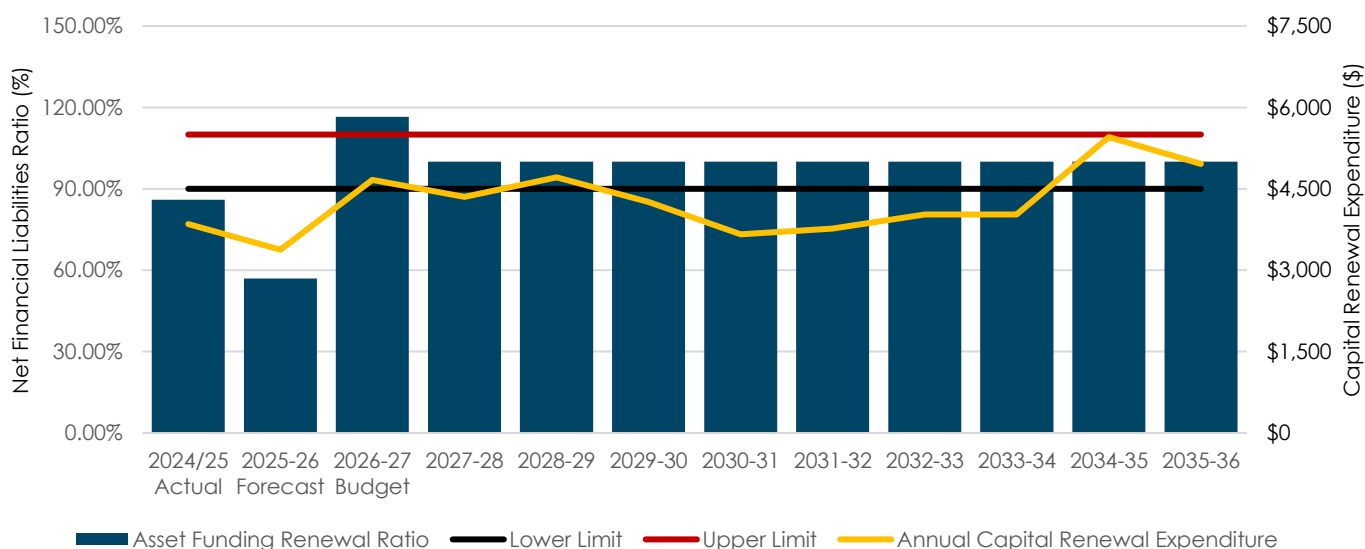
Council's projected Net Financial Liabilities Ratio is below Council's maximum acceptable target debt level as a result of appropriate debt/treasury management. At Council's projected Net Liabilities, Council has the ability to overcome any further shocks to its Operating Position and is in a position in the short term to be able to fund immediate critical works, should the need occur.

Maintaining this result below the Long Term Financial Plan target indicates that Council's capacity to meet its financial obligations from operating revenues is reinforced.

ASSET RENEWAL FUNDING RATIO

This ratio indicates whether the Council is renewing or replacing existing physical assets at the rate at which they are wearing out.

Asset Renewal Funding Ratio



Council's 2026/2027 projected asset renewal expenditure is 100% of Council's Infrastructure and Asset Management Plan and is within Council's current target of 90% to 110%. Council's projected future asset renewals are forecasted to be fully funded in Council's Long Term Financial Plan, hence the future Asset Renewal Funding Ratio of 100%, however 2024/25 and 2025/26 do indicate that forecasts against actual expenditure can differ, as long as shortfalls are recovery through future years.

LONG TERM FINANCIAL PLANNING

Council adopted its Long Term Financial Plan (**LTFP**) 2026/2027 to 2035/2036 at the Council meeting held on 18 February 2026. Council's LTFP projected an operating deficit of \$0.339 million and capital expenditure of \$4.389 million on asset renewals and net financial liability ratio of 46% for the 2026/2027 financial year.

In the current LTFP, the Operating Surplus Ratio shows at (2%). The 2026/2027 Annual Business Plan is forecasting an Operating Surplus Ratio of (5.6%). Whilst operating revenue is comparable to the LTFP, the Materials, Contractors and Other Expenses is \$0.312 million higher than the LTFP forecast due to the anticipated increases in materials and fuels. Depreciation is \$0.282 million higher than the LTFP forecast. Council will undertake asset revaluations in 2026/2027 which anticipates increases in depreciation due to increases in asset values.

The Business Plan does not plan to increase General Rate Revenue by 2% above CPI as recommended by the LTFP as the recommended General Rate increase in the LTFP remove Council's Operating Deficit for all of Council's operations including the 3 identified loss making activities.

Council's Net Financial Liabilities Ratio in the 2026/2027 Annual Business Plan is comparable to the current LTFP.

The challenge long term for Council is to provide continued sustainable services by way of maintaining Operating Surpluses moving forward without any significant sacrifice in levels of service.

The ultimate achievement of an Operating Surplus means that Council can meet all of its Operating Expenses (for the provision of services to the community) and the average long term renewal costs for existing physical Infrastructure assets (roads, buildings, plant and equipment) from its Operating Revenues (including rates) and is then able to use the Operating Surplus to purchase or construct new (additional) assets for the benefit of the community.

There will always be competing priorities from year to year, and this plan illustrates Council's proposal to commit 110.4% of its Capital Expenditure to the renewal of a wide range of existing Community infrastructure, whilst minimising any new asset construction.

Council will provide an annual update to its Long Term Financial Plan in conjunction with an update to its Infrastructure Asset Management Plan.

ESCOSA ADVICE IN THE ANNUAL BUSINESS PLAN

The Strategic Management Plan Advice Scheme requires the Essential Services Commission of South Australia (**ESCOSA**) to undertake a review of each council's Long Term Financial Plan and Asset Management Strategy once every four years and provide advice on various matters as set out within Section 122 of the Local Government Act 1999.

Councils are required to include a copy of ESCOSA's advice (contained in Appendix 3).

CEO REPORT ON FINANCIAL SUSTAINABILITY

Council's financial sustainability predicament has been highlighted by the release of the independent review of Council's operations performed by the Essential Services Commission of South Australia which can be found at Appendix 3 of Council's Annual Business Plan. The advice highlighted that ESCOSA has deemed Council unsustainable into the future as a result of successive operating deficits since 2019/2020 and continued operating deficits into the intermediate future in Council's Long Term Financial Plan.

Whilst the ESCOSA findings highlighted issues with historical preparations of key strategic documents (including Long Term Financial Plans and Infrastructure Asset Management Plan), the advice highlighted 3 non-essential business activities that contribute to the vast majority of Council's Operating Deficits being:

1. Ceduna Aerodrome
2. Ceduna Koonibba Water West Scheme
3. Thevenard Marine Facility

As part of ESCOSA's recommendations, Council should consider plans on the ongoing operation of the above business activities and how Council can improve the financial viability of these operations. Both Council and its Audit and Risk Committee will consider plans on these business activities at their respective June 2026 Meetings.

Council's Operating Deficit for the 2026/2027 Annual Business Plan is \$0.837 million. Of this operating deficit, \$0.754 million can be directly attributed to the above business activities for the following amounts:

1. Ceduna Aerodrome \$0.188 million
2. Ceduna Koonibba Water West Scheme \$0.181 million
3. Thevenard Marine Facility \$0.385 million

Whilst these business activities are reporting significant combined operating deficits, the primary contributors to these deficits are a combined annual depreciation expense of \$0.807 million. Council throughout its Infrastructure Asset Management Plan and Long Term Financial Plan, has a total planned Capital Expenditure of \$0.659 million over 10 years through to 2035-2036.

Removing these business activities from Council's overall operating position, Council's adjusted Operating position represents an Operating Deficit of \$0.83 million, which is manageable into future years with reviews in Council's operations without the need for significant increases of general rates revenue above inflation.

HOW COUNCIL WILL LEVY RATES AND CHARGES

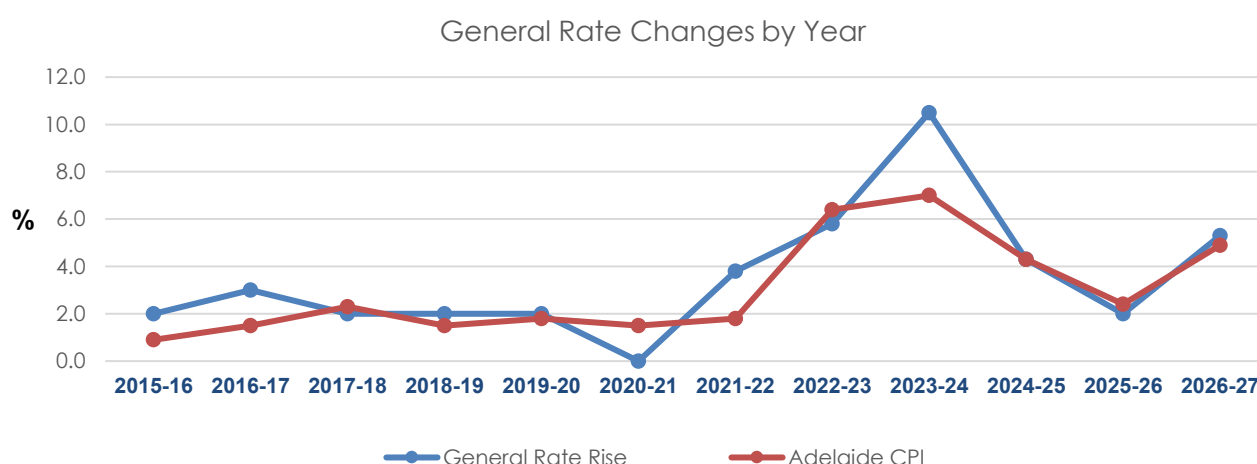
Council has limited options to generate the income required to pay for services which it provides to the Community. It receives some State and Federal government grants and subsidies, and some income can be raised through fee paying services and facilities, fines, expiations and commercial activities, however the primary source of income for Council is a property based tax – “Council Rates”.

Rate revenue is an integral part of the Council's financial resource base, the value of which is determined through Council's desire, on behalf of the Community, to achieve the strategies articulated in Council's Strategic Plan and in the Annual Business Plan. Other rating considerations include the current economic climate, in which the major influencing factors are movements in inflation and interest rates, increased legislative responsibilities and the need to manage, maintain and improve the community's infrastructure assets.

Council over the years 2017/2018 – 2020/2021 restrained from increasing rates by more than CPI, whilst the costs associated with delivering and maintaining services have increased by more than CPI. In reviewing Council's long term operating outlook, Council's LTFP recommends that Council's General Rate increases should be approximately 2% above CPI to maintain Council's current levels of services.

General Rate Revenue will be increased by 5.3%, which is 0.4% above the Adelaide March 2026 full year CPI from existing assessments rated in 2025/2026.

The graph below details Council's previous approved increases in general rates over the past eleven years.



Whilst Council's LTFP recommends General Rate increases of 2% above CPI, Council's increase in General Rate Revenue of assessments is 0.4% above the Adelaide March 2026 full year CPI. The increase will result in \$293k in additional General Rate revenue to offset contractual costs increases which are leveraged against CPI, although certain costs of Council (such as fuel and insurance) continue to increase at greater than CPI. To counteract this, Council will reduce service levels in certain areas to reduce further costs increases to the Community.

General Rates

DIFFERENTIAL GENERAL RATE

For 2026/2027 Council plans to continue Differential Rating via the following Location and Land Use combinations.

Land Use Differential	Council Location	Local Government Land Use Codes
Residential	All Locations	Residential
Commercial	All Locations	Commercial - Shop
	All Locations	Commercial - Office
	All Locations except Land within Planning Zone Employment (Bulk Handling) and Deferred Urban	Commercial - Other
	All Locations	Industry - Light
Industrial	All Locations	Industry - Other
Primary Production	All Locations	Primary Production
Vacant	All Locations	Vacant Land
Other	All Locations	Other
Bulk Handling	Land within Planning Zone Employment (Bulk Handling) and Deferred Urban	Commercial - Other

The use of differential rates is an equitable means of distributing the rate burden between ratepayers based upon levels of service and infrastructure provided in different areas of the district.

Council also levies Council Rates on assessments determined by tenancies using the definition of an allotment as defined in accordance with Section 152(5)(a)(ii) of the Local Government Act 1999. As a result, separate areas of a parcel of land will be individually rated, if Council believes that these portions are separately leased or licensed to separate entities that are not the owner of the land. Council plans to continue with this valuation determination for 2026/2027.

Council will maintain its current differential rating categories, however, will adjust the percentage of one category relative to the Residential Rate for the 2026/2027 financial year:

- Increase in Primary Production differential rate to be 120% of Residential Rate (110% in 2025/2026)

GENERAL RATES – FIXED CHARGE

Council considers it appropriate that all rateable properties contribute to Council's costs in providing services and amenities for the Community, including creating and maintaining the physical infrastructure that supports each property. Section 152 of the Local Government Act 1999 provides for the application of a Fixed Charge as a component of Council's General Rate Revenue.

A Council may impose a fixed charge on every property in its area, provided that it has not imposed a minimum rate. Where two or more undeveloped adjoining assessments have the same owner, or where there is a single farm enterprise comprising more than one property, only one fixed charge may be payable by the ratepayer. Council may not apply a fixed charge which equates to more than 50% of Council's total General Rate Revenue.

The Council plans no change in the fixed charge relative to the 2025/2026 fixed charge of \$770 per rateable property, which equates to 26.6% of Council's total general rate revenue.

GENERAL RATE CAPPING

Council will continue to apply separate General Rate Capping mechanisms to assist with offsetting unreasonable increases in General Rates levied from 2025/2026 to 2026/2027 as a result of the change from Site Value to Capital Value for general rating purposes as per Section 166(1)(l) of the Local Government Act 1999.

Council will implement a General Rate Cap of 15.3% to limit the General Rates increase relative to the 2025/2026 general rates levied on an assessment. In accordance with Council's Rating Policy, particular events may exclude an assessment from receiving rate capping which may result in General Rates payable increasing by more than 15.3%.

The application of this capping mechanism will result in 112 assessments receiving general rate relief totalling \$77,275, with 100 of these assessments still experiencing capping as a continued effect of Council's transition from Site to Capital Values in 2023/2024.

Of all assessments receiving capping in 2025/26, 82 of these assessments are within Residential land use area where total capping of \$30,891 is to be applied in 2026/2027.

Details of properties that may not be entitled to General Rate Capping can be found in Appendix 2 of this Annual Business Plan.

SUMMARY OF GENERAL RATES

As a result of Council's changes in Total General Rate Revenue, Differential General Rating, Application of Capital and Changes in Capital Valuations effective from 1 July 2026, the following table illustrates Council's Differential Rate in the Dollars for 2026/2027 and the Net General Rates collectable from each Differential General Rate Category for 2026/2027.

	CAPITAL VALUES* \$'000'000	RID	DIFFERENTIAL RATES	FIXED CHARGE	REBATES	CAPPING	NET GENERAL RATES
Residential	453.7	0.004569119	2,073,005	1,111,880	-12,472	-30,891	3,141,523
Commercial	85.4	0.00593985	507,473	123,200	-83,600	-23,750	523,323
Industry	6.3	0.00593985	37,687	16,170	-	-	53,857
Other	27.9	0.00456912	127,685	33,880	-75,324	-19,813	66,429
Vacant	27.1	0.00913824	247,340	158,620	-	-1,386	404,574
Primary Production	252.7	0.00548294	1,385,379	133,210	-	-1,435	1,517,154
Bulk Handling	11.6	0.01809371	209,311	2,310	-	-	211,621
	864.7		4,587,881	1,579,270	-171,395	-77,275	5,918,481

**Please note: Capital Values listed above, represent Capital Values on Rateable Assessments and does not include Capital Values of Non-Rateable Assessments*

GENERAL RATING EFFECTS ON ASSESSMENTS

As a result of Council's 5.3% increase (0.4% above the Adelaide March 2026 full year CPI) in General Rates (relative to 2025/2026 assessments), changes in valuation methodology and the change in differential rating to a combination of location and land use for 2026/2027 from land use in 2025/2026, the following table summarises the effects of Council's General Rating principals for all assessments within each land use rating category.

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	\$2,967,344	\$3,141,523	6%	1447	1455	\$2,051	\$2,159	\$108	0.004569119
Commercial	\$490,988	\$523,323	7%	169	169	\$2,905	\$3,097	\$191	0.005939854
Industrial	\$51,870	\$53,857	4%	21	21	\$2,470	\$2,565	\$95	0.005939854
Primary Production	\$1,486,183	\$1,517,154	2%	414	416	\$3,590	\$3,647	\$57	0.005482943
Vacant Land	\$397,575	\$404,574	2%	259	251	\$1,535	\$1,612	\$77	0.009138238
Bulk Handling	\$165,342	\$211,621	28%	8	8	\$20,668	\$26,453	\$5,785	0.018093710
Other	\$61,288	\$66,429	8%	48	47	\$1,277	\$1,413	\$137	0.004569119
GRAND TOTAL (NET)	\$5,620,590	\$5,918,481	5.3%	2,366	2,367	\$2,376	\$2,500	\$125	

As a result of a combination of rating redistribution due to differential rate changes, capital valuation increases and flow on effects of prior year's rate capping, the following table movements in general rates payable by assessments based on their respective Land Use Codes.

LAND USE	RATES REDUCTION	MINIMAL CHANGE	LESS THAN 5.3% INCREASE	LESS THAN 10% INCREASE	LESS THAN 15.3% INCREASE	CAPPED AT 15.3% INCREASE	OVER 15.3% INCREASE
Residential	17	4	1057	166	107	82	22
Commercial	1	9	145	0	3	8	3
Industry	0	0	20	0	0	0	1
Other	1	16	21	1	1	6	1
Vacant	1	0	171	22	42	11	4
Primary Production	167	1	133	59	45	5	6
Bulk Handling	0	0	0	0	6	0	2
Number of Assessments	187	30	1,547	248	204	112	39
% of Total Assessments	7.90%	1.27%	65.36%	10.48%	8.62%	4.73%	1.65%

Service Charges

WASTE COLLECTION

Council currently provides a kerbside refuse collection and disposal service for all developed assessments within the townships of Ceduna, Thevenard, Smoky Bay, Denial Bay and other specifically designated locations within Council's boundaries. This service entitles all assessments levied the service charge to the collection of one (1) 240 litre mobile garbage bin each week from their property or a location defined by Council.

Additional kerbside collection for residential or commercial premises can be arranged at an additional cost to the property. Additional refuse collection charges can be found in Council's 2026/2027 Fees and Charges schedule.

The Waste Collection Service Charge is derived from the direct and overhead costs associated with Kerbside Waste Collection plus the directly attributable derived costs of disposal of refuse into the Ceduna Refuse Site.

Council's Waste Collection Service Charge for 2025/2026 was \$216.60 per assessment. Following a review of Council's Service Charge modelling for Waste Collection, Council plans a Waste Collection Service Charge for 2026/2027 of \$223.70 per assessment, which represents a 3.28% increase relative to the 2025/2026 Service Charge.

WATER SERVICE CHARGE

The Council has previously undertaken construction of infrastructure to provide a general water supply to the residents of defined rural properties and the Denial Bay Township as part of the Ceduna/Koonibba Water West Scheme.

A review of the Water West revenue streams in 2014/2015 determined future capital renewals of the scheme to be funded by standing service and connection charges, with the annual operating and maintenance costs to be collected by the consumption charge charged to users of the scheme.

Council will continue using two (2) differing service charges based on land use of assessments within Council's boundaries that are adjacent to the mains pipeline under the provisions of Section 155 of the Local Government Act 1999.

Additionally, for all other connected users that do not meet the service charges provisions in accordance with Section 155 of the Local Government Act 1999, a Water Connection Fee per meter will be charged (See Council's 2026/2027 Fees and Charges schedule for the Water Connection Fee).

The following table details the Water Service Charges per assessment for 2026/2027.

WATER SERVICE CHARGE (BY LAND USE)	Category	Charge per meter	
		2025/2026	2026/2027
Residential, Vacant Land and Commercial	Connected	\$ 497.40	\$502.50
All Other Land Uses	Connected	\$ 850.20	\$859.00
All Land Uses	Unconnected	\$ 298.40	\$301.40

COMMUNITY WASTEWATER MANAGEMENT SYSTEMS

The District Council of Ceduna provides Community Wastewater Management Systems (**CWMS**) to the townships of Ceduna, Thevenard and Smoky Bay to provide for the removal, treatment and environmentally appropriate disposal of domestic wastewater.

An Annual CWMS Service Charge is applied to all properties serviced by these systems to meet the establishment, refurbishment and ongoing operating costs of providing the service, under the provisions of Section 155 of the Local Government Act 1999 and to ensure that the charge complies with the National Water Initiative Pricing Principles as required by the Essential Services Commission of South Australia for the provision of Sewerage Retail Services.

An annual review of the Service Charge is undertaken to account for variations in the cost of goods and services used in providing the CWMS services and takes into consideration the long term financial sustainability of the schemes on a "Whole of Life" basis.

Council applies Annual CWMS Service Charges to properties based on a "Unit Charge" system in accordance with the "Code for Establishing and Applying Property Units", as referred to in Section 155 of the Local Government Act 1999 and Regulation 12 of the Local Government (General) Regulations 2013.

In practical application, this means that a conventional residential property is charged one (1) Annual CWMS Service Charge (one Unit Charge), whilst a property which contributes larger volumes of effluent into a CWMS than a domestic dwelling (e.g. Hotel, Motel, Caravan Park, Commercial facility) may be charged more than one Unit Charge to compensate for the greater level of use of the CWMS.

A differential of 25% between Occupied and Vacant unit charges is applied to reflect the difference between the infrastructure construction Capital costs (incurred for both vacant and occupied properties) and operational effluent treatment and disposal costs (incurred only for occupied properties).

The following table details the CWMS Service Charges for 2026/2027.

CWMS SERVICE CHARGE	Charge per Unit	
	2025/2026	2026/2027
Occupied	\$ 573.80	\$595.95
Vacant	\$ 430.40	\$446.96

Separate Rates

REGIONAL LANDSCAPES LEVY

Following the introduction of the Landscape South Australia Act 2019 to replace the Natural Resources Management Act 2004, The Eyre Peninsula Landscapes Board (the Board) has now superseded the Eyre Peninsula Natural Resources Management (EPNRM) Board.

The application of the new Landscapes Board is similar to the EPNRM where Council is required to pay an annual contribution fee to the Landscapes Administration Fund, which distributes the appropriate funds to the Regional Landscape Board. The Board spends this levy in managing and protecting priority water, land, marine and biodiversity assets on the Eyre Peninsula.

The District Council of Ceduna is also required by legislation to subsequently reimburse itself for the Levy paid to the Board, by imposing a Separate Rate by the deemed land use on each property, against all of the rateable properties within the Council area.

Council is effectively operating as a revenue collector for the Board in this regard and receives minimal financial benefit from this separate rate. Following the release of the Board's Annual Business Plan, Council's contribution for 2026/2027 will increase to \$219,345.56 which is an increase 2.5% on Council's 2025/2026 contribution.

The following table details the Regional Landscapes Levy Separate Rate for 2026/2027.

Eyre Peninsula Landscapes Board Levy (by Land Use)	Rates per Land Use	
	2025/2026	2026/2027
Residential, Vacant Land & Other	\$ 94.66	\$ 96.78
Commercial & Industrial	\$ 141.99	\$ 145.17
Primary Production	\$ 189.32	\$ 193.55

Although Council's contribution relative to 2025/2026 will increase by 2.5%, the individual increase in each Separate Rate will be 2.2%.

Details pertaining to Government and Council Rate Concessions, Discretionary and Mandatory Rebates, provisions for assisting cases of hardship in the payment of rates and Council's rights to sell land for the non-payment of rates can be found in Appendix 2 of this Annual Business Plan.

STATEMENT ON EXPECTED RATE REVENUE

Expected Rates Revenue				
	2025/26 (as levied)	2026/27 (estimated)	Change	Comments
General Rates Revenue				
General Rates (existing properties)	\$5,897,778	\$6,161,819 (a)		
General Rates (new properties)		\$5,332 (b)		
General Rates (GROSS)	\$5,897,778	\$6,167,151 (c)		
Less: Mandatory Rebates	(\$161,908)	(\$171,395) (d)		
Less: Discretionary Rebates	(\$115,280)	(\$77,275)		
General Rates (NET)	\$5,620,590	\$5,918,481 (e)	5.3%	
	(e)=(c)+(d)			
Other Rates (inc. service charges)				
Regional Landscape Levy	\$214,980	\$219,346 (f)		The Regional Landscape Levy is a State tax, it is not retained by council.
Waste collection	\$371,865	\$385,901 (g)		
Water Supply	\$108,736	\$111,567 (h)		
CWMS	\$985,626	\$1,051,253 (i)		
	\$7,301,797	\$7,686,548		
Expected Total Rates Revenue	\$7,086,817	\$7,467,203 (m)	5.4%	Excluding the Regional Landscape Levy.
	(m)=(e)+(g)+(h)+(i)+(j)+(k)+(l)			

Estimated growth in number of rateable properties

Number of rateable properties	2,337	2,339 (n)	0.1%
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Actual Estimate

'Growth' 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	\$2,524	\$2,637 (o)	4.5%
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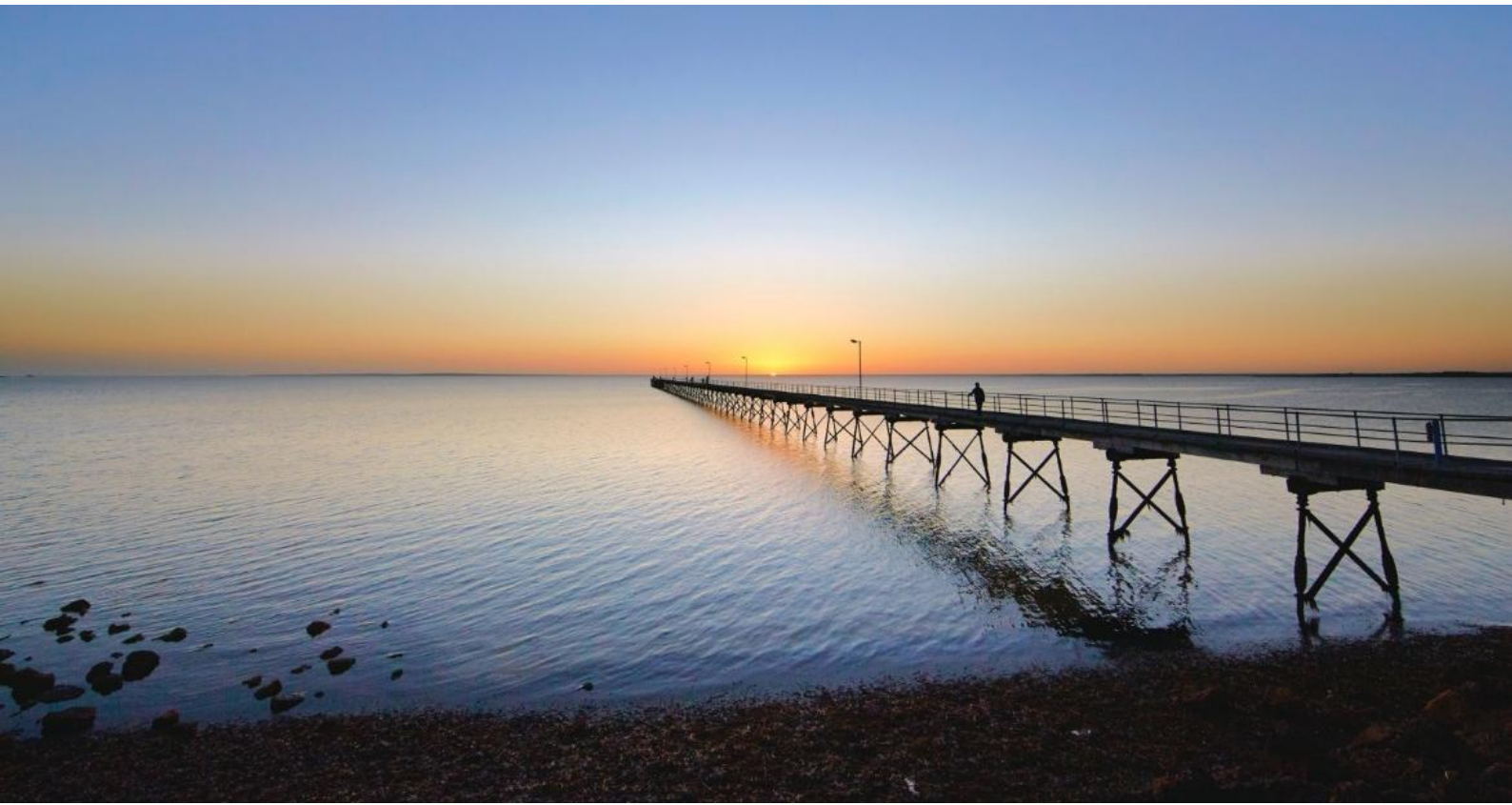
(o)=(c)/(n)

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 Local Government (Financial Management) Regulations 2011 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 <u>individual</u> rateable properties (ie. individual rates will not necessarily change by this figure).
(f) Councils are required under the Landscape South Australia Act 2019 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 natural resources.
(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 receive the rebate).
(m) Expected Total Rates Revenue excludes other charges such as penalties for late payment and legal and other costs recovered.
(n) 'Growth' as defined in the Local Government (Financial Management) Regulations 2011 reg 6(2)

APPENDIX 1: BUDGETED FINANCIAL STATEMENTS 2026/2027



Statement of Comprehensive Income

2025/26 Original Budget	2025/26 Budget Review 3		2026/27 Budget
\$'000s	\$'000s	INCOME	\$'000s
5,631	5,634	General Rates	5,927
1,700	1,681	Other Rates	1,768
61	110	Statutory Charges	74
2,883	2,652	User Charges	3,081
3,129	2,887	Grants & Contributions - Operating	3,130
571	573	Grants & Contributions - Capital	824
63	63	Investment Income	63
100	240	Reimbursements	87
67	13	Other Income	101
14,205	13,853	TOTAL INCOME	15,055
EXPENSES			
3,883	3,711	Employee Costs	4,378
6,230	6,542	Materials, Contracts & Other Expenses	6,551
4,471	4,604	Depreciation, amortisation & impairment	4,776
212	121	Finance Costs	187
14,796	14,978	TOTAL EXPENSES	15,892
(591)	(1,125)	OPERATING SURPLUS/(DEFICIT)	(837)
-	-	Asset disposal & fair value adjustments	-
-	-	Amounts specifically for new or upgraded assets	-
(591)	(1,125)	NET OPERATING SURPLUS/(DEFICIT)	(837)
OTHER COMPREHENSIVE INCOME			
-	-	Physical resources received free of charge	-
-	-	Change in revaluation surplus	3,669
(591)	(1,125)	TOTAL COMPREHENSIVE INCOME	2,832

Statement of Financial Position

2025/26 Original Budget	2025/26 Budget Review 3		2026/27 Budget
\$'000s	\$'000s	ASSETS	\$'000s
CURRENT ASSETS			
-	-	Cash & Cash Equivalents	-
1,250	1,250	Trade & Other Receivables	1,335
1,488	1,488	Inventories	1,556
2,738	2,738	TOTAL CURRENT ASSETS	2,891
NON-CURRENT ASSETS			
82	79	Financial Assets	65
150,279	146,760	Infrastructure, Property, Plant & Equipment	153,025
-	-	Other Non-Current Assets	-
150,361	146,839	TOTAL NON-CURRENT ASSETS	153,090
153,099	149,577	TOTAL ASSETS	155,981
LIABILITIES			
CURRENT LIABILITIES			
1,000	1,000	Trade & Other Payables	1,312
596	811	Borrowings	135
617	617	Provisions	644
2,213	2,428	TOTAL CURRENT LIABILITIES	2,091
NON-CURRENT LIABILITIES			
4,729	770	Borrowings	4,677
350	350	Provisions	352
5,079	1,120	TOTAL NON-CURRENT LIABILITIES	5,029
7,292	3,548	TOTAL LIABILITIES	7,120
145,807	146,029	NET ASSETS	148,861
EQUITY			
35,507	35,729	Accumulated Surplus	34,892
110,255	110,255	Asset Revaluation Reserve	113,924
45	45	Other Reserves	45
145,807	146,029	TOTAL EQUITY	148,861

Cash Flow Statement

2025/26 Original Budget	2025/26 Budget Review 3		2026/27 Budget
\$'000s	\$'000s	CASHFLOWS FROM OPERATING ACTIVITIES	\$'000s
RECEIPTS			
7,331	7,423	Rates - general & other	7,611
61	110	Fees & other charges	74
2,883	2,760	User charges	3,081
63	63	Investment receipts	63
3,700	3,460	Grants utilised for operating purposes	3,130
100	240	Reimbursements	87
67	13	Other revenues	101
PAYMENTS			
(3,883)	(3,711)	Operating Payments to employees	(4,349)
(6,632)	(7,892)	Operating Payments to suppliers	(6,307)
(212)	(121)	Finance Payments	(187)
3,478	2,344	NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES	3,304
CASHFLOWS FROM INVESTING ACTIVITIES			
RECEIPTS			
-	573	Grants utilised for capital purposes	824
102	110	Sale of Replaced Assets	102
-	-	Sale of Surplus Assets	-
14	14	Repayment of Community Loans	14
PAYMENTS			
(407)	(162)	Expenditure on new or upgraded assets	(2,812)
(5,928)	(3,378)	Expenditure on renewed assets	(4,662)
(6,219)	(2,843)	NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES	(6,534)
CASHFLOWS FROM FINANCING ACTIVITIES			
RECEIPTS			
3,042	645	Proceeds from Borrowings	3,230
PAYMENTS			
(301)	(301)	Repayment of Borrowings	-
2,741	344	NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES	3,230
-	(155)	NET INCREASE (DECREASE) IN CASH HELD	(0)
-	155	CASH AT BEGINNING OF YEAR	0
-	0	CASH AT END OF YEAR	-

Statement in Changes of Equity

2025/26 Original Budget	2025/26 Budget Review 3		2026/27 Budget
\$'000s	\$'000s	ACCUMULATED SURPLUS	\$'000s
36,098	36,854	Balance at end of previous year	35,729
(591)	(1,125)	Net Surplus/(Deficit)	(837)
35,507	35,729	BALANCE AT END OF YEAR	34,892
ASSET REVALUATION RESERVE			
110,255	110,255	Balance at end of previous year	110,255
-	-	Gain on revaluation of infrastructure, property, plant & equipment	3,669
110,255	110,255	BALANCE AT END OF YEAR	113,924
OTHER RESERVES			
45	45	Balance at end of previous year	45
45	45	BALANCE AT END OF YEAR	45

Uniform Presentation of Finances

2025/26 Original Budget	2025/26 Budget Review 3		2026/27 Budget
\$'000s	\$'000s		\$'000s
INCOME			
5,631	5,634	General Rates	5,927
1,700	1,681	Other Rates	1,768
61	110	Statutory Charges	74
2,883	2,652	User Charges	3,081
3,129	2,887	Grants & Contributions - Operating	3,130
571	573	Grants & Contributions - Capital	824
63	63	Investment Income	63
100	240	Reimbursements	87
67	13	Other Income	101
14,205	13,853	TOTAL INCOME	15,055
EXPENSES			
3,883	3,711	Employee Costs	4,378
6,230	6,542	Materials, Contracts & Other Expenses	6,551
4,471	4,604	Depreciation, amortisation & impairment	4,776
212	121	Finance Costs	187
14,796	14,978	TOTAL EXPENSES	15,892
(591)	(1,125)	Operating Surplus/(Deficit)	(837)
(571)	(573)	Less Grants, Subsidies & Contributions - capital	(824)
(1,162)	(1,698)	Adjusted Operating Surplus/(Deficit)	(1,661)
LESS NET OUTLAYS ON EXISTING ASSETS			
(5,928)	(3,378)	Capital Expenditure on renewal and replacement of Existing Assets	(4,662)
4,471	4,604	Add back Depreciation, Amortisation and Impairment	4,776
571	529	Grants, Subsidies and Contributions - Capital Renewal	824
102	110	Add back Proceeds from Sale of Replaced Assets	102
(784)	1,865	NET OUTLAYS ON EXISTING ASSETS	1,040
LESS NET OUTLAYS ON NEW AND UPGRADED ASSETS			
(407)	(162)	Capital Expenditure on New and Upgraded Assets	(2,812)
-	44	Grants, Subsidies and Contributions - Capital New/Upgraded	-
(407)	(118)	NET OUTLAYS ON NEW AND UPGRADED ASSETS	(2,812)
(2,353)	49	NET LENDING / (BORROWING) FOR FINANCIAL YEAR	(3,433)

Financial Indicators

2025/26 Original Budget	2025/26 Budget Review 3		2026/27 Budget
(591)	(1,125)	Operating Surplus/(Deficit)	(837)
		Being the Operating Surplus/(Deficit) before Capital Amounts	
6,042	2,219	Net Financial Liabilities	5,785
		Net Financial Liabilities are defined as Total Liabilities less financial assets	
-4.2%	-8.1%	Operating Surplus Ratio	-5.6%
		<u>Operating Surplus divided by Total Operating Income</u>	
		This ratio expresses the Operating Surplus as a percentage of Operating Revenue	
42.5%	17.0%	Net Financial Liabilities Ratio	38.4%
		<u>Net Financial Liabilities divided by Total Operating Revenue</u>	
		This ratio expresses the Net Financial Liabilities as a percentage of Operating Revenue	
1.1%	0.4%	Interest Cover Ratio	0.8%
		<u>(Interest Expense less Interest Income) divided by Total Operating Revenue</u>	
		This ratio expresses Council's net interest expense as a percentage of Operating Revenue	
130.3%	57.0%	Asset Renewal Funding Ratio	116.6%
		<u>Net Asset Renewals divided by Infrastructure & Asset Management Plan required expenditure</u>	
		Capital renewal expenditure as a percentage of recommended expenditure in council's Infrastructure & Asset management Plans	

APPENDIX 2: RATING POLICY (CONCESSIONS & REBATES) 2025/2026



PURPOSE

Council's powers to raise rates are found in Chapter 10 of the Local Government Act 1999 (Act). The Act provides the framework within which the Council must operate, but also leaves room for the Council to make a range of policy choices. This document includes reference to compulsory features of the rating system, as well as the policy choices that the Council has made on how it imposes and administers the collection of rates and/or service charges.

All land within a council area, except for land specifically exempt (e.g., crown land, council occupied land and other land prescribed in the Act) is rateable for general rates, however non-rateable land may be levied service charges if those services are supplied to the land.

POLICY STATEMENT

Rates are not fees for services, but rather, they constitute a system of taxation for Local Government purposes.

Council's major source of revenue is Rates, derived as a tax on land within the Council area. All ratepayers receive benefits from paying rates, but those benefits are consumed in different quantities and manner by individual ratepayers.

In addition to General Rates, Council also raises revenue through compulsory "service charge" for Community Wastewater Management Schemes and Kerbside Waste Collection where the service/s are made available. If this charge is applicable, it will be collected along with rates, and will be itemised separately on rates notice.

The objectives of this policy are to:

1. ensure Council provides equitable treatment to all members of the community
2. ensure Council is maintaining legislative compliance
3. provide the community with assistance and options to pay their rates in a timely and acceptable manner.

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

- the infrastructure needs, service delivery needs and related expenditure priorities in relation to the Strategic Plan and community needs
- equity issues and the relationship between the various land uses and the previous rating structure
- extremities in valuation and how their effect can be minimised in setting rating levels
- use of "user pays" cost recovery systems

There will continue to be economic pressures applied to the Council in a number of ways, which will have an impact on the Council's budget and as a result will put pressure on rates.

GENERAL RATES

Methodology of General Rates

Council's general rates will consist of the following components, being:

1. Differential Rate levied based on adopted valuation of subject assessment; and
2. A Fixed Charge

For the purpose of determining rateable assessments across the Council, the Council adopts the definition of "allotments" as defined by Section 152(5)(a)(ii) being:

An allotment is the whole of land subject to a separate lease or licence, other than a lease or licence of a prescribed class (if any)

Method Use to Value Land

Council uses Capital Value (the value of the land and all of the improvements on the land) as the basis for rating land within the council area.

Adoption of Valuations

Council adopts the most recent valuations made by the State Valuation Office as at 1 July.

If a ratepayer is dissatisfied with the valuation made by the State Valuation Office, the rates notice will include information about how to object to the valuation. The lodgement of an objection does not change the due date for the payment of rates.

If an objection is upheld and a new capital value issued by the State Valuation Office, rates will be adjusted accordingly for the current financial year and an amended rate notice will be issued. Retrospective adjustments will not be made for prior financial years.

Adjustments to capital values issued by the State Valuation Office during a financial year after the adoption of valuations by Council and not as a result of an objection to valuation will not result in any adjustment to general rates payable for that financial year.

Differential General Rates In the Dollar

Council considers the imposition of a differential general rate each year in accordance with Section 156 of the Local Government Act, 1999. When considering the imposition of differential general rates, the differential factor used by a combination of Location and its land use. The following differential land use factors are used:

1. Residential: Comprising the use of land for a detached dwelling, group dwelling, multiple dwelling, residential flat building, row dwelling or semi-detached dwelling.
2. Commercial: Comprising the use of land for a Commercial – shop or Commercial – office across the Council and Other commercial use of land not referred to as shop or office in all locations except for Land zoned Employment (Bulk Handling) or Deferred Urban in accordance with the Planning and Design Code.
3. Industry: Comprising the use of land for an industry, fabrication or manufacturing service.
4. Primary Production: Comprising farming, horticulture, horse keeping, intensive animal keeping or aquaculture.
5. Vacant Land: Comprising land, which is not being used for any purpose.
6. Other: Comprising any other use of land not referred to in the categories specified above.
7. Bulk Handling: Comprising Other commercial use of land not referred to as shop or office on Land zoned Employment (Bulk Handling) or Deferred Urban in accordance with the Planning and Design Code.

Determination, Adjustment and Challenge of Land Use for Differential Rating

Council will utilise the land government land use code determined by the State Valuation Office on all rateable assessments for determining the land use for differential rating purposes, unless Council Officers have reasonable grounds to adjust the land use for provided by the State Valuation Office.

In the event that Council Officers adjust the land use for differential rating, a record of the rationale for any adjustment will be kept by Council.

For any rateable assessment with a local government land use code of Primary Production (excluding land uses involving Aquaculture) and an allotment size of less than 25 hectares (250,000m²), Council recognises the marginal basis of farming in the region and as such, the differential land use for these allotments shall be deemed Residential.

With the exception of land which ceases to be rateable or becomes rateable part way through financial year, the Council will not review assessments based on changes of occupancy or land use which have taken place after the assessment has been made as at 1 July in the current financial year.

If a ratepayer believes that a particular property has been wrongly classified by the Council as to its land use, then the ratepayer may object to that land use (to the Council) within 90 days of the date of the Annual Notice. The objection must set out the basis for the objection and details of the land use that, in the opinion of the ratepayer, should be attributed to that property. The Council may then decide the objection as it sees fit and notify the ratepayer.

It is important to note that the lodgement of an objection to the land use (change of use prior to 1 July assessment) does not change the due date or amount owing for payment of rates. If an objection is granted, an adjustment of rates will be made. Until written confirmation is provided, the current land use will determine the amount of rates payable.

Fixed Charge

Council has a Fixed Charge, the reason for imposing a fixed charge is that Council considers it appropriate that all rateable properties make a contribution to the cost of administering the Council's activities and make a contribution to the cost of creating and maintaining the physical infrastructure that supports each property.

To the extent that many (though not all) Council services are provided and available relatively uniformly to all ratepayers, and that property values vary because of a range of factors the Council considers it is equitable, from the perspective of the benefit principle, to recover the costs of such services by way of a uniform fixed charge, set at an appropriate level. However, applying the benefit principle exclusively would not take account of the capacity to pay principle.

Council has discretion to collect up to 50% of its general rate revenue from a fixed charge. Accordingly, to appropriately balance both the benefit principle and the capacity to pay principle, the Council's policy is to raise approximately 30% of general rate revenue from the fixed charge. The amount of the fixed charge is clearly indicated on rates notices.

Where two or more adjoining properties have the same owner and occupier (or if it is a single farm enterprise, not necessarily adjoining properties) only one fixed charge is payable by the ratepayer.

Rate Capping

The Council's policy is to limit the size of any rate increase in one year for eligible ratepayers. Council has historically imposed a cap on the maximum increase in the general rate to be charged on rateable land within its area. The percentage set is generally dependent on the overall movement in property valuations and adjustments in differential general rates.

Council will automatically grant capping, for all property assessments where none of the below conditions have occurred in the previous financial year :

- The ownership or occupancy of the allotment as changed since 1 July of the previous financial year to which the cap is to be applied; or,
- Improvements worth more than \$20,000 made to the property during the financial year
- A change to the Land Use or attributions (including sub-division or property merger) of the property.
- The differential general rate category for the assessment is not Bulk Handling

Council will resolve annually of the capping percentage as part of the preparation of Council's Annual Business Plan.

SERVICE CHARGES AND SEPARATE RATES

Community Wastewater Management Schemes

Council maintains and manages wastewater schemes and charges for all properties serviced by these schemes. The costs of operating these services include depreciation of plant, maintenance of equipment, an administration allocation and infrastructure replacement provision. Council recovers the cost of the service through the imposition of a Community Waste Management Scheme (CWMS) service charge per property unit and is shown as a separate charge on the rates notice.

For some properties (including business and commercial premises) the number of units is based on information received from the property/business owner and will be rounded to the nearest whole unit. Retrospective adjustments to prior financial years will not be made when incorrect or no information is provided.

Kerbside Refuse Collection

Council provides a service of the collection of one, 240 litre mobile garbage bin from all assessments within its specified collection areas that any development structure (shed, house, commercial building).

The Waste Collection Service Charge is derived from the direct costs associated with Kerbside Waste Collection and the portion of the costs associated with operation and maintenance of the Ceduna Refuse Site directly attributable to the volume of refuse disposed into the Ceduna Refuse Site.

Regional Landscape Levy

Council is required under the Landscape South Australia Act 2019 to make specified contributions to the Eyre Peninsula Landscape Board. It does so by imposing a separate rate against all rateable properties. The levy is a fixed charge based on the land use of the assessment and is shown as a separate charge on the rate notice.

The separate rate is a State tax that Councils are required to collect and return to a State Government agency, the Regional Landscape Board. Even though it appears on the Council's rate notices, enquiries about this component should be directed to the Regional Landscape Board. Contact details are available on the reverse of the rate notices.

REBATE OF RATES

The Act specifies grounds where mandatory rebates of general rates and/or separate rates must be applied. In the event that Council receives an application for rates and the applicant does not meet grounds of a mandatory rebate the Council must consider the application of rebate.

Council will not grant retrospective rebate of rates in the event the application for rebate is not received within 60 days of the issuing of the first rates notice of the year.

PAYMENT OF RATES

Rates are due and payable in full or in quarterly instalments, with the last day for payment of each instalment being the first Friday of September, December, March and June of each financial year. Council provides a broad range of options for the payment of rates. For more information please refer to the reverse side of your rates notice or contact Council's Revenue Officer on (08) 8625 3407.

Any ratepayer who may, or is likely to experience difficulty with meeting the standard rate payment arrangements should contact the Rates Officer to discuss options for alternative payment arrangements. Such enquiries are treated confidentially by the Council.

LATE PAYMENT OF RATES

Section 181 of the Local Government Act 1999 provides that if an instalment of rates is not paid on or before the last day for payment, the unpaid rates will be regarded as being in arrears, and a fine of 2% is payable.

Any payment that continues in arrears then accrues monthly interest on the amount in arrears, (including any fines). The rate of interest is variable according to current cash advance debenture rate as at 1 July and is prescribed in Section 181 of the Local Government Act 1999.

The purpose of this penalty is to act as a deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Council to cover the administrative cost of following up unpaid rates and to cover any interest cost the Council may meet because it has not received the rates on time.

Council allows a further day after the due date for payment as a grace period. Council remits the late payment penalties allowed by the Local Government Act if payment is received within the grace period.

Council will consider requests for the remission of fines and/or penalties for late payment of rates for a limited range of circumstances, including:-

- Delayed applications for pensioner remission
- Delayed applications for financial assistance through Families SA
- Accidents or sudden hospitalisation

Council will not consider requests for the remission of fines and/or penalties for late payment of rates under the following circumstances:-

- Loss of cheques for payment of rates in the post.
- Late receipt of payments due to postal delay.
- Late remittances for payments made by Financial Institutions on the client's behalf.
- Absenteeism from the area due to business or personal purposes.
- Intentional late payment as an objection for alleged non-receipt of expected services.
- Simple oversight and no other explanation given.

Council issues a letter for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates continue to remain unpaid when the next instalment is due, a further letter is sent to the ratepayer.

SALE OF LAND FOR NON-PAYMENT OF RATES

Section 184(1) of the Local Government Act 1999 provides that "If an amount payable by way of rates in respect of land has been in arrears for three years or more, Council may sell the land".

In the first instance a letter will be forwarded to the ratepayer/s advising of Council's ability to recover rates by the sale of land and requesting their cooperation by arranging payment of the debt. A copy of the letter will also be forwarded to any registered mortgagee of the land for their information. If the property is already for sale, contact is to be made with the relevant real estate agent to obtain a briefing regarding the status of the property.

Where no response to the written notice has been received within 30 days, Council will proceed with the sale of land for non-payment of rates in accordance with Section 184 of the Local Government Act 1999.

POSTPONEMENT OF RATES FOR SENIORS

Application may be made to Council for a postponement of the payment of any amount of rates in excess of \$500, for the current or a future financial year by :-

- A ratepayer who holds a current State Seniors Card issued by the State Government, (prescribed ratepayer) or the spouse of a prescribed ratepayer;
- The rates are payable on the principal place of residence;
- The land is owned by the prescribed ratepayer, or the prescribed ratepayer and his or her spouse, and no other person has an interest, as owner, in the land.

Any rates which are postponed will become due and payable:-

- When the title to the land is transferred to another person; or
- Failure to comply with a condition of postponement.

Interest will accrue on the amount postponed at the prescribed rate per month until the amount is paid.

Postponement is available as a right and can only be refused when the applicants have less than 50% equity in the property.

REVIEW

This Policy will be reviewed every four years after each general election.

APPENDIX 3: LOCAL GOVERNMENT ADVICE REPORT





Advice

Local Government Advice

District Council of Ceduna

February 2026

Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
Adelaide SA 5001

Telephone: (08) 8463 4444
Freecall: 1800 633 592 (SA and mobiles only)
E-mail: advice@escosa.sa.gov.au
Web: www.escosa.sa.gov.au

District Council of Ceduna

AT A GLANCE

OVERVIEW

The Essential Services Commission finds the District Council of Ceduna's historical and current performance to be **unsustainable**, noting its poor asset management and governance practices, including historically, not having met its legislative obligations. Its forecast financial performance is also **unsustainable**, due to its forecast deficits, and forecast operating losses on specific assets, which the Council has no strategies to resolve. Its asset and financial plans have been updated recently after a history of not updating strategic documents. Evidence of changes in governance and practice combined with implementation of recommendations and plans will be required to improve its financial sustainability.

FINANCIAL PERFORMANCE



Past 10 years
Unsustainable



Current
Unsustainable



Forecast
Unsustainable

RISKS IMPACTING SUSTAINABILITY

- ⚠ Forecast deficits and ongoing decline in operating surplus ratio until 2031-32
- ⚠ Assets that incur annual operating and capital losses
- ⚠ Historical underfunding of asset renewal and replacement resulting in renewal backlog
- ⚠ Historical focus on acquisition of new assets that did not consider future costs
- ⚠ Strategic documents are not updated annually

KEY FACTS

- ▶ Population in 2024 was **3,744** residents
- ▶ Council covers **5,420 square kilometres**
- ▶ **2,365** rateable properties in 2024-25
- ▶ **\$16.1 million** of income in 2024-25
- ▶ Value of infrastructure assets held in 2024-25 equals **\$147.7 million**

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1 Executive summary

1.1 Summary of observations

The District Council of Ceduna faces challenges relating to its isolation, and relatively small ratepayer base. Its operation of the western water supply scheme and Ceduna Airport, both of which are essential services for the community, incur annual deficits. Recently, it developed the Thevenard Marina Facility (2018-2020), which has not achieved the forecast user levels and revenue, thereby adding a third significant asset that is incurring deficits. The water scheme, airport and marina collectively incur an annual deficit of around \$0.8 million. The ongoing losses incurred by these assets are borne by ratepayers and contribute significantly to the Council's unsustainability. The Commission finds the Council's historical, current and forecast performance to be **unsustainable**.

The Council has not met its legislated obligations for strategic planning historically. The Council did not prepare a LTFP in the years 2017-18 to 2022-23 inclusive, which the Commission considers might be in contravention of section 122 (4) (a) of the LG Act. It had not developed an Infrastructure and Asset Management Plan until its current draft (October 2025). As a result, the Council lacked this critical guide to its strategic management of operations and assets. The lack of planning and operating losses indicate poor governance, leaving the community to absorb the risk via rates growth higher than CPI, and bear the future liability of asset failure and services deterioration risks.

The Council must develop and consistently apply a strategic approach in seeking to deliver sustainability over the long term and do so in consultation with its community. That approach might include a suite of strategies, including, for example, specific strategies for each of the loss-making assets, re-assessment of service levels, review useful asset lives and asset values, long-term programming of required asset replacements and a focus on cost saving initiatives.

Over the Historical Period, the Council's Operating Surplus Ratio averaged 3.0 percent but declined from 2020-21. Income from rates grew modestly. Looking ahead, the Council expects income growth above inflation and is shifting towards greater reliance on user charges. However, the forecast cash deficits combined with the overall decline in the Operating Surplus Ratio indicate that the Council is not generating sufficient cash to cover its outflows. An option to redress the issue is for the Council to reduce its expenditure by finding cost savings across its operations and services.

The Council's income consistently exceeds its liabilities, keeping its Net Financial Liabilities Ratio within the recommended range, suggesting that the Council has capacity to manage its debt over the Forecast Period based on its current Long-Term Financial Plan.

The Council historically has under-funded asset renewals, with an average net Asset Renewal Funding Ratio of 66.0 percent. The lack of an Infrastructure and Asset Management Plan creates difficulty in understanding the extent of any asset renewal backlog and forecast expenditure does not indicate any backlog will be addressed. A new draft Infrastructure and Asset Management Plan aims to increase the funding of asset renewal and replacement to 99.3 percent from 2025-26, however the data on which the plan is based may not be of adequate quality. Historical valuations (indexed) may be inaccurate and condition data for assets excluding Transport assets is not available, casting doubt on the forecasts for capital renewal expenditure and depreciation.

1.2 Summary of recommendations

To strengthen the Council's sustainability, the Commission recommends that the Council:

1. **Meets** its legal obligations to better inform its decision-making and consultation processes by:
 - **updating** its Long-Term Financial Plan annually
 - **updating** its Infrastructure and Asset Management Plan on an ongoing basis to reflect changes in forecast asset renewal and replacement as asset conditions are reassessed, revalued and detailed Asset Management Plans are further developed, and
 - **undertaking** asset condition assessments to improve the accuracy of its Asset Management Plans.
2. **Align** the assumptions and forecasts in key strategic documents to ensure consistency across Long-Term Financial Plans, Infrastructure and Asset Management Plans and annual business planning documents to enable better understanding of its financial plans.
3. **Publish** all strategic documents to ensure transparency for ratepayers and other stakeholders.
4. **Include** efficiency goals and project cost savings in its Long-Term Financial Plans to provide evidence of constraint in cost growth across its operations and service deliveries.
5. **Develop** practical and implementable strategies to address operating losses for the Water West Scheme and Ceduna Airport within 12 months and implement them within a further 12 months.
6. **Develop and implement** strategies to address commercial facility losses from the Thevenard Marina Facility within 12 months.
7. **Monitor and report** on the implementation and performance of strategies to address operating losses annually.
8. **Update** Asset Management Plans and asset valuations at least every four years, including condition data, to ensure an accurate alignment between the asset valuation and renewal expenditure requirements in the Asset Management Plans and the latest Long-Term Financial Plan projections.
9. **Annually** index asset values to improve capital expenditure and depreciation forecasts.
10. **Stop** non-essential capital expenditure on new and upgraded assets (unless already committed) until the impact of the renewal program is well understood.
11. **Invest** in developing a better understanding of asset condition and values across the asset stock in 2026, ensuring the work is undertaken with expert assistance and made publicly available.
12. **Prioritise** the asset renewal schedule for the next decade based on the forecast financial capacity in the existing Long-Term Financial Plan.
13. **Develop, prioritise and implement** a strategy that resolves Water West scheme management issues, and transition towards pricing that covers the costs of these services within five years.
14. **Develop** a strategy in 2026 to make the Thevenard Marina facility and the Ceduna Airport commercially viable on a stand-alone basis or sell the facilities to reduce operating losses and debt. Consult with the community on the strategy and options.

2 About the advice

2.1 Background

The State Parliament has tasked the Commission, South Australia's independent economic regulator and advisory body, to provide advice on material changes proposed by local councils in relation to elements of their Strategic Management Plans (**SMP**), and on the proposed revenue sources, including rates, which underpin those plans.¹

A primary purpose of the Local Government Advice Scheme (**Advice or the Scheme**) is to support councils to make financially sustainable strategic decisions in their annual business plans and budgets, in the context of their Long-Term Financial Plans (**LTFP**) and Infrastructure and Asset Management Plans (**IAMP**).² IAMPs are commonly referred to as Asset Management Plans (**AMP**). The LTFP and the IAMP are both required as part of a council's SMP.³ Financial sustainability encompasses intergenerational equity,⁴ program (service level) and rates stability in this context.⁵ The other main purpose is for the Commission to consider ratepayer contributions in the context of all revenue sources, as outlined in the LTFP.⁶ In addition, the Commission has discretion to provide advice on any other aspect of a council's LTFP or IAMP it considers appropriate, having regard to the circumstances of that council.⁷

The first cycle of the scheme extends over four years from 2022-23 to 2025-26. The Commission has selected 19 councils for advice in the fourth year (2025-26) of the Scheme, including the District Council of Ceduna.

This report provides the Local Government Advice for the Council in 2025-26.

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2026-27 Annual Business Plan (including any draft Annual Business Plan) and in subsequent plans until the next cycle of the Scheme.⁸ Decision-making remains in the control of the Council.

The Commission thanks the Council for meeting with Commission staff and for providing information to assist the Commission in preparing this advice.

2.2 The Commission's approach

In providing its Advice for the Council, the Commission has followed the approach set out in the Framework and Approach – Final Report (**F&A**).⁹

¹ Amendments to the LG Act (s122(1c) to (1k) and (9)) specify the responsibilities for the Commission and local councils for the Local Government Scheme Advice. The Commission must provide advice to each council in accordance with the matters outlined in s122(1e), (1f) and (1g).

² Commonly referred to as Asset Management Plans (**AMP**).

³ The objectives of the advice with reference to a council's LTFP and IAMP are presented under LG Act, s122(1g). LG Act s122(1) specifies the requirements of a council's SMP, including the LTFP and IAMP.

⁴ 'Intergenerational equity' relates to fairly sharing services and the revenue generated to fund the services between current and future ratepayers.

⁵ Commission, *Framework and Approach – Final Report*, August 2022, pp. 2-3, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

⁶ LG Act s122(1f)(a) and (1g)(a)(ii).

⁷ LG Act s122(1f)(b) and (1g)(b).

⁸ LG Act s122(1h).

⁹ Commission, *Framework and Approach – Final Report*, August 2022, available at www.escosa.sa.gov.au/advice/advice-to-local-government.

The Commission has considered the Council's SMP documents and other documents (set out in the box below), with a particular focus on its performance and outlook against three financial indicators: the Operating Surplus Ratio (**OSR**), the Net Financial Liabilities Ratio (**NFLR**) and the Asset Renewal Funding Ratio (**ARFR**).¹⁰ Analysis of these three indicators captures financial and service sustainability, cost control and affordability risk.¹¹

The Commission reviews 10 years of historical data, being the years 2014-15 to 2023-24 (**Historical Period**) the "current year" 2024-25 and 10 forecast years, being 2025-26 to 2034-35 (**Forecast Period**).

Table 1: Strategic management documents referred to

- ▶ District Council of Ceduna, 2024-2025 Annual Report
- ▶ Long Term Financial Plan 2026-27 to 2035-36, draft, approved for consultation on 2 October 2025
- ▶ LTFP 2023-2032 DC Ceduna adopted May 2022 not published
- ▶ Summary Asset Management Plan, 2025-2034, draft, approved for consultation on 2 October 2025
- ▶ District Council of Ceduna Audit & Risk Committee, Minutes of Special Meeting, held 2 October 2025
- ▶ DCC Strategic Vision 2045 Strategic Plan 2024-28
- ▶ District Council of Ceduna - 2023-24 Annual Report
- ▶ 2025-2026 Annual Business Plan adopted 16 July 2025

Given that the Commission must, in providing its advice, have regard to the objective of councils maintaining and implementing their IAMPs and LTFPs,¹² it has also considered the Council's performance in that context. Findings regarding the content of the Council's AMPs, and the alignment between its LTFP and AMPs,¹³ are discussed in Section 5.

The Commission has also reviewed the financial template provided by the Council, including its 2025-26 LTFP forecasts for 2026-27 to 2035-36, historical financial data, the number of rateable properties and Council staff (Full Time Equivalent or **FTE**) numbers from 2014-15 onwards.¹⁴ The charts and tables in the Advice are primarily sourced from these datasets. In addition, the Commission has reviewed the Council's audit committee reports, and other public information, as appropriate.

The Commission has reported estimates in nominal terms to identify 'real' rather than 'inflationary' effects. In the charts, the Consumer Price Index (**CPI**) line for the Historical Period is calculated as the compound annual growth rate in the CPI (Adelaide) series from 2014-15 to 2023-24, being

¹⁰ The three financial indicators are specified in the Local Government (Financial Management) Regulations 2011. Since 2011, each council has been required to include these three indicators in its plans, annual budget, mid-year budget review and annual financial statements. Councils can adopt their own target range for each ratio, but the Commission is guided by the Local Government Association (**LGA**) target ranges, which were established and agreed during the development of the LGA Financial Sustainability Papers (2006-2011).

¹¹ The F&A listed 29 analytical questions that the Commission has considered in assessing the Council's performance against these indicators to determine affordability, cost control and other sustainability risks.

¹² LG Act s122(1g)(a)(i).

¹³ As required under s122(1b) of the LG Act.

¹⁴ The Council's estimates for the 2024-25 financial year were unaudited at the time of preparing this advice.

2.9 percent¹⁵. Each financial year is the average of the four quarterly results. The CPI for the Forecast Period is calculated as the compound annual growth rate in the CPI (Australia) series from 2025-26 based on the Reserve Bank of Australia (RBA) (Australia-wide) inflation forecasts to the December 2027 quarter, and the midpoint of the RBA target range (2.5 percent) thereafter, yielding an average inflation rate for the Forecast Period of 2.5 percent. Similarly, for the current year 2024-25, we have observed a CPI (Adelaide) of 2.4 percent.

Finally, in formulating this Advice, the Commission has had regard to all discussions and engagement with the Council, including the face-to-face onsite meeting at the Council offices and the individual circumstances of the Council, including:

- ▶ its location as a Rural Agricultural: Small & Medium council
- ▶ its income level (\$16.1 million in 2024-25¹⁶), and
- ▶ the size of its rates base (around 2,365 ratepayers in 2024-25¹⁷).

Throughout this Advice, the Commission has identified several key points and assigned the following risk category to those points:

Legend:  Low-risk  Moderate-risk  High-risk

¹⁵ The assumed CPI for the Historical Period is 2.9 percent, being the compound annual growth rate in the CPI (Adelaide) series from 2014-15 to 2023-24. Source: [Consumer Price Index, Australia, June Quarter 2024 | Australian Bureau of Statistics](#)

¹⁶ Based on the Council's 2024-25 Annual Report, Audited Financial Statements, p. 3.

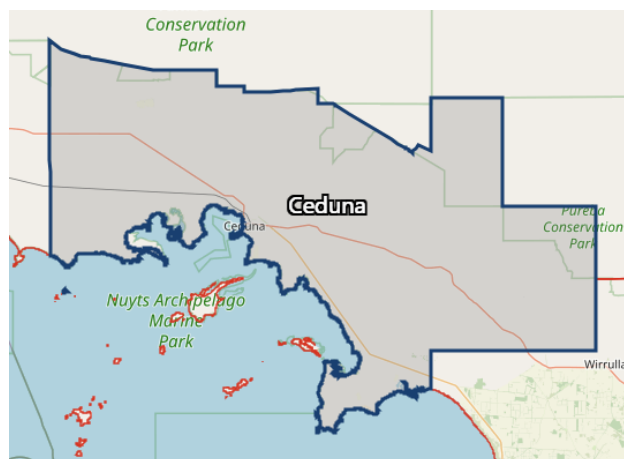
¹⁷ Based on the Council's financial reporting template provided to the Commission.

3 Council profile

The Council is classified by the Commission as an 'Rural Agricultural: Small & Medium' council and is one of 19 in this category in South Australia.¹⁸ It covers an area of 5,420 square kilometres, has an estimated resident population of 3,744 (at 30 June 2024),¹⁹ and approximately 2,365 rateable properties (at 30 June 2025).²⁰

The Council is in the far west coast of the Eyre Peninsula, South Australia and is one of the State's most remote Councils. Originally established in 1925 as the District Council of Murat Bay, it was renamed the District Council of Ceduna in 1994.²¹

Figure 1: Council Area



The Council region has the following attributes:

- ▶ historical rateable property growth of approximately 0.5 percent per annum²²
- ▶ population density of 0.7 persons per square kilometre²³
- ▶ 1,715 kilometres of sealed and unsealed roads, of which 95.3 percent are unsealed roads²⁴
- ▶ employment sectors mainly in health care and social assistance (16.6 percent), agriculture, forestry and fishing (14.4 percent) and education and training (11.1 percent),²⁵ and
- ▶ a median population age of 39.9 years.²⁶

¹⁸ Commission, *Fact Sheet - Local Government Advice Scheme – Schedule of Councils*, May 2023, available at <https://www.escosa.sa.gov.au/ArticleDocuments/21947/20240731-Advice-ScheduleOfCouncils-FactSheet.pdf.aspx?Embed=Y>.

¹⁹ Refer to Australian Bureau of Statistics, *Data by region*, available at <https://dbr.abs.gov.au/region.html?lyr=lga&rgn=41010>

²⁰ Based on the Council's Financial Reporting template provided to the Commission.
²¹ https://en.wikipedia.org/wiki/District_Council_of_Ceduna

²² Based on the Council's Financial Reporting template provided to the Commission.

²³ Refer to Australian Bureau of Statistics, *Data by region*, available at <https://dbr.abs.gov.au/region.html?lyr=lga&rgn=41010>

²⁴ Refer to the Department of Infrastructure and Transport - Local Government Grants Commission, 2023-24 *Database Reports*, available at: <https://www.dit.sa.gov.au/local-government/grants-commission/publications#database>

²⁵ Refer to Australian Bureau of Statistics, *Data by region*, available at <https://dbr.abs.gov.au/region.html?lyr=lga&rgn=41010>.

²⁶ Refer to Australian Bureau of Statistics, *Data by region*, available at <https://dbr.abs.gov.au/region.html?lyr=lga&rgn=41010>

4 Material plan amendments in 2025-26

The material amendments to some of the Council's main financial forecasts are listed in the table below (in nominal terms). The material amendment comparison is limited because only six years overlap between the two most recent LTFPs: 2022-23 to 2031-32 and 2026-27 to 2035-36 (a period that excludes the period of high inflation of 2022-23 and 2023-24).²⁷

4.1 Key points



The six-year overlap between LTFPs provide a limited capacity to compare changes.

The key material amendments are as follows:

Table 2: Historical and forecast financial items

Selected Financial Item	Sum of 2026-27 to 2031-32 estimates in 2022-23 LTFP (\$ million)	Sum of 2026-27 to 2031-32 estimates in 2026-27 LTFP (\$ million)	Change in 2025-26 estimates (\$ million)	Change in 2025-26 estimates (percent)
User charges	\$9.7	\$19.2	\$9.5	+97.1
Grants, subsidies and contributions	\$21.9	\$25.1	\$3.2	+14.6
Employee costs	\$22.2	\$26.2	\$4.0	+17.9
Material, contracts and other expenses	\$34.6	\$41.3	\$6.7	+19.4
Depreciation, amortisation and impairment	\$23.6	\$29.6	\$5.9	+25.1
Capital expenditure on renewal of assets	\$17.8	\$26.2	\$8.5	+47.7
Capital expenditure on new and upgraded assets	\$1.4	\$4.5	\$3.1	219.3

The Council did not prepare a LTFP in the years 2017-18 to 2022-23 inclusive, which the Commission considers might be in contravention of section 122 (4) (a) of the LG Act. As a result, the Council lacked this critical guide to its strategic management of operations and assets.

During the four-year lapse between LTFPs, cumulative inflation is estimated at 13.8 percent;²⁸ however, changes between the plans are more significant than can be accounted for by inflation. The lapse of time and lack of detail in the prior LTFP also casts doubt on its reliability. The 2022-23 LTFP did not

²⁷ ABS data historical time series, available at: [Consumer Price Index, Australia, October 2025 | Australian Bureau of Statistics](#)

²⁸ Based on CPI Adelaide for 2022-23 to 2024-25, then RBA statement of Monetary Policy (August 2025) forecasts to Dec 2026 (2 years)

provide any context, however the proposed changes in the 2026-27 to 2035-36 LTFP seek to make the assumptions and indexation applied clearer and more specific. The Council notes the following reasons for its material amendments:

- ▶ revenue from the waste facility is now Council income in contrast to prior years, resulting in higher user charges
- ▶ increased staff numbers resulting in higher employee costs
- ▶ actual materials and contract costs increased significantly between plans and has been reflected in forecasts
- ▶ depreciation expense is higher due to higher fair values post-valuation, and
- ▶ increased asset renewal expenditure based on draft IAMP.

The Council's historical and projected operating performance is discussed further in Section 5.1.

4.2 Capital expenditure estimates

Expenditure on asset renewal and replacement has increased between the two LTFP plans due to the Council's decision to lift its ARFR (net) from 66.0 percent over the Historical Period to 99.3 percent over the Forecast Period. Assets, the AMPs, and Council's capital expenditure outlook are discussed further in Section 5.3.

4.3 General observations on the ABP, IAMP and LTFP

The Council has prepared and adopted its ABP for 2025-26. The plan includes its estimated financial outcomes for 2024-25 and its forecast for 2025-26. Assumptions applying to the forecast are clearly stated with additional information about its proposed short-term capital works.

The Council has not had an IAMP during the Historical Period despite this being a legislated requirement. While it has planned and developed a capital works program each year, the absence of an IAMP has compromised its ability to properly plan its long-term asset management as its knowledge of its assets was weak. The lack of an IAMP has also impacted the Council's capacity to accurately assess its financial sustainability, as capital renewal expenditure forecasts are a key input into the LTFP.

A draft IAMP was developed in October 2025 providing a summary of the Council's asset classes, based on available information. While this represents an important initial step toward effective asset management, the plan acknowledges its limitations in terms of asset details (condition data and values). It states that the Council is developing detailed AMPs for each asset class.²⁹ There are discrepancies however between the renewal and acquisition forecasts in the draft IAMP³⁰ compared to the LTFP. For example, the draft IAMP projects renewal expenditure of approximately \$26.2 million over the next decade, whereas the LTFP allocates \$21.1 million for the same period: a shortfall of around \$5 million (19%). Similarly, the draft IAMP includes higher depreciation assumptions for certain asset classes than those reflected in the LTFP, which may understate future operating costs. These misalignments create uncertainty about the Council's ability to fund its renewal program and highlight the need for alignment between strategic documents (see section 5.3 for further detail). No clear implementation strategy is provided to reconcile these differences, increasing the risk that financial sustainability targets will not be met. due to uncertain asset values and insufficient condition data. The plan was approved for community consultation in November 2025.

²⁹ Summary Asset Management Plan, 2025-2034, p. 5.

³⁰ The Summary Asset Management Plan forecasts are expressed in real terms however the difference between those forecasts and the LTFP forecast (expressed in nominal terms) cannot be explained by forecast inflation.

The Council has sporadically updated its LTFP but did not meet legislated requirements. It adopted a LTFP (2026-27 to 2035-36) in November 2025. The previously published LTFP 2016-17 covered the period from 2016-17 to 2025-26. A later version (2022-23 to 2031-32) was prepared and adopted by Council in May 2022 but not published. The unpublished version was a spreadsheet-based document and did not include any additional information about the key influences and assumptions, nor the financial goals, so did not meet the requirements of an effective LTFP. The new LTFP includes detailed information about assumptions and financial goals.

The ABP proposes rate rises of 2.0 percent (for 2025-26) while noting that the LTFP recommends general rate increases of 2.1 percent above CPI,³¹ mainly to fund currently unfunded maintenance and future asset renewal and replacement.³² The LTFP however, notes that the Council intends to index rates at 1.95 percent above CPI.³³

The lack of planning and failure to meet legislative requirements raises the question of whether the Council's governance arrangements are fit for purpose. The Council needs to take responsibility for its actions and develop robust implementation planning, ensuring it consistently delivers on its plans, publicly reports on performance each year, and outlines any actions needed to ensure targets are met.

The Commission recommends that the Council:

1. **Meets** its legal requirements to better inform its decision-making and consultation processes by:
 - **updating** its LTFP annually
 - **updating** its IAMP on an ongoing basis to reflect changes in forecast asset renewal and replacement as asset conditions are reassessed, revalued and detailed AMPs are further developed, and
 - **undertaking** asset condition assessments to improve the accuracy of its AMPs.
2. **Align** the assumptions and forecasts in key strategic documents to ensure consistency across LTFPs, IAMPs and annual business planning documents to enable better understanding of its financial plans.
3. **Publish** all strategic documents to ensure transparency for ratepayers and other stakeholders.

³¹ 2025-26 Annual Business Plan, p. 14.

³² 2025-26 Annual Business Plan, p. 10.

³³ Long Term Financial Plan, 2026-27 to 2035-36, p. 10.

5 Financial sustainability

5.1 Operating performance

5.1.1 Key points

- ✓ The average historical operating surplus ratio was 3.0 percent.
- ⚠ The Council forecasts growth in income that will outpace inflation, achieved mainly through average rates growth of 4.6 percent, compared with average forecast CPI of 2.5 percent.
- ⛔ The Council incurs ongoing operating losses from specific assets and services.
- ⛔ The Council's total income declined by a CAGR of 0.5 percent per annum in the Historical Period while the total expenses increased by a CAGR of 3.4 percent per annum.

The Council owns three assets that incur significant annual losses, severely impacting the Council's sustainability:

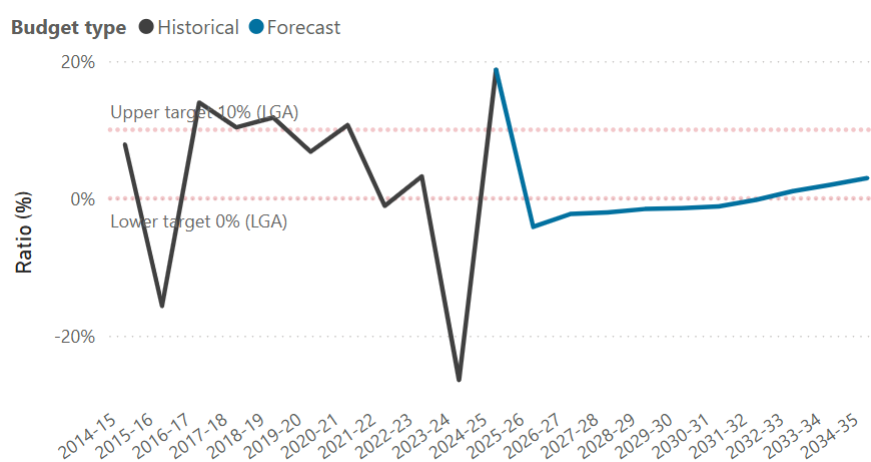
- ▶ The Water West Scheme (\$0.2 million annual loss)
- ▶ Ceduna Airport (\$0.1 million annual loss), and
- ▶ the Thevenard Marina facility (\$0.5 million annual loss).

Operating losses from these assets are projected to continue, totalling \$0.8 million annually. Historical losses from the Waste Management facility are expected to reduce from January 2025 due to a renegotiated contract. These assets/services are further discussed in Section 5.3.

The LTFP shows annual average (CAGR) growth in operating expenses of 3.0 percent, compared with average growth of 3.4 percent over the Historical Period and forecast average CPI of 2.5 percent. The LTFP does not explain how this constraint in growth of costs will be achieved. Failure to constrain the growth in operating expenses will worsen the operating deficits, unless additional revenue is raised than that set out in the LTFP.

5.1.2 Operating Surplus Ratio

Figure 2: Operating surplus ratio – historical and forecast



The OSR averaged 3.0 percent over the Historical Period, with a distinct decline into a negative OSR from the 2020-21 year, while noting that the CAGR result was distorted by the 2023-24 result, which was adversely affected by the timing of receipt of grant revenue. Negative OSRs are forecast to continue until 2031-32 (based on the Council's decision to keep rate increases at low levels)³⁴, showing that the Council is becoming less sustainable. The previous lack of attention to development of strategic documents (IAMP and LTFP as required by legislation) suggest that the Council has not been focused on its long-term financial sustainability. The Council forecasts that its OSR will not turn positive until 2032-33.

5.1.3 Income

Over the Historical period, total income declined in absolute and real terms. The Council forecasts steady growth in total income throughout the Forecast Period, at an average rate (CAGR) above CPI.

5.1.3.1 Over the Historical Period:

- ▶ Total income decreased by a CAGR of 0.5 percent per annum while average annual CPI was 2.9 percent.
- ▶ Grants comprised on average 30.2 percent of Council income. The volatility of grants revenue timing can lead to volatility in operating results, as has occurred for this Council. Discretionary grants income fell, leading to deficits in years with lower grant income.

5.1.3.2 Over the Forecast Period:

- ▶ The Council forecasts average annual growth (CAGR) in total income of 3.8 percent over the Forecast Period.
- ▶ User charges increase materially from 2025-26, driven by the Council's move towards a stronger user-pays model for its waste disposal facility.³⁵

5.1.4 Expenditure

Total expenses grew on average at greater than CPI over the Historical Period and that trend is forecast to continue.

5.1.4.1 Over the Historical Period:

- ▶ Total expenses rose by a CAGR of 3.4 percent per annum, primarily attributable to a 6.3 percent annual increase in depreciation expenses (refer to further discussion in section 5.3)
- ▶ Employee costs increased at an average annual rate of 2.2 percent, and
- ▶ 'Material, contract, and other' expenses grew by 2.5 percent per annum, below average CPI.

5.1.4.2 Over the Forecast Period:

- ▶ Total expenditure is forecast to increase by 3.0 percent per annum on average, which is less than the Historical Period. Without explanation (normally provided in the LTFP), it is unclear how Council will limit operating expense growth to the projected 3.0 percent.³⁶

³⁴ Meeting with the Council, 14 May 2025

³⁵ Meeting with the Council, 14 May 2025.

³⁶ In addition, the 2025-26 Annual Business Plan notes an increase in material contracts and other costs of 15.4 percent over 2024-25 costs, p. 11.

- ▶ The Council projects average annual increases of 3.2 percent for employee costs, 2.9 percent for 'materials, contracts, and other' expenses, and 3.0 percent for depreciation.
- ▶ Some classes of assets are overdue for revaluation and others are due soon, implying that a 3.0 percent (CAGR) forecast growth in depreciation may not be sufficient.

Expenditure has been affected by operating losses on assets/services, as the Council has managed certain significant assets that have incurred losses per annum, including the following:

- ▶ Water West Scheme \$180,000
- ▶ Ceduna Airport at \$94,000
- ▶ Thevenard Marina facility \$540,000, and
- ▶ the Waste Management facility³⁷ where the historical loss was not fully quantified but is expected to diminish from January 2025 due to renegotiated contracts.³⁸

The Water West Scheme and Airport provide important services for the community and the Council forecasts that operating losses will continue for these. The Marina facility and Waste Management facility are also loss-making enterprises, and the Council needs to develop and implement a strategy to address these operating deficits to prevent a sustainability risk. These assets are further discussed in section 5.3.

5.1.5 Commission's recommendations on operating performance

The Commission recommends that the Council:

4. **Include** efficiency goals and project cost savings in its LTFP to provide evidence of constraint in cost growth across its operations and service deliveries.
5. **Develop** practical and implementable strategies to address operating losses for the Water West Scheme and Ceduna Airport with 12 months, and implement them within a further 12 months.
6. **Develop and implement** strategies to address commercial facility losses from the Thevenard Marina Facility within 12 months.
7. **Monitor and report** on implementation and performance of strategies to address operating losses annually.

³⁷ Meeting with Council, 14 May 2025, advised that the facilities incur annualised losses.

³⁸ 2025-26 Annual Business Plan, p. 11.

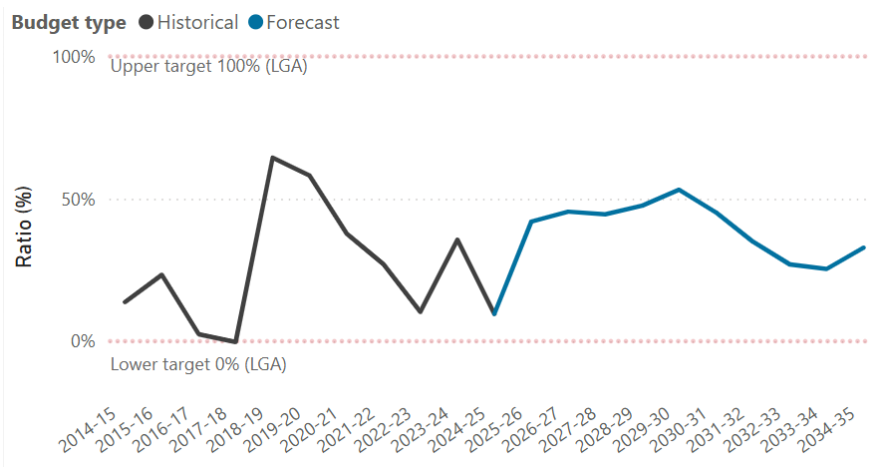
5.2 Net financial liabilities

5.2.1 Key points



The Council's NFLR is with the recommended LGA range.

Figure 3: Net financial liabilities ratio – historical and forecast



The Council's NFLR over the Historical and Forecast Periods indicate that it has capacity to manage its financial liabilities based on its LTFP.

- ▶ The Council's NFLR averaged 27.3 percent annually in the Historical Period and is forecast to average 39.2 percent annually in the Forecast Period.
- ▶ The Council's total borrowings averaged \$3.2 million per annum in the Historical Period and are forecast to average of \$5.7 million per annum.
- ▶ Since 2019-20, the Council held minimal cash balances at year end. The Council forecasts cash deficits throughout the Forecast Period and intends to utilise Cash Advance Facilities to manage capital project expenses and cash flow.³⁹

5.3 Asset renewals expenditure

5.3.1 Key points



The Council has developed a new IAMP to guide future capital renewal expenditure however the quality of data on which it is based is not adequate.



Asset renewal and replacement forecast expenditure may be significantly understated due to the Council's asset valuation practices.



The Council proposes to limit expenditure on new assets over the Forecast Period.

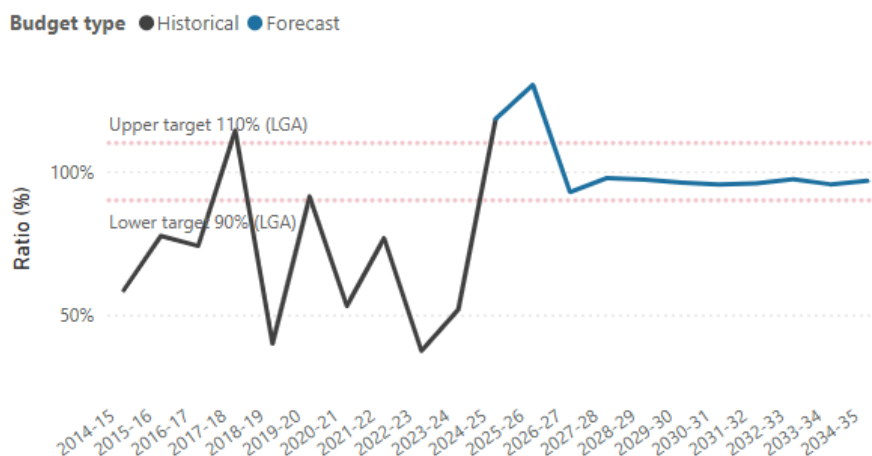


The Council has three significant assets/services that operate at a loss: the Thevenard Marina Facility, the Ceduna Airport and the Water West Scheme.

³⁹ Long Term Financial Plan, 2026-27 to 2035-36, p. 11.

The ARFR (net) averaging 66.0 percent over the Historical Period shows that the Council has under-funded its capital asset renewal expenditure. It has set a goal for renewal and replacement funding in the Forecast Period to achieve an ARFR (net) of 99.3 percent.

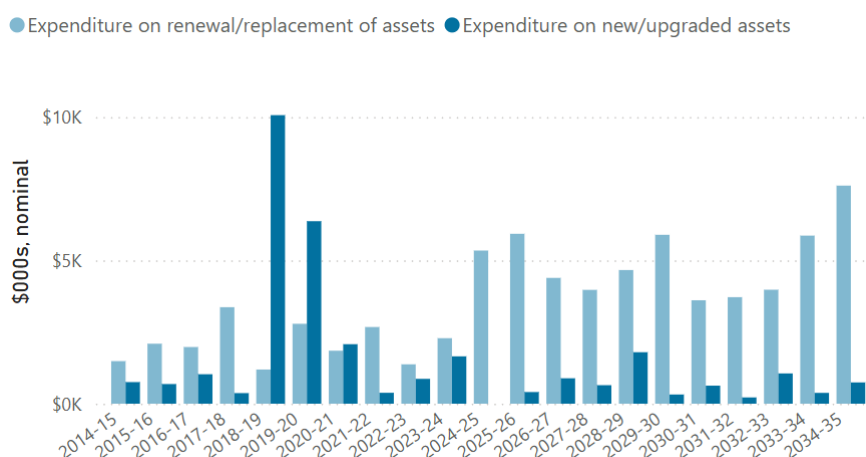
Figure 4: Asset renewal funding ratio (renewal expenditure net) – historical and forecast



The lack of an IAMP required the Council to rely on depreciation as a measure of the consumption of assets⁴⁰ to determine the asset renewal funding requirement. The asset renewal backlog is likely to be significant as, historically, the Council focused its attention on developing the new Thevenard Marina Facility, which is a commercial operation and now subsidised by the community.

The Council forecasts that it will fund 99.3 percent of required net capital renewal expenditure during the Forecast Period which, if achieved, will meet the LGA recommended range for asset renewal funding. It plans to spend a total of \$49.6 million compared to its total expenditure of \$21.1 million in the Historical Period. The Council forecasts spending a total of \$7.1 million on new and upgraded assets over the Forecast Period contrasting with its expenditure of \$24.2 million in the Historical Period. The Council's new draft IAMP, combined with its LTFP forecasts, focus on renewal expenditure rather than new assets, which is a positive strategy, and will assist the Council in effectively managing its assets.

Figure 5 Total capital expenditure by category – historical and forecast



The Council has spent an average of \$2.1 million per annum on the renewal and replacement of assets in the Historical Period. It spent an average of \$2.4 million on new assets for the same period however that figure is skewed by expenditure on the Thevenard Marine Unloading Facility. Excluding those

⁴⁰ The historical net ARFR and the depreciation -based ARFR are identical at 66.0 percent.

payments, the Council spent approximately \$1.0 million per annum on new infrastructure. Asset stock per property grew by an average of 4.7 percent annually (CAGR) outpacing inflation in the Historical Period, mainly due to the Thevenard Marina construction. Future annual growth is forecast at 2.7 percent, slightly above long-term inflation, reflecting the Council's plan to limit new infrastructure purchases.

The \$11.8 million expenditure on the Thevenard Marine Unloading Facility was higher than anticipated and actual revenue generation is significantly less than forecast. The asset was constructed in anticipation of use by the fishing industry; however, uptake has been lower than expected. The Council notes it may have opportunities for risk mitigation by utilising the adjacent vacant industrial land or disposal of the asset.⁴¹ It is critical that the Council prioritises the development and implementation of a strategy to resolve the ongoing forecast losses from this asset.

The Council noted that insufficient depreciation of Water West Scheme pipelines is driving annual operating losses and will not cover future pipe replacements. Built in 1998–99 to supply water to far west towns without SA Water infrastructure, the scheme remains under Council management. The water supply to the far west communities is a regulated retail water service; it is regulated by the Commission under the regulatory framework that applies to small-scale water and sewerage regulatory framework.

While the Council is advocating for the State Government to take over due to its financial strain and high user costs, under the current regulatory framework the Council – as the licenced retailer operating the scheme – is expected to set prices and recover revenues that are sufficient to recover the full prudent and efficient costs of providing those services. Further, the Council is expected to demonstrate how its prices comply with National Water Initiative (NWI) pricing principles. The NWI Pricing Principles state that any ratepayer subsidies and/or Community Service Obligation payments should be reviewed, transparently reported and, where appropriate, reduced over time.

It is therefore critical that the Council prioritises and resolves its management of the Water West assets and manages the long-term sustainable delivery of the water services being provided.

The Ceduna Airport provides connectivity and refuelling services for both the Council and the community but operates at an average annual loss of \$94,000.⁴² Flight activity at the Ceduna Airport is limited; however, it serves as a refuelling point for the Royal Flying Doctors Service (RFDS). The Council subsidises this loss to maintain passenger and RFDS services in the area. A recently concluded contract transferred ownership of certain facility assets to the Council at the end of the lease, and the Council is currently assessing options regarding the future use or potential disposal of the gifted compound with hangar.

The Council has developed a new draft IAMP to guide future capital renewal expenditure and is developing detailed draft asset management plans for each asset class.⁴³ However as discussed in Section 4, the draft IAMP and LTFP capital expenditure forecasts do not align. The purpose of these strategic documents is to implement the plans for assets that the community needs and supports. The Council should clearly communicate both the operating and long-term costs of its assets to ratepayers, so the community can decide if they want to support these expenses through their rates. An alternative to raising rates may be a decrease in service levels if insufficient funding is available for the community-supported capital expenditure.

⁴¹ Meeting with the Council, 14 May 2025.

⁴² Annual Business Plan 2025-26, P11.

⁴³ Summary Asset Management Plan 2025-2034, p. 5.

The draft IAMP notes limitations on the accuracy of asset values due to the use of historical valuations with indexation applied,⁴⁴ creating a risk that forecast asset renewal costs may be significantly understated. The Council's practice of not indexing its assets annually between revaluation impacts the asset value and the basis for depreciation, which may lead to material change in depreciation expenses. Regular review of asset values, remaining asset life and depreciation schedules is essential to accurately estimate depreciation expense and ensure that asset renewal funding is sufficient to prevent asset failure or service level declines. Inaccurate estimates of depreciation may also impact financial statements.

Reliable data on asset conditions is currently available only for Transport assets, which may influence decisions related to capital investment. Adequate investment and timely interventions are essential to limit asset failure or a decline in service levels. Additionally, variations in data quality could affect the accuracy of depreciation expense and financial forecasting.

5.3.2 The Commission's recommendations on asset renewals expenditure

The Commission recommends that the Council:

8. **Update** AMPs and asset valuations at least every four years, including condition data, to ensure an accurate alignment between the asset valuation and renewal expenditure requirements in the AMPs and the latest LTFP projections.
9. **Annually** index asset values to improve capital expenditure and depreciation forecasts.
10. **Stop** non-essential capital expenditure on new and upgraded assets (unless already committed) until the impact of the renewal program is well understood.
11. **Invest** in developing a better understanding of asset condition and values across the asset stock in 2026, ensuring the work is undertaken with expert assistance and made publicly available.
12. **Prioritise** the asset renewal schedule for the next decade based on the forecast financial capacity in the existing LTFP.
13. **Develop, prioritise and implement** a strategy that resolves Water West scheme management issues and transition towards pricing that covers the costs of these services within five years.
14. **Develop** a strategy in 2026 to make the Thevenard Marina facility and the Ceduna Airport commercially viable on a stand-alone basis, or sell the facilities to reduce operating losses and debt. Consult with the community on the strategy and options.

⁴⁴ District Council of Ceduna, Summary Asset Management Plan, 2025-2034, P.9, recent valuation dates: 2021 for Buildings; 2023 for Transport, Stormwater, CWMS and Water Supply.

6 Advice on current and projected rate levels

6.1 Key points

- ⚠ Annual rate increases for the Forecast Period average (CAGR) 4.6 percent which is above forecast inflation.
- ⚠ Rates have increased as a percentage of income.
- ✅ Landfill disposal fees will assist in offsetting future rate increases.

Figure 6: Average rates revenue per property – historical and forecast

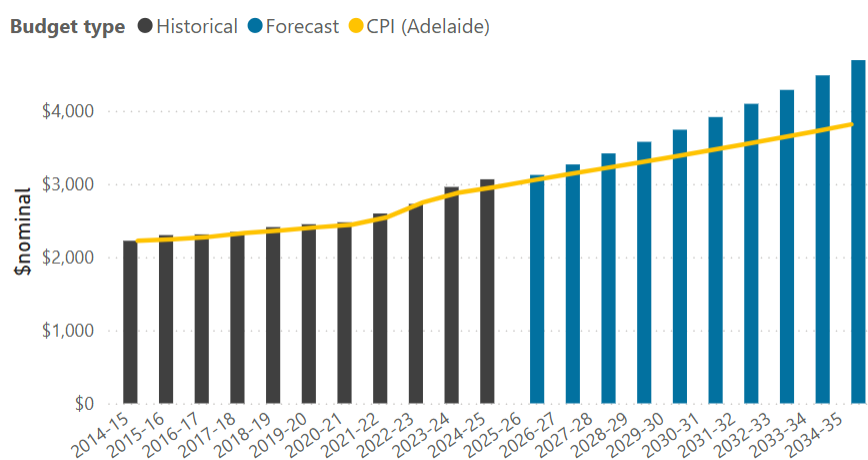


Figure 6 shows a widening gap between forecast rate charges and CPI, an unsustainable position that creates an affordability risk for the community.

6.1.1 Over the Historical Period:

- ▶ Total rates income increased by an average 3.8 percent per annum (CAGR), while overall income dropped by 0.5 percent.
- ▶ Rates grew from 46.4 percent (2014-15) to 67.7 percent (2023-24) of total income, offsetting a decline in grants revenue in real terms.
- ▶ Rates per property increased by an average of 3.2 percent (CAGR) per year, above average CPI of 2.9 percent.

6.2 Proposed rate increases

The Council anticipates that its introduction of new landfill disposal fees for the Ceduna Landfill site will help to contain rate increases in future.⁴⁵ Residential ratepayers may see notable rate changes as the Council continues to transition from a site value to a capital value basis for rates. The Council provides rate capping for ratepayers facing substantial rate increases.

⁴⁵ Meeting with the Council, 14 May 2025.

6.2.1 Over the Forecast Period:

- ▶ For 2025–26, general rates will increase by 2.0 percent overall,⁴⁶ calculated using the Adelaide March 2025 CPI figure without any additional percentage above inflation. Under differential general rating, residential rates will increase by 6.0 percent, while rates for industrial, and primary production, will decrease by 13.0 percent and 6.0 percent, respectively.
- ▶ The Council's planned rate increases lead to rates per property increasing on average 4.6 percent annually, assuming no property growth in the region. This is above forecast average CPI of 2.5 percent but in line with the Council's rating strategy.⁴⁷

The suggested rate increase of 2.0 percent for 2025-26 is expected to be manageable, considering both the current economic situation and the region's low SEIFA index. The Council should keep the SEIFA index rating in mind when determining rates in the future.

⁴⁶ Annual Business Plan & Budget, 2024-25, p. 17.

⁴⁷ Annual Business Plan & Budget, 2024-25, p. 14.

7 The Commission's next advice and focus areas

In the next cycle of the scheme, the Commission will review and report upon the Council's:

- ▶ Annual preparation/review and publication of strategic documents including the alignment of forecasts between documents.
- ▶ Development and implementation of strategies to mitigate operating losses for specific assets:
 - Water West Scheme
 - Ceduna Airport, and
 - Thevenard Marina Facility.
- ▶ Progress achieved towards a sustainable operating position.
- ▶ Achievement of capital renewal expenditure forecasts against IAMP.

8 Appendix: Glossary of terms

Term	Explanation
ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
ARFR	<p>Asset Renewal Funding Ratio: renewal expenditure based (gross):</p> $\text{Asset Renewal Expenditure} / \text{IAMP Renewal Expenditure}$ <p>(where IAMP expenditure includes sale of replaced assets)</p> <p>Asset Renewal Funding Ratio - renewal expenditure based (net) - if IAMP excludes sale of replaced assets:</p> $\text{Asset Renewal Expenditure} / \text{IAMP Renewal Expenditure}$ <p>(where IAMP expenditure excludes sale of replaced assets)</p> <p>Asset Renewal Funding Ratio (depreciation based):</p> $\text{Asset Renewal Expenditure} / \text{Depreciation}$ <p>(IAMP Renewal Expenditure is that required according to the IAMP.)</p>
CAGR	<p>Compound Annual Growth Rate:</p> $\text{CAGR} = (\text{V}_{\text{final}} / \text{V}_{\text{begin}})^{1/t} - 1$ <p>CAGR represents the mean annualized growth rate for compounding values over a given time period. CAGR smooths the effect of volatility of periodic values that can render arithmetic means less meaningful. (Source: Wikipedia)</p>
Commission	Essential Services Commission, established under the <i>Essential Services Commission Act 2002</i>
CPI	Consumer Price Index (Adelaide, All Groups)
Council	District Council of Ceduna
CWMS	Community Wastewater Management System
ESC Act	<i>Essential Services Commission Act 2002</i>
F&A	<u>Local Government Advice: Framework and Approach – Final Report</u>
Forecast Period	10 years from 2025-26 to 2034-35
FTE	Full Time Equivalent
Historical Period	10 years from 2014-15 to 2023-24
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	<i>Local Government Act 1999</i>

Term	Explanation
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LTFP	Long-term financial plan
NFLR	<p>Net Financial Liabilities Ratio</p> <p>Net Financial Liabilities are defined as:</p> <p>Total Liabilities</p> <p>LESS Current Assets (Cash and Cash Equivalents)</p> <p>LESS Current Assets (Trade and Other Receivables)</p> <p>LESS Current Assets (Other Financial Assets)</p> <p>LESS Non-Current Assets (Financial Assets - excluding equity accounted investments in council businesses)</p> <p>The net financial liabilities ratio is:</p> <p>Net financial liabilities ÷ Total Operating Income</p>
OSR	<p>Operating Surplus Ratio</p> <p>The Operating Surplus (Deficit) is defined as:</p> <p>Total Operating Income LESS Total Operating Expenses</p> <p>The Operating Surplus Ratio is defined as:</p> <p>Operating Surplus (Deficit) ÷ Total Operating Income</p>
Regulations	<i>Local Government (Financial Management) Regulations 2011</i>
RBA	Reserve Bank of Australia
SEIFA	Socio-Economic Indexes for Areas
SMP	Strategic management plan
The scheme or advice	Local Government Advice Scheme



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APPENDIX 4: FEES AND CHARGES SCHEDULE 2026/2027



District Council of Ceduna
Fees & Charges -Effective 15 July 2026

	2025-2026 Exc GST	2026-2027 Exc GST	Inc GST
Administration Fees & Charges			
Photocopies			
Private			
All copies - black & white	0.18	0.18	0.20
All copies - colour			
A4	0.45	0.45	0.50
A3	0.64	0.64	0.70
Community Organisations			
Own Paper Supplied			
Colour A4	0.18	0.18	0.20
No Paper Supplied			
Black & White A4	0.09	0.09	0.10
Colour A4	0.27	0.27	0.30
Black & White A3	0.27	0.27	0.30
Colour A3	0.36	0.36	0.40
Laminating			
A5	2.82	2.82	3.10
A4	3.32	3.32	3.65
A3	3.82	3.82	4.20
Council Documents			
Council Minutes (Access available on Council website for free)			
Per copy	3.50	3.50	No GST
1-5 pages	2.90	2.90	No GST
6-10 pages	5.40	5.40	No GST
11-20 pages	8.00	8.00	No GST
21-50 pages	12.30	12.30	No GST
50-100 pages	15.50	15.50	No GST
Annual Report	17.50	17.50	No GST
Annual Business Plan & Budget	17.50	17.50	No GST
Voters Roll	37.50	37.50	No GST
Strategic Plan	17.50	17.50	No GST
Extract of Assessment Record	13.00	13.00	No GST
Extract of Dog Register - Details of one dog, one dog owner, one address	13.00	13.00	No GST
Extract of all any other Register required by legislation	13.00	13.00	No GST
Other Fees			
Administrative charge in relation to dishonoured cheque (in addition to bank fees)	40.00	40.00	No GST
Dog & Cat Management Fees			
Registration Fees (subject to Ministerial approval)			
Non Standard Dog Annual Registration Fee	60.00	80.00	No GST
Standard Dog Annual Registration Fee (Microchipped & Desexed)	30.00	35.00	No GST
% rebate for Aged Pension concession card holder	50%	50%	No GST
Fee for Non Standard working dogs	18.00	20.00	No GST
Fee for Standard working dogs (microchipped & desexed)	9.00	10.00	No GST
Fee for business registration (Up to 5 dogs)	240.00	240.00	No GST
Fee for guide, hearing and disability dogs	Nil	Nil	Nil
Fee for Transfer of Registration	Nil	Nil	Nil
Penalty fee for late registrations	15.00	20.00	No GST
Impounding Fee	80.00	80.00	No GST
Daily Holding Fee	30.00	30.00	No GST
Destruction of Dog or Cat (Voluntary request from owner)	45.45	75.00	82.50

District Council of Ceduna
Fees & Charges -Effective 15 July 2026

	2025-2026 Exc GST	2026-2027 Exc GST	Inc GST
Animal Microchipping	30.00	45.45	50.00
Cat trap deposit - (Refundable on Return)	-	90.91	100.00
Cat Trap Hire - Up to 10 Days	-	10.00	11.00
Collect or Deliver Cat Trap - Ceduna / Thevenard / Ceduna Waters	-	25.00	27.50
Collect or Deliver Cat Trap - Denial Bay	-	50.00	55.00
Collect or Deliver Cat Trap - Other Location	-	POA	POA
S 64 After hrs seizure / pickup	100.00	100.00	No GST
Non mandatory cat registration	Nil	Nil	Nil
Cemetery Fees			
<u>Burial</u>			
Lease Fee (99 year tenure)	1,638.44	1,679.40	No GST
Grave Digging/Filling - Monday-Friday 9am-4pm			
Adult	1,545.30	1,583.93	1,742.32
Child (Under 10)	622.27	637.82	701.61
<u>Niche Wall</u>			
Lease Fee (99 year tenure)		278.42	No GST
Internment of Ashes - Inc plaque placement		100.00	110.00
Plaque placement - No Ashes		80.00	88.00
<u>Garden Bed</u>			
Lease Fee (99 year tenure)		278.42	No GST
Internment of Ashes - Inc plaque placement		160.00	176.00
Plaque placement - No Ashes		80.00	88.00
<u>Grave Site</u>			
Internment of Ashes - Inc plaque placement		160.00	176.00
<u>Additional Fees</u>			
Grave Digging/Filling - Other Times (+20%)	+20%	+20%	
Smoky Bay Cemetery Burials (+20%)		+20%	
Extra Depth (20% of Digging Fee Only)	+20%	20%	
Oversize or rectangular casket	+50%	+50%	
Exhumation	Cost + 5%	Cost + 5%	
Re-interment after exhumation (in same site)	Cost + 5%	Cost + 5%	
Removal & Replacement of Concrete Top Site	634.71	650.58	698.19
Removal & Replacement of Blue Metal	129.64	132.88	142.60
Removal & Replacement of Marble Chips	-		
Additional Specialist Costs (if Applicable)	At cost		At Cost
Weekend & Out of Hours Labour	POA	POA	POA
Refuse Bin Collection Charges			
<u>Residential - Per Bin</u>			
Additional Bin - Annual Charge (Collected on normal collection day)	216.60	223.70	No GST
Additional Bin - Ad Hoc (Collected on normal collection day)	7.60	8.00	No GST
<u>Commercial - Per Bin</u>			
Additional Bin - Annual Charge (Collection on normal collection day)	216.60	223.70	No GST
Additional Bin - Annual Charge (Non-designated collection day)	259.90	268.40	No GST
Ceduna Memorial Hall			
<u>A Hall (including one or both foyers & kitchen)</u>			
Full kitchen use:			
Daily hire - 4 days or less	272.73	272.73	300.00
Daily hire - 5 days or more	190.91	204.55	225.00
Kitchen use , excluding use of gas appliances:			
Daily hire - 4 days or less	204.55	204.55	225.00
Daily hire - 5 days or more	143.18	150.00	165.00
<u>B Hall (including one or both foyers, excluding kitchen)</u>			

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	2025-2026 Exc GST	2026-2027 Exc GST	Inc GST
Daily hire - 4 days or less	136.36	181.82	200.00
Daily hire - 5 days or more	95.45	136.36	150.00
C Kitchen Only			
Daily hire (including gas appliances)	136.36	136.36	150.00
Daily hire (excluding gas appliances)	68.18	68.18	75.00
D Poynton St Foyer (Eastern)			
Daily hire - 4 days or less	45.45	45.45	50.00
Daily hire - 5 days or more	31.82	31.82	35.00
Note - Unable to hire Western Foyer exclusively			
Cleaning - hourly rate	120.00	120.00	132.00
Bond (key deposit)	227.27	227.27	250.00
Discounts - Not Available for Poynton Street Foyer			
Local Community Groups as defined in Policy		Up to 50%	
Ceduna Airport			
Landing Charges: Regular passenger and charter flights - per head (unless covered by partnership agreement)	19.78	20.57	22.63
General Aviation			
Landing Fee - \$ charge/tonne for all aircraft (including helicopters)	19.78	20.57	22.63
Airside Overnight Parking MTOW Per Day	-	2.27	2.50
Airside Overnight Parking - Minimum Fee	-	9.09	10.00
Area Rental			
Reserved Parking Areas - per sealed car park space	863.64	906.82	997.50
Reserved Parking Areas - per unsealed car park space	636.36	668.18	735.00
Terminal Rental Space - (Applies to New Leases. Existing Leases as per agreement)	1,113.83	1,169.52	1,286.47
Area A - North Eastern Office Area	-	1,181.82	1,300.00
Area B - South Eastern Office Area	-	1,363.64	1,500.00
Area C - Western Office Area	-	1,818.18	2,000.00
Area D - All Other Areas	-	272.73	300.00
Advertising Signs - Baggage Area - annual charge	213.76	224.45	246.89
Jet A1 Refuelling			
After Hours - Refuelling Fee	178.49	185.63	204.20
Visitor Identification Card (VIC)			
Issue of Visitor Identification Card	18.58	19.32	21.26
Supervision of VIC Holders (per Hour)	90.07	93.67	103.04
Long Term Car Park			
1-6 Days (per day)	3.64	3.86	4.25
7-14 Days (per day)	3.18	3.41	3.75
15-30 Days (per day)	2.73	2.95	3.25
30+ Days (per day)	2.27	2.50	2.75
6 Months (per 6 months)	327.27	340.91	375.00
12 Months (per year)	490.91	518.18	570.00
Transaction Surcharge	0.22	0.22	0.24
Water Schemes - Water West & Smoky Bay Aquaculture Park			
Connection Charge (includes meter & meter box)			
20mm	2,803.41	2,832.29	No GST
25mm	4,259.41	4,303.28	No GST
50mm	8,325.67	8,411.43	No GST
Installation of Meter – new at request of land owner			
20mm	406.86	411.05	No GST
25mm	502.85	508.03	No GST

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	2025-2026 Exc GST	2026-2027 Exc GST	Inc GST
50mm	2,315.42	2,339.27	No GST
Repair or Replace damaged meter		-	
20mm	405.71	409.89	No GST
25mm	493.71	498.80	No GST
50mm	2,201.13	2,223.80	No GST
Meter Box		-	No GST
20mm or 25mm	862.85	871.74	No GST
>25mm	2,554.27	2,580.58	No GST
Repair or replace fittings other than meters		-	
20mm	277.71	280.57	No GST
25mm	277.71	280.57	No GST
50mm	493.71	498.80	No GST
Disconnection of service from main pipe (not for non-payment)	700.57	707.78	No GST
Relocation of Metered Service - Fee or Cost (Whichever is greater)	1,111.99	1,123.45	No GST
Test meter at request of consumer (refundable if meter faulty)	228.57	230.92	No GST
Read meter at request of consumer (non cyclic reading)	137.97	139.39	No GST
Administrative charge in relation to dishonoured cheque (in addition to bank fees)	45.71	46.18	No GST
Administrative charge in relation to charge or amount not paid by due date & notice served on person liable	34.29	34.64	38.10
Visit in relation to the non-payment of a charge to the land in relation to which the charge or amount is payable	77.14	77.94	85.73
Usage Charges			
Properties within Council Boundary	4.47	4.67	No GST
Properties outside Council Boundary	4.92	5.14	No GST
Smoky Bay Aquaculture Park - per kL	4.47	4.67	No GST
Eyre Highway Standpipe Water Automated Bulk Rate per kL	4.47	4.67	No GST
CWMS - Site Charges & Reclaimed Water Usage			
Disposal of Bulk Effluent (greater than 2kL) - per kL	12.00	12.00	No GST
Supply of Treated Waste Water (per kL)			
Not for Profit Entities for Irrigation Purposes Only	0.25	0.25	No GST
All Other Entities & Usages	0.50	0.50	No GST
Boat Ramp Fees			
Daily	7.73	7.73	8.50
Weekly	27.27	27.27	30.00
Monthly	68.64	68.64	75.50
Annual Permit (12 Month)			
Recreational Boat Owners	100.00	100.00	110.00
Marine Scale Fishery License Holders & Commercial Operators (Class M, B & H Licenses)			
1 Boat	100.00	100.00	110.00
Each Additional Boat	50.00	50.00	55.00
Aquaculture Production Permit Holders (Oyster Growers)			
1 boat	512.27	512.27	563.50
2 boats	768.64	768.64	845.50
3 boats	1,025.14	1,025.14	1,127.65
Restricted Abalone Fisherman Permit	150.00	150.00	165.00
Issue of Replacement Boat Ramp Permit	25.00	25.00	27.50
EHO Fees			
Small Business Inspection (20 Staff or Less)	-	139.09	153.00
Other Businesses	-	349.09	384.00
Follow Up and Reinspection	As per initial Inspection Fee		
Council Road Alteration Authorisations			
Application Fee - alter a road (S221 of Local Government Act 1999)	55.00	55.00	No GST
Additional Charge (as determined by delegated authority) (per hour)	110.00	110.00	No GST

District Council of Ceduna

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	2025-2026 Exc GST	2026-2027 Exc GST	Inc GST
By Laws - Permit Fees			
By Law 3 - Local Government Land			
Trading - Clause 5.39 per instance - not to apply to Street Stall Permits	100.00	100.00	No GST
Annual Business Sidewalk Sale Permit/ Street Stall Permit (Policy 6.3)	125.00	125.00	No GST
Mobile Food Vendor Permit (1 set up only) - Yearly	850.00	850.00	No GST
Mobile Food Vendor Permit - Monthly	120.00	120.00	No GST
Mobile Food Vendor Permit - Daily	50.00	50.00	No GST
Entertainers - Clause 5.21 - per instance			
Daily 9am-5pm	15.00	15.00	No GST
Weekly - Monday-Friday 9am-5pm or part thereof	40.00	40.00	No GST
Weddings & other events - Clause 5.42	100.00	100.00	No GST
By Laws - Expiations Fees			
Fines & Expiations in relation to Council By-Law 3 (5.10.2)	80.00	80.00	No GST
Fines & Expiations in relation to All Other Council By-Laws	220.00	220.00	No GST
Car Impounding Fees			
Impounding Charges (inclusive of labour and other incidental costs)	377.40	377.40	415.14
Towing Cost as per Contractor Invoice	At cost	At cost	
Depot Storage Costs/day	9.27	9.27	10.20
Thevenard Marina Facility			
Annual Marina Pen Lease			
Vessel 20 metres LOA or more	16,326.00	17,125.97	18,838.57
Vessel 12 to 20 metres LOA	12,245.00	12,845.01	14,129.51
Vessel less than 12 metres LOA	8,163.00	8,562.99	9,419.29
Weekly Casual Marina Lease			
Commercial Vessels	562.00	589.54	648.49
Recreational Vessels	204.00	214.00	235.40
Daily Marina Pen Lease			
Recreational Vessels	45.00	47.21	51.93
Commercial Vessels	87.00	91.26	100.39
Wharf & Jetty Usage (per Hour)	65.00	68.19	75.00
Daily Marina Pen & 1 Hour Wharf/Jetty Usage	123.00	129.03	141.93
Marina Pen & Wharf Utility Charges	65.00	68.19	75.00
Access Control Key Deposit	17.00	17.83	19.62
Landfill Fees			
Unsorted Load			
Sulo Bin or Small Car Boot (minimum Charge)	21.54	22.00	24.20
Utility- Standard Traytop Ute 2.4mx1.22mx300mm = .88m3	46.99	48.00	52.80
Trailers			
6 x 4 x 300mm (.65m3)	34.27	35.00	38.50
8 x 5 x 300mm (1.08m3)	57.76	59.00	64.90
8 x 6 x 300mm (1.30m3)	68.53	70.00	77.00
8 x 10 x 300mm (2.17m3)	114.54	117.00	128.70
12 x 6 x 300mm (2.00m3)	103.77	106.00	116.60
Truck			
3 Tonne @ 400mm Depth	191.88	196.00	215.60
5 Tonne @ 400mm Depth	255.52	261.00	287.10
8 Tonne @ 400mm Depth	287.83	294.00	323.40
Standard 3 Axle Tipper 6 x 2 x 0.9	574.67	587.00	645.70
Semi Tipper	1,065.15	1,088.00	1,196.80
Skip Bins			
2m3 or 1 Tonne	106.71	109.00	119.90
3m3 or 1.5 Tonne	159.58	163.00	179.30

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	2025-2026	2026-2027	
	Exc GST	Exc GST	Inc GST
4m3 or 2 tonne	213.42	218.00	239.80
5m3 or 2.5 Tonne	266.29	272.00	299.20
8m3 or 4 Tonne	425.87	435.00	478.50
Other Refuse			
E Waste per kg	0.89	0.91	1.00
Fluorescent Globes per kg	4.45	4.55	5.00
Fridge, Freezer or Airconditioner	13.35	13.64	15.00
Asbestos per cubic metre	373.49	373.49	410.84
Gas Bottles	9.09	9.09	10.00
Tyres - Car	22.73	22.73	25.00
Tyres - 4WD	36.36	36.36	40.00
Tyres - Truck	69.09	69.09	76.00
Tyres - Heavy Machinery	127.27	127.27	140.00
Mineral Oil (Per L)	0.05	0.05	0.05
Vegetable Oil - Uncontaminated (Per L)	0.05	0.05	0.05

