



ANNUAL BUSINESS PLAN

2026-27

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Business Snapshot - Message from the Mayor

I am pleased to present Council's draft **Annual Business Plan 2026/27** for community consultation.

In the coming year, we look forward to the first allotments from the Keith Industrial Estate and Bordertown's Ramsay Terrace Housing Development reaching the market. These projects support growth and opportunities for our district, attracting new and expanded businesses, as well as serviced land for housing. Land sales will unlock Council investment for the next phase of economic growth at Bennett Street in Keith and expansion of the Bordertown Industrial Estate.

Our beautiful parks, playgrounds and community facilities will continue to be maintained to a high standard. We also look forward to seeing the impact of Council's community grants programs. By committing over \$100,000 in grants and in-kind services, Council continues to support important community infrastructure, events and programs.

Roads and infrastructure are the core business of Council, and this year is no exception. We have committed to maintaining our existing assets, including over \$4.3 million for roads. Council has a strong history of attracting grant funding from Federal and State Governments, which will continue in 2026/27.

Council recognised the current cost of living pressures and uncertainty in economic conditions, and has considered short and long term influences on budget decisions.

This essential work will be funded through a rate increase of 5.7% plus growth of 0.40%. With CPI at 4.9%, Council has committed to balancing the cost of living with the need to ensure community services can be delivered in the long term. By including an additional 0.8% on CPI, Council is taking a conservative and committed approach to ensuring long term financial sustainability as commended by the Essential Services Commission Advice on Council's financial position.

We would love to hear your thoughts on this draft Annual Business Plan and Budget.

This year, we will be hosting community forums during May in Mundulla, Wolseley, Keith, Bordertown and Padthaway. I encourage you to come along to hear about the work that Council is planning and to give your thoughts on the priorities for the coming year.

Liz Goossens

Mayor

Key Features

Key Planned Activities

48 Key Planned Activities have been identified to contribute towards achieving Council's long-term aspirations.

Capital Budget

\$14.7 million, including \$3.7 million for transport infrastructure and \$2.9 million towards land development projects and \$3.6 million for carry forward of projects underway.

Operating Budget

Expenditure of \$23 million resulting in an operating position of -\$1.65 million, supported by a Long Term plan staging return to surplus. This includes \$100,000 of carry forward projects.

Loans

No new loans.

Rate revenue increase

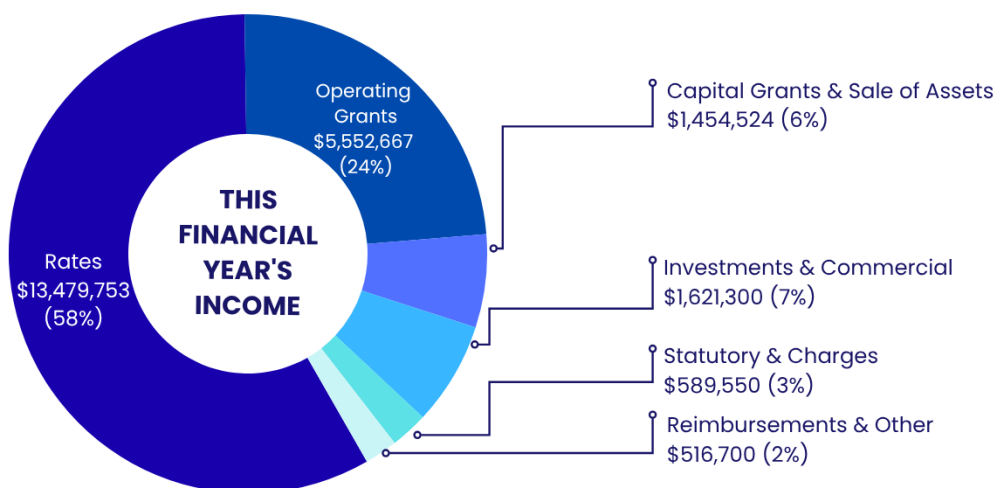
5.7% plus 0.40% for growth. Comprised of 4.9% CPI and a long-term sustainability factor of 0.8%.

Project Highlights	
Widening the seal on the Service Road North along the Dukes Highway in Keith.	\$166,000
Widening the next stage of Padthaway Road with grant funding of \$364,000.	\$545,000
Supporting community infrastructure, events and programs through grants and in-kind services.	\$101,000
Completion of the Mundulla to Clayton Farm shared use path.	\$158,000
Renewal works at Bordertown and Keith Swimming Pools.	\$265,000
Annual contributions to Stand Like Stone, school chaplaincy programs, community transport, and community halls.	\$52,250
Pump station capacity upgrades and renewals for Keith and Bordertown CWMS.	\$272,000
Road and Transport Infrastructure maintenance including patrol grading, maintenance of shoulders, signs and unsealed roads.	\$2,587,500
Capital renewal of Transport network with annual Resheet and Reseal program	\$1,755,200

Income

Rates will continue to be Council's main source of income to ensure that we can fund the renewal and development of our infrastructure assets and provide high quality services to the community.

Council has been very successful in attracting grant funding to deliver infrastructure upgrades such as the Australian Government Active Transport Fund and the Special Local Roads Program. We will continue to seek opportunities for Federal and State Government funding.



Positively, no new loans are proposed, reflecting the responsible financial management approach of Council.

The impact of proposed rates on the average property¹ in each rating category is modelled below. This table reflects general rates only. Waste, CWMS and Landscape Levy will also apply.

Rate Differential (Land Use)	Number of Properties	Average Rates 2025/26	Average Rates 2026/27	Average Increase for 2026/27
Primary Production	1,787	\$3,906	\$4,135	\$229
Residential, Vacant & Other	2,640	\$945	\$1,000	\$55
Commercial & Industrial	349	\$1,454	\$1,512	\$58
Waste	-	\$515	\$545	\$30
CWMS	-	\$400	\$420	\$20

We heard from you during our consultation

Attend a community forum	Write to us	Book a meeting
Mundulla Hall Monday 18 May @ 6.30 pm Worseley Community & Recreation Club Tuesday 19 May @ 7pm Keith Institute Wednesday 20 May @ 7pm Bordertown Community Centre Monday 25 May @ 7pm Padthaway Hall Wednesday 27 May @ 7pm	Email: office@tatiara.sa.gov.au Mail to: PO Box 346 Bordertown SA 5268	Phone: (08) 8752 1044

See our website for details: www.tatiara.sa.gov.au

¹ Average property is calculated by the total rates revenue divided by the number of properties. Individual properties will vary from this calculation.

Your Rates at Work

For every \$100 spent²

Infrastructure Roads, Paths, Bridges, Stormwater & Aerodromes renewal, Upgrade & Maintenance	\$25.60
Sport & Recreation Parks & Gardens, Halls, Libraries, Galleries & Swimming Pools	\$13.10
Housing & Community Amenities Community Wastewater Management	\$11.61
Housing & Community Amenities Land Development & Town Planning	\$11.42
Operations & Other Service Plant Renewal, Depot expense, Engineering.	\$10.29
Housing & Community Amenities Waste Collection & Transfer Stations	\$6.43
Administration Elected Member Expense, Community Grants, Customer Service	\$5.88
Economy & Tourism Economic Development, Accommodation Expenditure & Tourism	\$5.41
Housing & Community Amenities Flood Prevention, Cemeteries, Public Conveniences, Street Cleaning & Lighting	\$3.30
Agricultural Services Regional Landscape Levy, Local Action Plan Contributions	\$2.64
Health & Social Security & Welfare Public & Environmental Health, Senior Citizens, Community Transport, Community Development	\$2.05
Quarries & Development Quarry exploration and Planning & Development	\$1.15
Public Order & Safety Dog & Cat Control, Fire Protection, General Public Service & Compliance	\$1.11

The above table includes all cash expenditure, excluding carry forward projects.

This includes expenses related to user pays services, such as Waste Collection, Wastewater Management and Accommodation (Caravan Park). These services generate cost recovery revenue.

² Expenditure relates to a distribution of all cash expenses, both capital and operating, excluding depreciation, finance and transfers.

1. Introduction

This Annual Business Plan shows how Council will allocate its budget for the next year and details the services, programs and projects that we will deliver during the year to contribute to achieving our long-term aspirations for the community.

This Plan is prepared in accordance with section 123 of the *Local Government Act 1999*. It provides a summary of Council's long-term objectives and the activities we intend to undertake in the coming year to achieve them. It also sets out the budget, sources of revenue and rating policy, as well as showing how we intend to measure our performance.

The Plan draws on existing strategies, including our set of Asset Management Plans, our 2024/25 to 2033/34 Long Term Financial Plan, as well as the Economic Development and Tourism Strategy 2025-2030, and Disability Access & Inclusion Plan 2026-2031.

Community Engagement

Gathering community input is an important part of the preparation of the Annual Business Plan.

Each year, Council consults with the community on a range of issues and projects. The feedback obtained during these formal and informal consultations is taken into consideration during our annual business planning process.

Community Submissions

A call for Community Submissions ran from 18 February to 16 March 2026. The campaign included promotion through a range of media, as well as direct contact, with the aim to capture all interested parties, including:

- Website and Social Media Promotion
- ConnectFM Broadcast Message
- ConnectFM promotion during Council updates
- Posters at Council Offices
- Advertisement in Council Column in local newspapers
- Direct notification to Community Groups

During the submission period, Council received five (5) requests. These were combined with requests received during the year, as well as unsuccessful submissions from the previous year. Elected members reviewed these requests against the Strategic Plan and Asset Management Plans at a budget workshop in April 2026.

Submissions included in the draft budget are:

Project	Source of Request	Budget	New or Upgrade
Sealing of Carousel Road & Dukes Highway Interface at Wirrega	Resident	\$20,000	Capital (New)
Drainage Bore at Ramsay Terrace Bordertown	Councillor	Included in project budget	Capital (New)
Removal of old courts at Padthaway	Padthaway Progress Association	\$37,500	Capital (Carry Forward)
Sealing of Shannon Street in Keith	Keith Urban Committee	\$86,300	Capital (New)
Sealing of King Court in Keith	Resident	\$80,000	Capital (New)

Stakeholder registers have been developed for requests that are not aligned with current objectives. This will ensure that proposals can be considered again when the relevant strategy is reviewed. For example, Council will be preparing a new Transport Asset Management Plan, where road upgrades can be identified.

Community Consultation

In accordance with the *Local Government Act 1999* and Council's Community Engagement Policy, this draft Annual Business Plan and budget is provided for public consultation, commencing 15 May 2026 and concluding with a public meeting inviting the community to ask questions and provide feedback on Tuesday 9 June 2026.

Community forums will be hosted in five locations across the district, providing the opportunity to hear about Council's priorities for the coming year and provide feedback.

Amendments following draft release

Material variations in the final budget prepared for adoption and the draft released for consultation, relate to identified carry forward projects and purchases ongoing from 2025/26. Council considered these projects and committed support at the Council Meeting on 09 June 2026 (Resolution 2026/243).

Carried Forward Operating Expense of \$100,980 is included to support partially completed works with a further commitment to reconcile unspent budgets for key initiatives such as the ICT Roadmap Project and Padthaway Streetscape implementation at the first budget review.

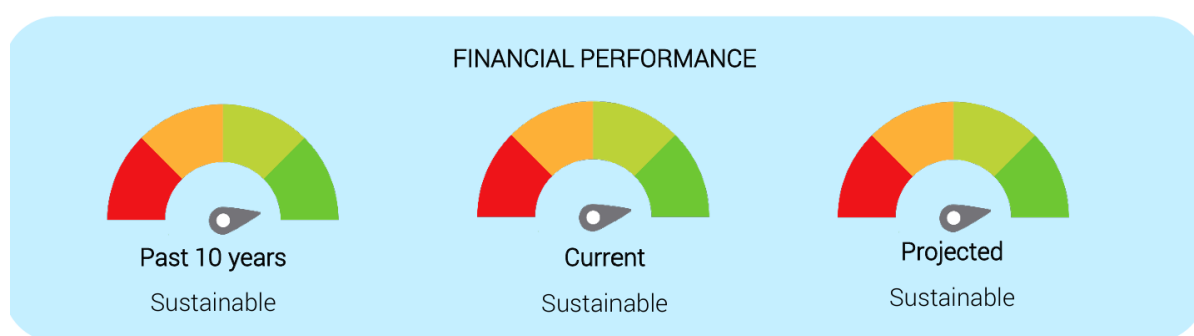
Carried Forward Capital Expense of \$ 3,575,355 reflects commitments to contracted projects, purchases and grant funded activities. This includes a \$2.5 million towards land developments, \$259,000 towards plant renewal due for delivery in July.

There were no changes to the rates model, however changes have occurred to the rate in the dollar calculation as property valuation data is updated by the Valuer General. Remodelling and calculating rates on the valuation base at adoption is critical to ensure the model is applied correctly.

ESCOSA - Local Government Advice

Amendments to the *Local Government Act 1999* in 2022, introduced the Local Government Advisory Scheme. The purpose of this advisory scheme is to provide ratepayers confidence that the rates they pay are set at the level necessary for Council to provide the services they value. The Essential Services Commission of South Australia (ESCOSA) is the advisory body. The State's 68 councils are subject to the scheme.

ESCOSA reviewed Tatiara District Council's financial performance during the 2023-24 financial year. The review was in addition to the existing program of review of financial sustainability by Council's external auditor and independent scrutiny from our Audit and Risk Committee. The Tatiara District Council has been assessed by ESCOSA at the higher end of sustainable for past, current and future projections.



The full advice can be found in Appendix 6 – ESCOSA Local Government Advice.

2. Significant Influences

The significant factors that have influenced the preparation of Council's 2026/27 Annual Business Plan include:

- Continuing to consider financial sustainability in all decisions, building on the positive outcome of the ESCOSA Advice;
- The impacts of inflation pressures on residents, businesses and Council operations as reflected by the Consumer Price Index (CPI) increasing relevant goods and services by 4.9% on the previous year;
- Fuel supply and pricing, resulting in significant pressure on Council operations and services including those delivered by third parties;
- Enterprise bargaining agreements adopted in 2025 provide for wages and salary increases of 3.5% or CPI (whichever is higher). This year, salaries are aligned with CPI at 4.9%;
- Service and infrastructure needs for a growing population;
- Maximising income from interest and reducing the need for an additional rate increase due to reduced cashflow by staggering expenditure;
- Deferring the development of the Bennett Street Housing Development in Keith and the expansion of the Bordertown Industrial Estate until cashflow from the sale of other developments is generated;
- Continuing projects and partnership initiatives over more than one year, including:
 - Commitment to innovation and continuous improvement with the roll out of new digital systems to increase efficiency, embrace modern cybersecurity and ensure compliance with legislative requirements.
 - Commitment to environmental sustainability and community partnerships through the Tatiara Local Action Plan.
 - Commitment to proactive community groups through grants, donations and in-kind support.
 - Implementation of the Disability Access and Inclusion Plan and Economic Development and Tourism Strategy.
- Council's policy and commitment to service standards to provide, maintain and renew infrastructure assets in line with community driven Asset Management Plans.

Underlying Assumptions

The ESCOSA Advice highlighted the strength of Council's financial planning and sustainability, in particular the clearly defined basis on which decisions were made. The same approach to assumptions underpins this draft Annual Business Plan:

- The Consumer Price Index for Adelaide all groups is 4.9% for the year ending 31 March 2026.
- Committed grant income will be indexed to CPI and will be received in the year that it is committed.
- Materials, contracts and other expenses have been increased in line with CPI.
- Wages and salaries have been increased in line with CPI.
- Depreciation has been calculated using the Local Government Price Index as this figure is more aligned with Council accounting requirements and less volatile over the short term.
- Growth in the number of rateable properties is not absorbed into the general rate increase as additional properties require additional infrastructure and services.
- User charges and fees are increased in line with CPI or aligned with cost recovery for the specific service.
- Financial decisions should reflect the Long Term Financial Plan and progress towards Key Financial Indicators.

Further details on assumptions are provided in Council's Long Term Financial Plan.

3. Continuing Services

All councils have basic responsibilities under the *Local Government Act 1999* and other relevant legislation. These include:

- Regulatory activities e.g. fire prevention, dog and cat management;
- Setting rates, preparing an annual budget and determining longer-term strategic management plans for the area;
- Management of infrastructure and other assets including roads, footpaths, parks, public open space, street lighting and stormwater drainage;
- Street cleaning and rubbish collection;
- Development planning and control; and
- Various environmental health services.

In response to community needs, Council also provides further services and programs including:

- Libraries;
- The Walkway Gallery and community art programs;
- Community centres;
- Economic development;
- Environmental programs;
- Tourism and visitor information;
- Community programs;
- Community Wastewater Management Schemes (CWMS);
- Wolseley Non-Drinking Water Scheme;
- Bordertown and Keith Swimming Facilities; and
- Bordertown Caravan Park and Hawke House.

Some Council services operate on a fee for service basis. These provide important community benefits, while also generating revenue for services and projects of benefit to the Tatiara district.

In all services, Council seeks to be responsive to changing needs. For the 2026/27 year, no changes to service levels are proposed and none were suggested during initial community engagement.

4. Measures of Success

We measure and monitor our performance on a regular basis to ensure we achieve our Strategic Plan 2024-2034 outcomes.

Key Planned Activities

Council will undertake a mid-year and end of year review of its progress towards completing Key Planned Activities. Council's performance target is to substantially complete at least 90% of the Key Planned Activities planned for that year. In 2026/27, 48 Key Planned Activities have been identified. The 2026/27 Objectives and Activities section of this plan provides detail on the proposed activities and measures.

Budget Reviews

Council undertakes monthly budget reporting, as well as three (3) detailed budget reviews required by the *Local Government Act 1999*. A final review of the audited financial statements compared to budget is prepared at the end of each financial year.

Key Financial Indicators

Key financial indicators provide a robust assessment of financial performance and sustainability. As part of its budget process, Council estimates its operating surplus ratio, net financial liabilities ratio and asset sustainability ratio.

To ensure long term financial sustainability, Council has set targets for Key Financial Indicators. These indicators help with Council's decision-making process as it strives to achieve and maintain a conservative surplus position over the long term, manage borrowings / debt level prudently, apply sound asset management principles and achieve intergenerational equity.

	2024/25 Actual	2025/26 Forecast	2026/27 Budget	5 year Target range	5 year Average ³
Operating surplus ratio %	16.3	-15.6	-7.62	Greater than 0	-0.8
Net financial liability ratio %	-107	-99	-51	Less than 65%	-77
Asset renewal ratio %	85	49	111	100%	100

³ 5 year averages reflect Long Term Financial Plan averages with 2026/27 as year one. The draft is applied to avoid the influence of carry forwards inflating expenditure.

The operating surplus ratio is slightly below the target, due one-off operating expenditure for the Digital Transformation Project, and Council's contribution to the new Telstra Towers. As these expenses have been budgeted in previous years and carried forward into 2026/27, it is reasonable to exclude them from rating corrections. A one-off allocation for additional fuel budget has also been included for 2026/27.

Past year operating ratios are influenced by payment timing from significant grant revenue, distorting the reflection.

Council's Key Financial Indicators⁴ and targets for 2026/27 are detailed in Appendix 1 – Financial Statements, with expanded detail within the Long Term Financial Plan.

Annual Report with Audited Financial Statements

Each year, Council reports to community on its financial, project and service performance through an Annual Report. Annual Reports are circulated to the community and are provided to the State Government for tabling as the official annual record of the past year's activities and performance of Council.

⁴ Financial Indicators have been calculated in accordance with Information Paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

5. Future and Long-Term Objectives

Our Strategic Plan 2024 - 2034 provides the roadmap to our Vision of the Tatiara as a **vibrant, prosperous and connected community** building its own opportunities.

This is at the heart of what we do. It describes the future and where we want to be. What the Tatiara could look like in ten years' time. Our long-term objectives are set out along three themes which contribute to achieving the community vision:

A strong community connecting people from diverse backgrounds and working together to create a vibrant place to live, work, play and invest.

A fantastic built and natural environment with excellent infrastructure to support our people and businesses, and flourishing green spaces enjoyed by our community and visitors alike.

A thriving economy building on our agricultural advantage, location and innovation to attract business growth and investment.

The fourth theme, **Leadership**, focuses on Council as an organisation and what is required for it to be effective in the various roles that it has in the community.

Key Planned Activities

Each year Council identifies a number of Key Planned Activities that set out what we will focus on in the coming year to help us achieve our strategic objectives for the Tatiara. These are detailed in the 2026/27 Objectives and Activities.

As well as undertaking the identified Key Planned Activities, Council is responsible for a number of ongoing activities and services. These also contribute towards achieving our objectives, ensuring legislative requirements are met, and respond to community expectations.

6. 2026/27 Objectives and Activities

The tables below describe our objectives for the financial year, the activities we intend to undertake to achieve those objectives, the measures we intend to use to assess our performance against our objectives, and the budgeted cost of undertaking the activities for the financial year. Business as usual activities may not be called out in this table, however no changes to service levels are proposed.

1. Strong Community	2. Built & Natural Environment	3. Thriving Economy	4. Leadership
1.1. Foster engaged communities with a shared vision and common purpose 1.2. Enable all members of our community to participate in a wide range of programs and activities 1.3. Promote lifelong learning 1.4. Continue to build a vibrant local arts and events scene 1.5. Support access to a diverse range of health and community services in the district 1.6. Support successful settlement outcomes	2.1 Preserve and enhance our communities' character and combination of rural landscape, scenic beauty, natural environment and heritage assets 2.2 Provide infrastructure and effective asset management that supports our district's growth 2.3 Provide sustainable waste management 2.4 Protect our natural environment for future generations and the enjoyment of local community and visitors	3.1 Advance our economic position as a strong, diverse and innovative regional centre 3.2 Support business development in the district 3.3 Grow the district's share in the visitor economy	4.1 Be an effective advocate for our community's interests 4.2 Provide strong leadership and transparent governance 4.3 Build an agile, cohesive, customer focused organisation that provides value for money 4.4 Promote Council as an employer of choice

Theme 1 – Strong Community

Goals What do we want to achieve?		Strategies How will we do it?		Activities What will we do this year?	Measures How will we assess our performance?	Budget Allocation 2026/27
1.1	Foster engaged communities with a shared vision and common purpose.	1.1.1	Facilitate Community Planning in the Tatiara's seven towns and settlements.	Pilot program for one community.	Pilot Program for one community completed.	
		1.1.2	Build the capacity of key 'town committees' to deliver community planning activities.	Promote grants through social media and quarterly newsletters. Seek opportunities for collaboration and consultation.	Newsletters circulated. Collaboration initiatives delivered.	
		1.1.3	Support communities to realise their vision and aspirations.	Provide a Community Grant Funding Program. Support community run halls with an annual operating contribution. Support identified senior citizens groups with an annual operating contribution. Support progress of the Padthaway Streetscape plan.	Grant funding allocated. Contributions to Community Halls funded. Contribution to Senior Citizens groups funded. Actions commenced in Padthaway.	\$163,750
1.2	Enable all members of our community to participate in a wide range of programs and activities.	1.2.1	Support sporting groups in the Tatiara to develop master plans for key sporting precincts.	Review status of current and outstanding masterplans and determine next steps.	Masterplans reviewed.	
		1.2.2	Facilitate strategic planning for community groups & facilities.	Commencement of strategic renewal and upgrade for the swimming pools.	Bordertown and Keith Pool safety upgrades completed.	\$395,000
		1.2.3	Build Council and community capacity to achieve external funding and philanthropic contributions.	Work with Connected and Active Communities program to attract grant and fundraising workshops. Contribute to Stand Like Stone.	External funding/ contributions for local community groups and initiatives.	\$13,300

Goals What do we want to achieve?		Strategies How will we do it?		Activities What will we do this year?	Measures How will we assess our performance?	Budget Allocation 2026/27
		1.2.4	Implement Disability Access and Inclusion Plan.	Completion of the inclusive play at Apex Park (funded 2025/26). Undertake accessibility improvements at Bordertown Caravan Park, as identified in the Asset Management Plan (also relates to 3.3.2).	Disability Access and Inclusion Plan actions complete. Apex Park improvements complete. Caravan Park improvements complete.	\$54,096
1.3	Promote lifelong learning.	1.3.1	Adapt library services to create a vibrant centre for community and learning.	Continue Library, Gallery and Community Programs. Youth support via Youth Week, Youth Opportunities partnership and local Chaplaincy donation. Continue to seek grant funding to expand delivery opportunities.	Community and learning activities facilitated. Youth Opportunities & Chaplaincy contributions funded. Grant applications submitted.	\$84,268
		1.3.2	Advocate for adequate Childcare services.	Collaborate with childcare and education providers, businesses, state and federal government to increase access to childcare across the Tatiara		
		1.3.3	Increase access to tertiary education and training.	Continue to advocate for study hub delivery.	Advocacy delivered.	
1.4	Continue to build a vibrant local arts and events scene.	1.4.1	Develop an ongoing program of events and activities.	Annual exhibition program with a balance of local and visiting artists. Deliver a varied program of workshops, classes, excursions and holiday activities for all ages.	Visitors to the Walkway Gallery. Exhibitions held. Workshops & events held.	\$38,050

Goals What do we want to achieve?		Strategies How will we do it?		Activities What will we do this year?	Measures How will we assess our performance?	Budget Allocation 2026/27
		1.4.2	Develop partnerships with other organisations, funding bodies and philanthropic organisations to deliver arts activities.	Major project - Intergenerational Art Festival. Prepare a prospectus outlining the Walkway Gallery's vision, programs, and community impact. Explore Deductible Gift Recipient status.	Intergenerational Art Trail held. Prospectus prepared. Report on Deductible Gift Recipient opportunity prepared.	
		1.4.3	Continue to develop and implement the Tatiara Cultural Plan.	Prepare a Public Art Strategy. Promote public art initiatives to the community to increase awareness and engagement.		
1.5	Support access to a diverse range of health and community services in the district.	1.5.1	Implement the Limestone Coast Regional Health Plan	Develop new Public Health Plan for Tatiara (statutory requirement).	Plan developed.	
		1.5.2	Advocate for appropriate health and community services.	Explore future rental options in Padthaway.	Lease in place.	
		1.5.3	Advocate for a range of housing options to suit all life stages.	See 3.1.3	Increase in available housing options.	
		1.5.4	Work collaboratively with other agencies to provide community transport.	Continued provision of vehicle for Community Transport (facilitated by Tailem Bend Community Centre Inc).	Transport services in place.	\$13,000
1.6	Support successful settlement outcomes.	1.6.1	Continue to develop and implement the Migrant Community Action Plan.	Celebrate diversity in community festivals, cultural events and religious observances.	Festivals and events facilitated.	

Goals What do we want to achieve?		Strategies How will we do it?		Activities What will we do this year?	Measures How will we assess our performance?	Budget Allocation 2026/27
		1.6.2	Build whole of community capacity.			
		1.6.3	Work collaboratively with other agencies, like the Migrant Resource Centre, to further settlement outcomes.	Progress ARC Linkage Project.	Local research activities undertaken.	

Theme 2 – Built & Natural Environment

Goals What do we want to achieve?		Strategies How will we do it?		Activities What will we do this year?	Measures How will we assess our performance?	Budget Allocation 2026/27
2.1	Preserve and enhance our communities' character and combination of rural landscape, scenic beauty, natural environment and heritage assets.	2.1.1	Improve township amenity through main street beautification and improvements to visitor facilities.	Engage with community and develop a street beautification plan for Bordertown. Implement Parks & Gardens Asset Management Plan Projects.	Plan developed. Projects delivered.	\$152,400
		2.1.2	Develop and implement a Tatiara Strategic Pathway Plan.	Review strategic pathway plan for upcoming priorities. Continuation of Mundulla to Bordertown path (jointly funded by the Australian Government Active Transport Fund and Tatiara District Council. Path along Naracoorte Road, Keith constructed.	Plan reviewed. Paths delivered.	\$330,002
		2.1.3	Promote the network of cycling and walking tracks in the district	Complete		

Goals What do we want to achieve?		Strategies How will we do it?		Activities What will we do this year?	Measures How will we assess our performance?	Budget Allocation 2026/27
		2.1.4	Promote township visual amenity and mitigate fire risk through effective education, inspection and enforcement.	Continue to work with owners of untidy blocks. Re-initiation of the Building Fire Safety Committee.	Blocks tidied. Committee established.	
2.2	Provide appropriate infrastructure that supports our district's growth.	2.2.1	Review transport network priorities to ensure safety risks and blackspots are addressed and the network supports and attracts economic growth.	Padthaway Road Widening (Supported by Special Local Roads Program Funding).	Work complete.	\$545,000
		2.2.2	Prepare and maintain infrastructure asset management plans.	Review and develop Asset Management Plans (AMPs) in line with schedule.	AMPs adopted.	
		2.2.3	Maintain, renew and upgrade infrastructure in accordance with asset management plans.	Programs for renewal, upgrade and maintenance as detailed in the AMP. Highlighted projects are detailed in Appendix 3.	Maintenance, renewal & upgrade programs delivered.	\$8,963,522
		2.2.4	Advocate for improved regional transport assets.	Advocate as priorities emerge.	Submissions prepared.	
2.3	Provide sustainable waste management.	2.3.1	Undertake a review of our waste and recycling services to increase diversion from landfill and local value adding options.	Prioritise review outcomes for implementation. Renewal of hardstand and Hooklift bins at waste transfer station.	Implementation plan delivered. Hooklift bins replaced.	\$52,000
2.4	Protect our natural environment for future generations and the enjoyment of local community and visitors.	2.4.1	Advocate for the protection of our natural assets through effective land management.	LAP implementation. Wild Dog & Pigeon Control		\$4,300
		2.4.2	Continue to support the Coorong Tatiara Local Action Plan (LAP).	LAP implementation.	Caring for Council contribution funded.	\$52,300

Goals What do we want to achieve?		Strategies How will we do it?		Activities What will we do this year?	Measures How will we assess our performance?	Budget Allocation 2026/27
				Mundulla Common Management.		
		2.4.3	Advocate for the protection and sustainable use of the district's water resources.	Continue Advocacy.		
		2.4.4	Explore, educate and champion more sustainable practices, including water and energy efficiency, storage and alternative electricity generation.	LAP implementation.		

Theme 3 – Thriving Economy

Goals What do we want to achieve?		Strategies How will we do it?		Activities What will we do this year?	Measures How will we assess our performance?	Budget Allocation 2026/27
3.1	Advance our economic position as a strong, diverse and innovative regional centre.	3.1.1	Implement Economic Development & Tourism Strategy.	Implement Economic Development & Tourism Strategy. Contribution towards Telstra Towers in Tatiara.	Economic Development & Tourism Strategy actions delivered. Telstra project complete.	\$208,473
		3.1.2	Provide suitable land and infrastructure for industry and economic development.	Progress of Industrial Estates in Bordertown & Keith. Commencement of land sale.	Industrial land for sale or sold.	\$1,629,350
		3.1.3	Advocate and promote opportunities for housing investment.	Progress of Ramsay Terrace Sub-division. Commencement of land sale.	Ramsay Terrace allotments for sale or sold.	\$4,059,365
3.2	Support business development in the district.	3.2.1	Provide business support through regulatory services, reduction of red tape, development of infrastructure, incentives or business grants.	Continue investment in Regional Development Association Limestone Coast. Provision of Land and Housing for growth see 3.1.	Regional Development Association contribution funded. Provision of Land.	\$15,000
		3.2.2	Engage with business and industry to inform economic development.	Organise & deliver educational session for the local community. Continue to support employment expo.	Session held. Expo held.	
3.3	Grow the district's share in the visitor economy.	3.3.1	Review RV facilities in the district and support ongoing improvements.	Complete.		
		3.3.2	Provide appropriate visitor services and accommodation at the Bordertown Caravan Park.	Implementation of year one Asset Management Plan initiatives. Progress of internal review of	Asset management plan initiatives completed.	\$33,500

Goals What do we want to achieve?		Strategies How will we do it?		Activities What will we do this year?	Measures How will we assess our performance?	Budget Allocation 2026/27
				operational model, with consideration of valuation outcome.	Business review complete.	
		3.3.3	Maximise opportunities for collaboration/linkage with Limestone Coast Tourism.	Continue to support delivery of key events through in-kind assistance. Identify opportunities to attract one regional touring event. Provide active marketing and promotion for Tourism within the district. Temporary activations with local businesses and community groups to engage visitors travelling through the district during major events such as LIV Golf, Tour Down Under and Gather Round.	Regionally significant events hosted in the Tatiara. Temporary activations completed.	\$33,300

Theme 4 - Leadership

Goals What do we want to achieve?		Strategies How will we do it?		Activities What will we do this year?	Measures How will we assess our performance?	Budget Allocation 2026/27
4.1	Be an effective advocate for our community's interests	4.1.1	Develop an Advocacy Strategy highlighting matters and initiatives of strategic importance to the district and region	Continue to monitor events and actively seeking networking and engagement opportunities for key district issues, e.g., Housing, Childcare, Growth, Water.	Events attended. Submissions prepared.	
4.2	Provide strong leadership and transparent governance	4.2.1	Improve communication with all our stakeholders – internal & external	Continue proactive engagement with community. Limestone Coast LGA membership.	Newsletters prepared and meetings attended.	\$47,300
		4.2.2	Review Council's social media presence	Process mapping of Social Media framework and procedural development. Explore IT Community Engagement Tool.	Social media strategy developed	
4.3	Build an agile, cohesive, customer focused organisation that provides value for money	4.3.1	Implement systems and programs that support effective management of assets, finances and operations	Go Live with Magiq & Element Time software. Approach market for modern Asset Management System. Complete annual revaluation program. Upgrade fuel distribution equipment and tracking.	Rollout of new ERP completed. Procurement of Asset Management System. Asset revaluations completed. Fuel system installed.	\$500,000* <i>(*Budget carried forward from 2025/26)</i> \$64,500
		4.3.2	Review Council's organisational structure to ensure Council is adequately resourced and has the right skills matrix to deliver the projects and objectives outlined in the Strategic Plan	Roll out of updated HR process. Deliver training across organisation for new ERP.	Training delivered.	

Goals What do we want to achieve?		Strategies How will we do it?		Activities What will we do this year?	Measures How will we assess our performance?	Budget Allocation 2026/27
		4.3.3	Investigate cultural change program driving efficiencies	Progressive implementation of modern processes (opportunities realised from ERP)	Procedures established and internal control policies updated.	
4.4	Promote Council as an employer of choice	4.4.1	Pursue innovative opportunities for learning, professional development and succession planning	Provide career development and training opportunities	Opportunities identified.	
		4.4.2	Protect employee's health and safety in the workplace	Review of training plans and development of training requirement register. Regular Health & Safety meetings Ongoing promotion of the annual health check, skin cancer screening, immunisation etc. Review of EAP program.	Uptake of safety and wellbeing initiatives.	
		4.4.3	Provide a supportive environment that promotes a healthy work/life balance	Continual implementation of balanced practices, including management of psychosocial risks.	Stable staff turnover rate Staff satisfaction survey	

7. Finances

Budget Summary 2026/27

Appendix 2 – Budget Detail provides the proposed income and expenditure across Council's eleven program areas. Further detail about specific operating and capital projects is provided in Appendix 3. The following paragraphs provide an overview of the different components of Council's budget and a comparison with the previous financial year.

Operating Budget

Operating expenses of \$23,419,014 will be funded by operating revenue of \$21,759,970, resulting in a deficit of \$1,659,044 in 2026/27. Council has forecast rate increases in the Long Term Financial Plan, projecting achievement of the Operating Surplus Key Financial Indicator over a 5 year period.

The current deficit is made up of two main components:

- significant non-recurrent projects, which have been carried forward (see Operating Expenditure below); and
- the impacts of previous rates below expenditure, over time.

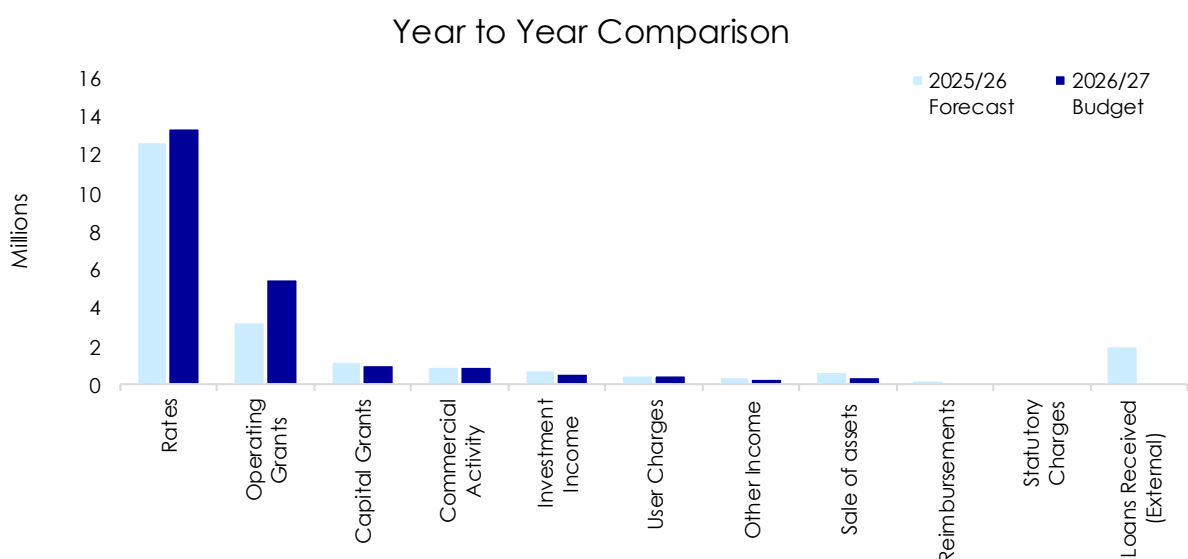
Each year, Council balances the cost of service delivery with the impacts on rate payers. With the cost of living pressures and uncertainty in economic conditions Council is setting a conservative return to surplus over 5 years to ensure the long-term sustainability of the district, with maintained services and predictable rates increases.

Comprehensive Revenue

Council receives income from several sources, with rate revenue representing approximately 58% of total revenue. Rate revenue includes rebates, the Regional Landscape Levy, remissions and fines.

Year on year, the revenue profile for Council is stable. Annual fluctuations will occur due to the timing of Federal Assistance Grants. The reduction shown for 2025/26 was due to payments for that year being received in June 2024. In all future budgets, timing of receipt is assumed to be within the year of entitlement. This methodology has been applied to annual and long term budget forecasts.

%	Category	2025/26 Forecast \$	2026/27 Budget \$	Variance \$	Variance %
58%	Rates	12,727,263	13,479,753	752,490	6%
24%	Operating Grants	3,330,830	5,552,667	2,221,837	67%
5%	Capital Grants	1,189,646	1,078,024	(111,622)	-9%
4%	Commercial Activity	956,240	996,200	39,960	4%
3%	Investment Income	788,836	625,100	(163,736)	-21%
2%	User Charges	487,905	464,550	(23,355)	-5%
2%	Sale of Assets	709,045	380,500	(328,545)	-46%
1%	Other Income	412,030	332,900	(79,130)	-19%
1%	Reimbursements	195,798	183,800	(11,998)	-6%
1%	Statutory Charges	129,800	125,000	(4,800)	-4%
0%	Loans Received (External)	2,000,000	0	(2,000,000)	-100%
100%	Total Revenue	22,927,393	23,218,494	291,101	



Rates

Rates revenue reflects all rates related revenues, including service charges, the Regional Landscape Levy and rebates/remissions. Additional detail on rates can be found in the following sections of this report:

- 8. Council Rates and Property Values Explained
- Appendix 5 - Rating Policy

Statutory Charges

The statutory charges include planning and development fees set by State Government. In recent years, the total has been influenced by significant private industrial developments. The 2026/27 forecast is lower to reflect a reduction in this activity.

User Charges

User charges include hall hire fees, pool attendance fees, waste transfer station fees, cemetery charges, use of the truckwash and camping fees from the Bordertown Recreation Lake. It is expected that income in 2026/27 will be stable when compared to previous years.

Operating Grants & Capital Grants

Council receives regular Federal assistance grant funding, as well as baseline funding from State Government through the Grants Commission. Both funding sources are stable and significantly support Council operations. The 2026/27 budget reflects 100% of the annual allocations, however the timing for receipt of these grants can vary. The 2025/26 Federal Assistance Grant was actually received in June 2024, impacting on the comparative figure shown here.

Capital grants are budgeted for known or likely contributions. They relate to completion of specific projects and often support upgrade of our assets, such as the development of the Keith Industrial Estate and the sale of 5 allotments from the Ramsay Terrace housing development to the State Government.

Investment Income

Council uses its cash balance to reduce the need for loans, as well as supporting the operating budget by earning interest. In 2026/27, a reduced cash balance is forecast due to continued capital investment, such as the land development projects. This reduces the immediate income available from interest. The long term forecast is for land sales to replenish cash balances.

Investment income is estimated with interest rate forecasts the Reserve Bank of Australia, and year end cash balances (excluding carry forward duplication)

Reimbursement

This section includes recovery of fuel rebates, community loan interest and private works. Insurance claims may also reflect here from year to year. The slight reduction in forecast reimbursement has no overall impact on the budget as the income directly relates to expenditure.

Commercial Activity

Primarily driven by accommodation services at the Bordertown Caravan Park, the current estimates are based on continuation of occupancy at present levels. It is of note that the cost of living and fuel prices have the capacity to influence this revenue line, as household discretionary spending reduces. These impacts are likely to be offset by reduced expenses if they are realised longer term.

Other income

Commissions from third parties, revenues received on behalf of other entities such as Services SA and other revenues are forecast here.

Sale of Assets

Trade-in of plant and machinery at renewal.

Loans received

No new loans are proposed in 2026/27.

Operating Expenditure

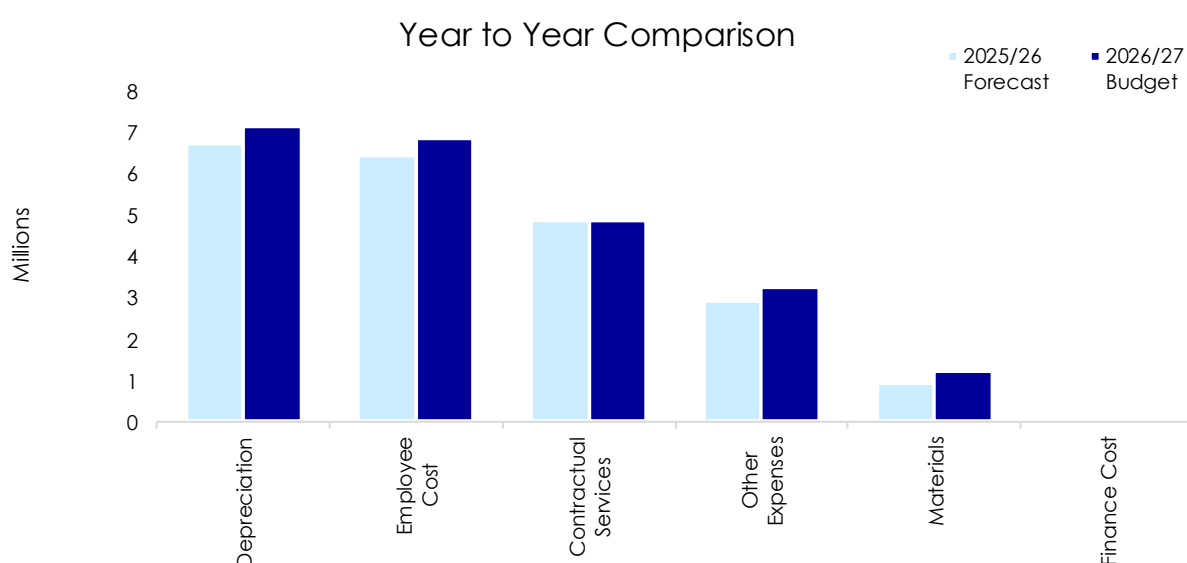
Council's operating expenditure is distributed across 6 reportable components. Distributions vary slightly from year to year, depending on the nature of projects and priorities for Key Activities.

Carried forward expense from previous years, that are shown in the operating expenditure include:

- ICT Digital Transformation Project \$500k (transfer from 2025/26) shown in Employee Costs and Contractual Services;
- Council contribution to new Telstra Towers \$200k (transfer from 2024/25) shown in Other Expenses
- Various other in progress projects from 2025/26 \$100k

The other significant factor impacting the variance between 2025/26 and 2026/27 is the change to depreciation forecasting as required by ESCOSA.

%	Category	2025/26 Forecast \$	2026/27 Budget \$	Variance \$	Variance %
31%	Depreciation	6,737,750	7,151,750	414,000	6%
29%	Employee Cost	6,464,779	6,875,674	410,896	6%
21%	Contractual Services	4,858,531	4,873,565	15,034	0%
14%	Other Expenses	2,937,303	3,256,938	319,635	11%
5%	Materials	950,190	1,215,567	265,377	28%
0%	Finance Cost	45,760	45,520	(240)	-1%
100%	Total	21,994,313	23,419,014	1,424,701	



Wages & Salaries

The 2026/27 budget reflects a stable organisational structure. The percentage of salaries as a proportion of operating expenditure has remained stable, around 30% over the last five years. Two enterprise bargaining agreements were adopted in 2025, which provide for wages and salary increases of 3.5% or CPI, whichever is the greater.

A temporary increase in human resources is forecast for the implementation of the ICT project and is captured in the project budget. This is also reflected in reduced contract expenditure below.

Contractual Services

Across most operational budgets, contract expenses are expected to be consistent with previous year, with commitments linked to CPI increases. Fuel price volatility does introduce risk to these forecasts and will be managed on a case by case basis. The slight reduction in the total between 2025/26 and 2026/27 is due to the transfer from contract to employee costs for the ICT project implementation.

Materials

This expense relates predominantly to fuels and oils, chemicals, cleaning consumables, rubble and maintenance supplies. Many are costed across specific operating jobs. A provision for escalated fuel expense is captured in materials, reflecting \$250,000 of the projected shift.

Other Expenses

The one-off allocation of operational funding to the new Telstra Towers is the main reason for the increase in the budget for 2026/27. This expense is carried forward from 2024/25. Other expenses also include utilities, legal fees and corporate costs such as insurance, advertising, training, Fringe Benefits Tax, community development projects, councillor allowances and software. Payments to other organisations where Council collects funds on their behalf is also captured here, this includes the transfer of the Regional Landscape Levy and Service SA funds to State Government.

Finance Costs

Council uses its cash balance to reduce the need for loans, as well as supporting the operating budget by earning interest. This results in very few costs associated with external finance.

Depreciation

In response to the 2025 ESCOSA report on Council's financial sustainability, Council has implemented improvements to depreciation forecasts. Asset Management Plans are being updated to provide depreciation schedules, which will guide annual budgets. During the transition phase, where this information is not yet available, asset classes have been indexed based on the actuals from the year prior. Further information regarding the depreciation forecasting is available in the Long Term Financial Plan.

Capital Budget

Capital expenditure of \$11,108,894 will be funded through grants, general rates and cash reserves. Of this, \$4,251,470 is allocated for the renewal of existing assets.

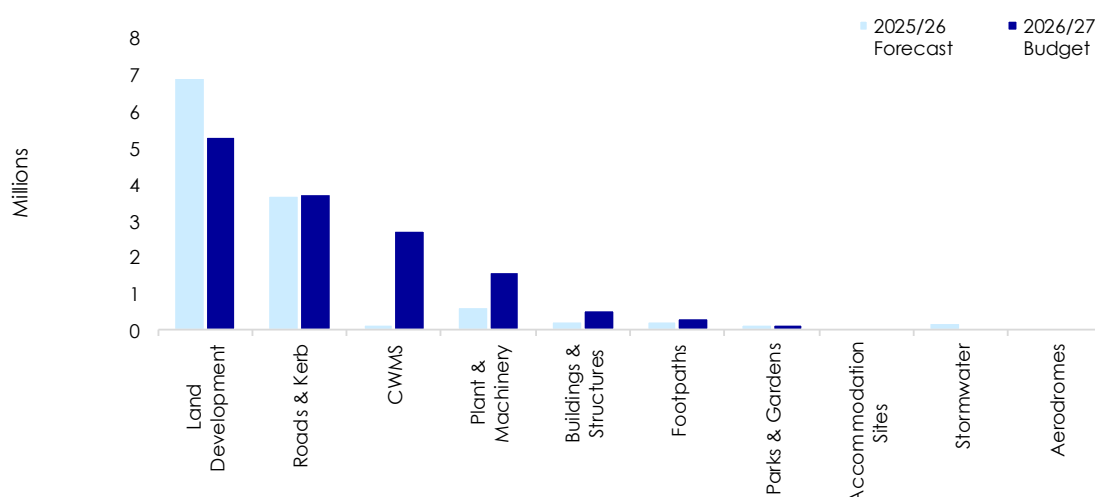
Confirmed or likely capital grants totalling \$1,078,024 have been included in the budget. Significant grant funding includes:

- Special Local Roads Program: \$364,000
- Thriving Regions Fund - Enabling Infrastructure Program: \$160,000
- Renewal SA – Ramsay Terrace Stage 1 Land Purchase: \$499,224
- Australian Government Active Transport Fund: \$47,300

The detailed Capital projects can be found in Appendix 2 – Budget Detail.

%	Category	2025/26 Forecast \$	2026/27 Budget \$	Renewal \$
36%	Land Development	6,948,186	5,351,215	0
26%	Roads & Kerb	3,716,323	3,769,486	2,653,686
19%	CWMS	169,824	2,752,539	188,800
11%	Plant & Machinery	663,875	1,596,478	1,596,478
4%	Buildings & Structures	258,079	573,528	537,719
3%	Footpaths	252,903	367,502	0
1%	Parks & Gardens	152,406	178,501	77,405
0%	Accommodation Sites	29,400	49,500	0
0%	Stormwater	234,000	37,500	0
0%	Aerodromes	23,723	8,000	8,000
100%	Total	12,448,719	14,684,249	5,062,088

Year to Year Comparison

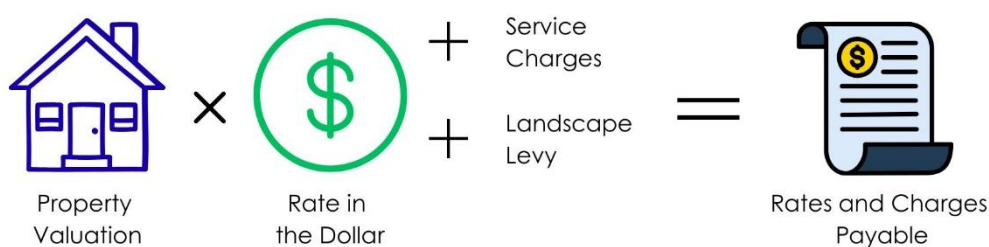


8. Council Rates and Property Values Explained

Council's strategic planning framework has been developed in conjunction with the community and is the basis for establishing rates. The rate revenue is determined by considering what Council has committed to deliver through strategic and asset management plans, and how this can be funded responsibly with long term financial stability.

Council recognises that rating predictability provides assurance and confidence to ratepayers. The annual review of Council's Long Term Financial Plan and the development of the Annual Business Plan provide Council and community the opportunity to consider current and future funding needs to deliver services.

HOW RATES ARE CALCULATED



Long Term Financial Sustainability

The ESCOSA Advice supported Council's proposed long term approach to financial sustainability. The approach includes commitments to Key Financial Indicators, including an average operating surplus over 5 years.

Over the past five years, Council has minimised the impact of rates on households and businesses by keeping cumulative rates increases below CPI, though the cost of delivering community services has been well above CPI. This has left a funding gap for existing services.

The current rating outlook provides a smoothed recovery for additional rating revenue over 5 years, to ensure Council remains financially sustainable. The first step in this correction is very modest, at 0.8% to account for the high level of CPI March 2026. More information on the long term forecast is available in the Long Term Financial Plan.

In 2026-27 it is anticipated that 58% of total income will come from rates. General revenue is proposed to be increased in 2026/27 by **5.7% + Growth**.

The rating revenue required is influenced by 3 main factors:

1. Consumer Price Index (CPI) – A key factor influencing Council's expense base.
CPI contributes 4.9% to the rates increase.
2. Long Term Sustainability correction –**Sustainability correction contributes 0.8% to the rates increase.**
3. Growth Factor – Newly created properties require incoming services; a growth factor supports distribution of the increased need to the new population. Growth is determined by the number of rateable properties, not valuations.
Growth contributes 0.40% to the rates increase.

In setting rates, we consider valuation movements and develop rate models to determine the likely impact on individual properties. Appendix 4 – Statement on Expected Rate Revenue and Appendix 5 - Rating Policy, provide further detail on the methodology and impact of general rates.

Rating Structure

The overall structure of our Rating Policy is very similar to the 2025/26 approach and includes:

- A differentiated general rate
- A minimum rate
- A rate cap at 8% (for eligible properties)
- Kerbside Waste Collection Service Charges
- CWMS Service Charges
- Regional Landscape Levy (State revenue, collected through Council)

Valuations and Rate Modelling

We base our rating on the property valuations provided by the Office of the Valuer-General. The Valuer-General provides a value⁵ for every property in South Australia annually, which takes effect from 1 July.

⁵ Valuation of Land Act 1971

Increases in property valuation or Capital Value (CV) do not increase the total amount of rates that Council receives, however it does impact the proportion of rates paid by an individual ratepayer.

Rates modelling is undertaken annually to ensure that the impacts on the community are considered prior to adoption of the annual budget and decisions are aligned with the Rating Policy.

The Valuer-General provides updated valuations to local government weekly. This annual business plan has been calculated based on Capital Valuations for 2026/27 as released on 21/06/2026, with a total \$5,586,380,780, of which \$79,495,780 are non-rateable properties.

Rate Differential (Land Use)	2025/26 CV \$	2026/27 CV ⁶ \$	% Valuation Shift
Primary Production	4,242,242,600	4,448,086,038	5%
Residential, Vacant & Other	828,737,279	863,551,235	4%
Commercial & Industrial	169,790,761	195,247,727	15%
Total	5,240,770,640	5,506,885,000	

Differential General Rates

Council's differential model is based on distributing the rate burden between the land use categories shown below.

Rate Differential (Land Use)	Percent CV	Percent Rates	Rates to be Raised \$
Primary Production	81%	70%	7,388,429
Residential, Vacant & Other	16%	25%	2,638,728
Commercial & Industrial	3%	5%	527,744
Total	100%	100%	10,554,901

⁶ Issued by the Valuer General, these figures will change as updates are provided leading into budget adoption.

For 2026/27, Council proposes the following differential rates:

- **0.302422** cents in the dollar for properties with a land use of Residential, Vacant Land and Other;
- **0.290877** cents in the dollar will be charged against properties where the land use is Commercial – Shop, Commercial – Office, Commercial – Other, Industry – Light and Industry – Other;
- **0.166525** cents in the dollar will be charged against properties where the land use is Primary Production.

Small variances due to updated valuations are expected between the release of the draft plan for consultation and adoption of the Annual Business Plan and Budget.

Impact of proposed rates

The impact on the average property⁷ in each rating category is modelled below. This table reflects general rates only. Waste, CWMS and Landscape Levy will also apply.

Rate Differential (Land Use)	Number of Properties	Average Rates 2025/26	Average Rates 2026/27	Average Increase for 2026/27
Primary Production	1,787	\$3,906	\$4,135	\$229
Residential, Vacant & Other	2,640	\$945	\$1,000	\$55
Commercial & Industrial	349	\$1,454	\$1,512	\$58

You can find more information and a comparison between 2025/26 and 2026/27 in Appendix 4 – Statement on Expected Rate Revenue.

⁷ Average property is calculated by the total rates revenue divided by the number of properties. Individual properties will vary from this calculation.

Minimum Rate

For 2026/27 Council has increased the minimum rate to \$655, an increase of \$35 per year compared to \$620 in 2025/26.

The minimum rate is levied against the whole of an allotment (including land under a separate lease or licence) and only one minimum rate is levied against two or more pieces of adjoining land (whether intercepted by a road or not) if the same owner owns them and they are occupied by the same occupier.

During the most recent rating review, the minimum rate was modelled to have a lesser proportionate impact on lower income earners than a fixed charge rate system.

Rate Capping

Rate capping will automatically apply at 8% for eligible properties.

Exemptions from capping eligibility apply where:

- The property has been acquired by the principal ratepayer after 30 June 2024; or
- The increase in the general rates payable is due in whole or in part to an increase in the valuation of the property attributable to improvements made to it, and valued in excess of \$25,000; or
- The general rates payable in respect of an Assessment for the financial year ended 30 June 2027 is equal to or less than the minimum rate payable as declared by Council for the 2025/26 financial year; or
- The increase in the general rates payable is due in whole or in part to an increase in the valuation of the property attributable to a change in the zoning of the land under the *Planning, Development and Infrastructure Act 2016*; or
- Pursuant to section 166(3a) of the *Local Government Act 1999*, the principal rate-payer in respect of an Assessment has received a rebate of rates in respect of that Assessment, pursuant to section 166(1)(l)(ii) of the *Local Government Act 1999* for the preceding three years.

Changes to rate capping

For 2026/27, the eligibility criteria for rate capping has changed, with the removal of eligibility for sub-divided land, held by the same owner. The change is based on the inability to apply the automatic rebate that was outlined in the previous business plan.

Rather than an automatic rebate, land developers seeking a rebate of rates are directed to Council's Rate Rebate Policy and may apply for consideration. Appendix 5 - Rating Policy, provides detail on eligibility criteria for rebates and capping.

Community Wastewater Management Scheme (CWMS) Service Charge

Council maintains four CWMS across the townships of Bordertown, Keith, Mundulla and Wolseley. The establishment of the annual service charge for occupied and vacant connections, and the assessment of connection counts, is aligned with the Local Government Association CWMS Pricing Principles⁸, and the CWMS Property Units Code.⁹ In 2026/27 the fees will be:

- **CWMS (Occupied): \$420 per connection unit** compared to \$400 in 2025/26.
- **CWMS (Vacant): \$194 per connection unit** compared to \$184 in 2025/26.

Kerbside Waste Collection

Council transitioned to direct delivery of kerbside waste collection in 2024/25 to control inflationary pressures that the contractor market was experiencing. Waste collection charges are set using full cost recovery pricing and have been raised by 4.9% aligned with CPI.

- **Waste Collection Service Charge: \$545 per service** compared to \$515 in 2025/26.

⁸ CWMS Accounting Principles – The Costing and Pricing of CWMS, October 2025

⁹ Local Government (General) regulations 2013 – reg 12.

Regional Landscape Levy

The Regional Landscape Levy, previously known as the Natural Resources Management (NRM) Levy, is a State Tax. The *Landscape South Australia Act 2019* requires local government to collect the levy on all rateable properties on behalf of the State Government. The total amount will be payable to the Limestone Coast Landscape Board, less the amount prescribed under the *Landscape South Australia Act 2019* for collection costs.

The land based Regional Landscape Levy in 2026/27 will be a fixed charge, based on Land Use Code:

Land Use	2025/26	2026/27
Residential, Vacant & Other	\$96.80	\$99.20
Commercial	\$156.40	\$152.00
Industrial	\$225.00	\$223.20
Primary Production	\$410.80	\$429.20

Methods and Frequency of Payments

The *Local Government Act 1999* provides that rates are payable in four quarterly instalments. The quarterly instalments must be approximately equal in value and a rate notice in relation to each instalment must be sent at least 30 days and no more than 60 days before payment is due. The due dates for instalments for 2026/27 will be:

- Tuesday 01 September 2026
- Tuesday 01 December 2026
- Monday 01 March 2027
- Tuesday 01 June 2027

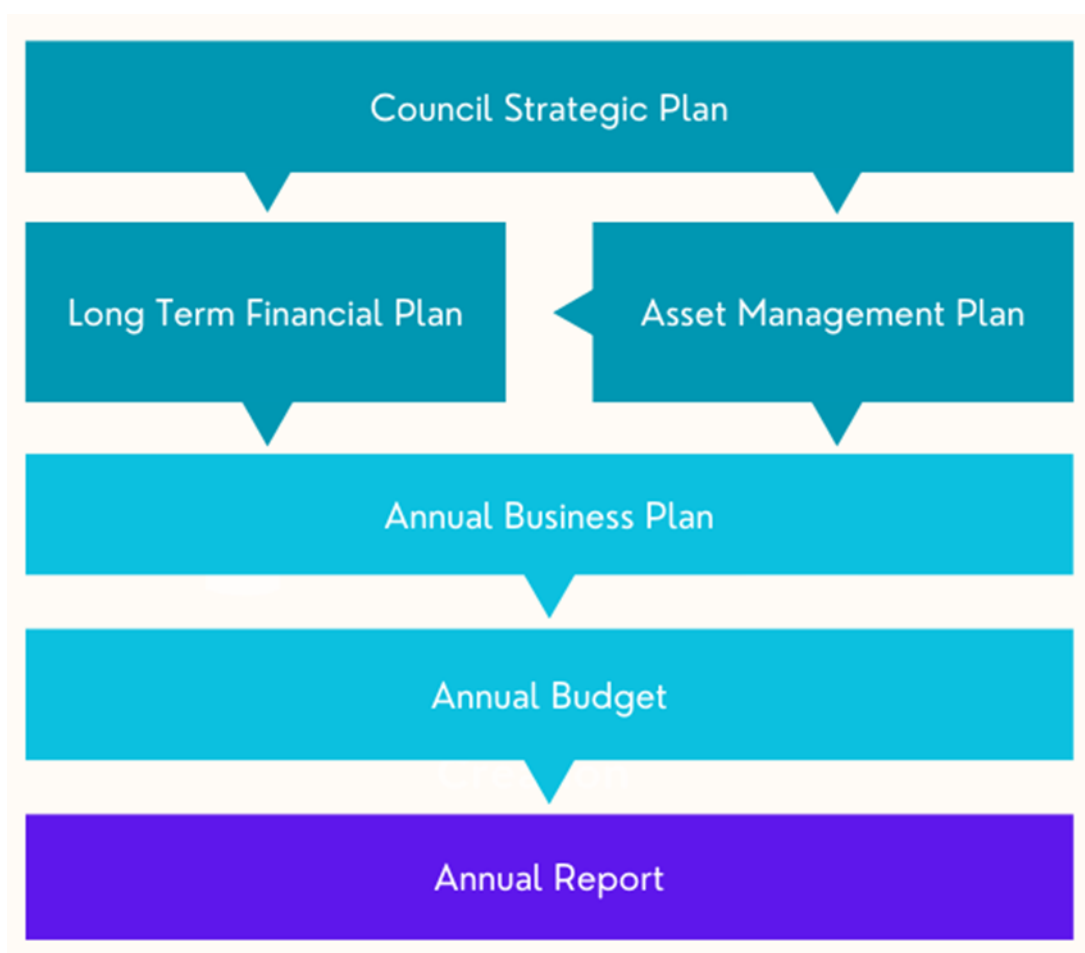
Council continues to provide a wide variety of payment methods, including:

- Direct Debit: Weekly, Fortnightly, Monthly, Quarterly and Annual options available;
- BPay;
- Centrepay: Establish direct payment from a pension/allowance;
- Post: PO Box 346, Bordertown SA 5268
- In Person: Payment can be made in person at Tatiara District Council Offices between the hours of 8.30 am and 5.00 pm, Monday to Friday.
 - Bordertown Council Office: 43 Woolshed Street, Bordertown SA 5268
 - Keith Council Office: 34 Hender Street, Keith SA 5267
- Direct Credit: Large land holders may be eligible for payment by EFT, please email office@tatiara.sa.gov.au to request.

9. Long-Term Financial Planning

Strategic Framework

The Annual Business Plan and Budget are the short-term guides for implementation of the long term aspirations of Council. The *Local Government Act 1999* specifies the strategic framework and how the plans inform each other.



Long Term Financial Plan

The Long Term Financial Plan is designed to provide high level financial information and direction for the next ten-year period and enables Council to plan for the financial sustainability of the organisation.

- The 2024/25 to 2033/34 Long Term Financial Plan was adopted by Council in October 2024.
- The 2025/26 plan has been prepared in conjunction with and to inform the preparation of the 2026/27 budget.

Asset Management Plans

Council is responsible for the management, operation and maintenance of a substantial asset portfolio totalling more than \$330m of infrastructure, property and plant/equipment.

Council aspires to maintain community assets at agreed service levels, maximising value throughout their lifespan. These assets, including roads, footpaths, buildings, and playgrounds, support current and future generations. Council is working towards best practice in asset management, considering performance, risks, funding, and compliance with legislative and policy requirements. Assets must be resilient and adaptable to future needs and climate impacts, such as increased bushfires, heatwaves, and flooding. New asset management plans consider climate resilience, and addressing risks cost-effectively. Council aims to optimise spending on asset maintenance, renewal, and creation, balancing affordability and technological advancements to enhance community quality of life

Our Asset Management Plans indicate the resources required for maintenance and renewal programs. They allow us to consider our strategic and legislative responsibilities, while providing for the needs of our community.

Section 122 of the *Local Government Act 1999* prescribes that Council must have a long term Infrastructure and Asset Management Plan to guide the future replacement, renewal and maintenance of our significant fixed asset base. These plans guide the development of Council's Long Term Financial Plan and Annual Business Plan and Budget.

Appendix 1 – Financial Statements

TATIARA DISTRICT COUNCIL - FINANCIAL STATEMENTS

FUNDING RECONCILIATION STATEMENT

	AUDITED ACTUAL 2024/25 \$	BR3 FORECAST 2025/26 \$	ADOPTION BUDGET 2026/27 \$
OPERATING ACTIVITIES			
EXPENDITURE			
Wages and Salaries	6,283,000	6,464,779	6,875,674
Contractual Services	7,327,000	4,858,531	4,873,565
Materials	-	950,190	1,215,567
Interest Payable	39,000	45,760	45,520
Depreciation	6,262,000	6,737,750	7,151,750
Loss on Disposal of Assets	996,000		
Other	-	2,937,303	3,256,938
TOTAL EXPENDITURE	20,907,000	21,994,313	23,419,014
<i>less provisions & depreciation & non cash items</i>	<i>6,262,000</i>	<i>6,737,750</i>	<i>7,151,750</i>
TOTAL CASH EXPENDITURE	14,645,000	15,256,563	16,267,264
INCOME			
Rate Revenue	12,320,000	12,727,263	13,479,753
Statutory Charges	180,000	129,800	125,000
User Charges	1,488,000	487,905	464,550
Grants and Subsidies	7,700,000	3,330,830	5,552,667
Interest Received	1,227,000	788,836	625,100
Donations			
Reimbursements	489,000	195,798	183,800
Commercial Activity Income	-	956,240	996,200
Other	387,000	412,030	332,900
TOTAL INCOME	23,791,000	19,028,702	21,759,970
CHANGE IN COMMUNITY WEALTH FROM OPERATIONS	9,146,000	3,772,139	5,492,706
CAPITAL & NON-OPERATING			
CAPITAL & NON-OPERATING EXPENDITURE			
ASSET MANAGEMENT PLAN EXPENDITURE	4,156,000	5,087,190	4,187,500
Loan Principal Repayments	173,000	2,105,382	44,050
Capital Expenditure - Renewal	3,766,000	3,193,058	5,062,088
Capital Expenditure - New & Upgrade	2,911,000	9,255,661	9,622,161
Transfers to Reserves	1,282,000	379,263	500,000
TOTAL CAPITAL & NON-OPERATING EXPENDITURE	8,132,000	14,933,364	11,040,799
NON-OPERATING INCOME			
Loans Received		2,000,000	
Sale of Capital assets	246,000	709,045	380,500
Capital Grants & Subsidies	683,000	1,189,646	1,078,024
Transfers from Reserves	136,000	7,134,900	2,251,425
TOTAL NON-OPERATING INCOME	1,065,000	11,033,591	3,709,949
BUDGET NET FUNDING SURPLUS/(DEFICIT)	2,079,000	(127,634)	(1,838,144)

TATIARA DISTRICT COUNCIL - FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

	AUDITED ACTUAL 2024/25 \$	BR3 FORECAST 2025/26 \$	ADOPTION BUDGET 2026/27 \$
INCOME			
Rates	12,320,000	12,727,263	13,479,753
Statutory Charges	180,000	129,800	125,000
User Charges	1,488,000	1,444,145	1,460,750
Grants Subsidies and Contributions	7,700,000	3,330,830	5,552,667
Investment Income	1,227,000	788,836	625,100
Reimbursements	489,000	195,798	183,800
Other	387,000	412,030	332,900
Share of profit - joint ventures and associates	-	-	-
TOTAL INCOME	23,791,000	19,028,702	21,759,970
EXPENSES			
Wages and Salaries	6,283,000	6,464,779	6,875,674
Materials, Contracts & Other expenses	7,327,000	8,746,024	9,346,070
Finance Costs	39,000	45,760	45,520
Depreciation, Amortisation & Impairment	6,262,000	6,737,750	7,151,750
Share of loss - joint ventures & associates	-	-	-
TOTAL EXPENSES	19,911,000	21,994,313	23,419,014
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	3,880,000	(2,965,611)	(1,659,044)
CAPITAL INCOME			
Net gain (loss) on disposal or revaluation of assets	(996,000)	-	-
Amounts specifically for new or upgraded assets	683,000	1,189,646	1,078,024
Physical resources received free of charge	-	-	-
NET SURPLUS/(DEFICIT)	3,567,000	(1,775,965)	(581,020)
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income	-	-	-
Changes in Revaluation Surplus	2,883,000	-	-
TOTAL COMPREHENSIVE INCOME	6,450,000	(1,775,965)	(581,020)

TATIARA DISTRICT COUNCIL - FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

	AUDITED ACTUAL 2024/25 \$	BR3 FORECAST 2025/26 \$	ADOPTION BUDGET 2026/27 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Operating Receipts	21,989,000	18,239,866	21,134,870
Investment Receipts	1,227,000	788,836	625,100
PAYMENTS			
Operating payments to suppliers & employees	(15,071,000)	(15,210,803)	(16,221,744)
Finance Payments	(44,000)	(45,760)	(45,520)
NET CASH FROM OPERATING ACTIVITIES	8,101,000	3,772,139	5,492,706
CASH FLOWS FROM INVESTING ACTIVITIES			
RECEIPTS			
Grants specifically for new or upgraded assets	2,061,000	1,189,646	1,078,024
Sale of Assets	246,000	709,045	380,500
Repayments of loans by community groups	29,000		
PAYMENTS			
Loans made to community groups	50,000	-	
Capital Expenditure	(6,677,000)	(12,448,719)	(14,684,249)
NET CASH FROM INVESTING ACTIVITIES	(4,291,000)	(10,550,028)	(13,225,725)
CASH FLOWS FROM FINANCING ACTIVITIES			
RECEIPTS			
Proceeds from Borrowings	3,000	2,000,000	-
PAYMENTS			
Repayment of Borrowings	(173,000)	(2,105,382)	(44,050)
NET CASH USED IN FINANCING ACTIVITIES	(170,000)	(105,382)	(44,050)
NET INCREASE (DECREASE) IN CASH HELD	3,640,000	(6,883,271)	(7,777,069)
CASH AT BEGINNING OF YEAR	22,750,000	26,390,000	19,506,729
CASH AT END OF YEAR	26,390,000	19,506,729	11,729,660

TATIARA DISTRICT COUNCIL - FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

	AUDITED ACTUAL 2024/25 \$	BR3 FORECAST 2025/26 \$	ADOPTION BUDGET 2026/27 \$
CURRENT ASSETS			
Cash and cash equivalents	26,390,000	19,506,729	11,729,660
Trade & other receivables	1,050,000	1,050,000	1,050,000
Inventories	1,179,000	1,179,000	1,179,000
Other Financial Assets	-	-	-
SUB TOTAL	28,619,000	21,735,729	13,958,660
Non-Current Assets held for Sale	-	-	-
TOTAL CURRENT ASSETS	28,619,000	21,735,729	13,958,660
NON-CURRENT ASSETS			
Financial Assets	291,000	291,000	291,000
Equity accounted investments in Council businesses	-	-	-
Investment Property	-	-	-
Infrastructure, Property, Plant & Equipment	228,756,000	233,757,924	240,909,923
Other Non-current Assets	-	-	-
TOTAL NON-CURRENT ASSETS	229,047,000	234,048,924	241,200,923
TOTAL ASSETS	257,666,000	255,784,653	255,159,583
CURRENT LIABILITIES			
Trade & Other Payables	737,000	737,000	737,000
Borrowings	91,000	91,000	91,000
Short-term Provisions	1,152,000	1,152,000	1,152,000
Other Current Liabilities	-	-	-
SUB TOTAL	1,980,000	1,980,000	1,980,000
Liabilities relating to Non-current Assets held for Sale	-	-	-
TOTAL CURRENT LIABILITIES	1,980,000	1,980,000	1,980,000
NON-CURRENT LIABILITIES			
Trade & Other Payables	-	-	-
Long-term Borrowings	-	(105,382)	(149,432)
Long-term Provisions	188,000	188,000	188,000
Other Non-current Liabilities	-	-	-
TOTAL NON-CURRENT LIABILITIES	188,000	82,618	38,568
TOTAL LIABILITIES	2,168,000	2,062,618	2,018,568
NET ASSETS	255,498,000	253,722,035	253,141,015
EQUITY			
Accumulated Surplus	5,641,000	10,620,672	11,791,077
Asset Revaluation	235,135,000	235,135,000	235,135,000
Other Reserves	14,722,000	7,966,363	6,214,938
TOTAL EQUITY	255,498,000	253,722,035	253,141,015

TATIARA DISTRICT COUNCIL - FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

	AUDITED ACTUAL 2024/25 \$	BR3 FORECAST 2025/26 \$	ADOPTION BUDGET 2026/27 \$
ACCUMULATED SURPLUS			
Balance at end of previous reporting period	3,220,000	5,641,000	10,620,672
Net Result for Year	3,567,000	(1,775,965)	(581,020)
Transfer From Reserves	136,000	7,134,900	2,251,425
Transfer To Reserves	(1,282,000)	(379,263)	(500,000)
BALANCE AT END OF PERIOD	5,641,000	10,620,672	11,791,077
ASSET REVALUATION RESERVE			
Balance at end of previous reporting period	232,252,000	235,135,000	235,135,000
Gain on revaluation of infrastructure, property, plant & equipment	2,883,000	-	-
Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	-	-	-
BALANCE AT END OF PERIOD	235,135,000	235,135,000	235,135,000
KEITH COMMUNITY LIBRARY			
Balance at end of previous reporting period	41,000	46,000	46,000
Transfer to reserve from accumulated surplus	5,000	-	-
Transfer from reserve to accumulated surplus	-	-	-
BALANCE AT END OF PERIOD	46,000	46,000	46,000
LONG SERVICE LEAVE			
Balance at end of previous reporting period	450,000	471,000	471,000
Transfer to reserve from accumulated surplus	21,000	-	-
Transfer from reserve to accumulated surplus	-	-	-
BALANCE AT END OF PERIOD	471,000	471,000	471,000
PLANT REPLACEMENT			
Balance at end of previous reporting period	386,000	404,000	404,000
Transfer to reserve from accumulated surplus	18,000	-	-
Transfer from reserve to accumulated surplus	-	-	-
BALANCE AT END OF PERIOD	404,000	404,000	404,000
CLAYTON FARM INSURANCE			
Balance at end of previous reporting period	36,000	31,000	31,000
Transfer to reserve from accumulated surplus	-	-	-
Transfer from reserve to accumulated surplus	(5,000)	-	-
BALANCE AT END OF PERIOD	31,000	31,000	31,000

TATIARA DISTRICT COUNCIL - FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

	AUDITED ACTUAL 2024/25 \$	BR3 FORECAST 2025/26 \$	ADOPTION BUDGET 2026/27 \$
CWMS RESERVE			
Balance at end of previous reporting period	10,596,000	11,505,000	6,884,263
Transfer to reserve from accumulated surplus	944,000	379,263	500,000
Transfer from reserve to accumulated surplus	(35,000)	(5,000,000)	(2,251,425)
BALANCE AT END OF PERIOD	11,505,000	6,884,263	5,132,838
FUTURE ROAD RENEWAL			
Balance at end of previous reporting period	121,000	128,000	128,000
Transfer to reserve from accumulated surplus	7,000	-	-
Transfer from reserve to accumulated surplus	-	-	-
BALANCE AT END OF PERIOD	128,000	128,000	128,000
LAND DEVELOPMENT			
Balance at end of previous reporting period	1,932,000	2,122,000	-
Transfer to reserve from accumulated surplus	286,000	-	-
Transfer from reserve to accumulated surplus	(96,000)	(2,122,000)	-
BALANCE AT END OF PERIOD	2,122,000	-	-
OPEN SPACE			
Balance at end of previous reporting period	14,000	15,000	2,100
Transfer to reserve from accumulated surplus	1,000	-	-
Transfer from reserve to accumulated surplus	-	(12,900)	-
BALANCE AT END OF PERIOD	15,000	2,100	2,100
TOTAL EQUITY AT END OF REPORTING PERIOD	255,498,000	253,722,035	253,141,015

TATIARA DISTRICT COUNCIL - FINANCIAL STATEMENTS

UNIFORM PRESENTATION OF FINANCES

	AUDITED ACTUAL 2024/25 \$	BR3 FORECAST 2025/26 \$	ADOPTION BUDGET 2026/27 \$
OPERATING SURPLUS/(DEFICIT)			
Income			
Rates	12,320,000	12,727,263	13,479,753
Statutory Charges	180,000	129,800	125,000
User Charges	1,488,000	1,444,145	1,460,750
Grants Subsidies & Contributions - Capital	1,378,000	-	-
Grants Subsidies & Contributions - Operating	6,322,000	3,330,830	5,552,667
Investment Income	1,227,000	788,836	625,100
Reimbursements	489,000	195,798	183,800
Other Incomes	387,000	412,030	332,900
Net gain equity accounted Council Business	-	-	-
Operating Revenues	23,791,000	19,028,702	21,759,970
Expenses			
Employee Costs	(6,283,000)	(6,464,779)	(6,875,674)
Materials, Contracts & Other	(7,327,000)	(8,746,024)	(9,346,070)
Depreciation, amortisation & impairment	(6,262,000)	(6,737,750)	(7,151,750)
Finance Costs	(39,000)	(45,760)	(45,520)
Net loss-equity accounted Council Business	-	-	-
Operating Expenses	(19,911,000)	(21,994,313)	(23,419,014)
Operating Surplus/(Deficit)	3,880,000	(2,965,611)	(1,659,044)
Less: Grants, subsidies & contributions - capital	(1,378,000)	-	-
Adjusted Operating Surplus/(Deficit)	2,502,000	(2,965,611)	(1,659,044)
Less: Net Outlays on Existing Assets			
Capital Expenditure on renewal and replacement of Existing Assets	(3,766,000)	(3,193,058)	5,062,088
less Depreciation, Amortisation and Impairment	6,262,000	6,737,750	(7,151,750)
less Proceeds from Sale of Replaced Assets	246,000	709,045	(380,500)
Net outlays on existing assets	2,742,000	4,253,737	(2,470,162)
Less: Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	(2,911,000)	(9,255,661)	9,622,161
Add back: Amounts received specifically for New and Upgraded Assets	683,000	1,189,646	(1,078,024)
Add back: Grants, subsidies & contributions - capital	1,378,000	-	-
less Proceeds from Sale of Surplus Assets	-	-	-
Net outlays on new and upgraded assets	(850,000)	(8,066,015)	8,544,137
Net Lending / (Borrowing) for Financial Year	4,394,000	(6,777,889)	(7,733,019)

TATIARA DISTRICT COUNCIL - FINANCIAL STATEMENTS

KEY FINANCIAL INDICATORS

These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

	AUDITED ACTUAL 2024/25	BR3 FORECAST 2025/26	ADOPTION BUDGET 2026/27
Operating Surplus (Adopted target balance to surplus over 5 years)	3,880,000	(2,965,611)	(1,659,044)
Being the operating surplus (deficit) before capital amounts .			
Operating Surplus Ratio (Adopted target 0 to +% over 5 years)	16.31%	(15.58%)	(7.62%)
$\frac{\text{Operating Surplus}}{\text{Total Operating Income}}$ This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.			
Net Financial Liabilities (Adopted target less than 65% over 5 years)	(25,563,000)	(18,785,111)	(11,052,092)
Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).			
Net Financial Liabilities Ratio (Adopted target less than 65% over 5 years)	(107.45%)	(98.72%)	(50.79%)
$\frac{\text{Net Financial Liabilities}}{\text{Total Operating Income}}$			
Asset Renewal Funding Ratio (Adopted target 90-110% over 5 years)	(84.70%)	(48.83%)	111.80%
$\frac{\text{Net Asset Renewals}}{\text{Asset Management Plan Required Expenditure}}$			
Net Financial Liabilities Ratio (Excluding CWMS Reserve) (Adopted target less than 65% over 5 years)	(59.09%)	(62.54%)	(27.20%)
$\frac{\text{Net Financial Liabilities (Excluding CWMS Reserve)}}{\text{Total Operating Revenue}}$			

Appendix 2 – Budget Detail

Administration					
Sub-Program	Operating (\$)		Capital (\$)		Total
	Expense	Revenue	Expense	Revenue	
Rates Revenue	23,100	(11,225,871)	0	0	(11,202,771)
Governance (Elected Members)	1,028,302	0	0	0	1,028,302
Governance (Other)	413,502	0	0	0	413,502
Corporate Revenue	0	(3,934,450)	0	0	(3,934,450)
External Services	125,000	(166,000)	0	0	(41,000)
Corporate Administration	2,023,700	(2,036,700)	0	0	(13,000)
IT & Communications	1,106,750	(1,106,750)	0	0	0
Rates Administration	76,000	(76,000)	0	0	0
Bordertown Office	93,600	(93,600)	0	0	0
HR & Payroll	13,000	0	0	0	13,000
Keith Office	104,550	(104,550)	0	0	0
TOTAL	5,007,504	(18,743,921)	0	0	(13,736,417)

Public Order & Safety					
Sub-Program	Operating (\$)		Capital (\$)		Total
	Expense	Revenue	Expense	Revenue	
Dog & Cat Control	122,127	(51,500)	0	0	70,627
Fire Protection	92,151	(5,000)	0	0	87,151
Impounding & Livestock	600	0	0	0	600
Other General Public Services	87,213	0	0	0	87,213
Litter & Nuisance Control	0	(500)	0	0	(500)
TOTAL	302,091	(57,000)	0	0	245,091

Health					
Sub-Program	Operating (\$)		Capital (\$)		Total
	Expense	Revenue	Expense	Revenue	
Health Immunisation Services	6,300	(6,000)	0	0	300
Public & Environmental Health	148,513	(93,000)	0	0	55,513
Vertebrate Pests	4,300	0	0	0	4,300
Noxious Insects	100	0	0	0	100
Other Health Services	13,000	0	0	0	13,000
TOTAL	172,213	(99,000)	0	0	73,213

Social Security & Welfare					
Sub-Program	Operating (\$)		Capital (\$)		Total
	Expense	Revenue	Expense	Revenue	
Senior Citizens	11,740	0	0	0	11,740
Community, Social & Welfare Services	372,128	(100)	0	0	372,028
TOTAL	383,868	(100)	0	0	383,768

Housing & Community Amenities					
Sub-Program	Operating (\$)		Capital (\$)		Total
	Expense	Revenue	Expense	Revenue	
CWMS - All	0	0	0	0	0
CWMS - Bordertown	328,164	(694,042)	547,950	0	182,072
CWMS - Keith	164,238	(297,024)	2,204,589	0	2,071,803
CWMS - Mundulla	30,613	(40,484)	0	0	(9,871)
CWMS - Wolesley	35,113	(27,692)	0	0	7,421
Flood Prevention	2,000	0	0	0	2,000
Wolesley Water Supply	13,500	(8,000)	0	0	5,500
Cemeteries	263,628	(80,000)	20,809	0	204,437
Public Convenience	315,568	0	0	0	315,568
Transfer Stations & Kerbside Waste	1,702,608	(1,302,690)	52,000	0	451,918
Street Cleaning	98,900	0	0	0	98,900
Street Lighting	189,500	0	32,169	0	221,669
Town Planning	144,013	0	0	0	144,013
Land Development	84,363	0	5,351,215	(659,224)	4,776,354
TOTAL	3,372,208	(2,449,932)	8,208,732	(659,224)	8,471,784

Sport & Recreation	Operating (\$)		Capital (\$)		Total
Sub-Program	Expense	Revenue	Expense	Revenue	
Parks & Gardens	1,379,724	0	154,501	0	1,534,225
Halls	394,858	(39,500)	50,000	0	405,358
Bordertown Library	534,346	(21,500)	0	0	512,846
Keith Community Library	31,939	(917)	0	0	31,022
Heritage Sites	55,463	(3,000)	0	0	52,463
Sport & Recreation	41,126	(15,000)	24,000	0	50,126
Tatiara Memorial Swimming Complex	354,477	(74,100)	395,000	0	675,377
Keith Swimming Pool	238,377	(36,800)	0	0	201,577
Other Cultural Services	19,500	(4,000)	0	0	15,500
Other Community Programs	119,550	(19,000)	0	0	100,550
TOTAL	3,169,360	(213,817)	623,501	0	3,579,044

Agricultural Services		Operating (\$)		Capital (\$)	
Sub-Program	Expense	Revenue	Expense	Revenue	Total
Land Management - Conservation	718,313	(4,300)	0	0	714,013
Land Management - Agricultural Pests	1,000	0	0	0	1,000
TOTAL	719,313	(4,300)	0	0	715,013

Quarries & Development		Operating (\$)		Capital (\$)		
Sub-Program	Expense	Revenue	Expense	Revenue	Total	
Quarries	116,420	0	0	0	116,420	
Planning & Development	241,126	(45,000)	0	0	196,126	
TOTAL	357,546	(45,000)	0	0	312,546	

Infrastructure	Operating (\$)		Capital (\$)		
Sub-Program	Expense	Revenue	Expense	Revenue	Total
Transport Construction	510,383	0	4,183,038	0	4,693,421
Infrastructure Grants & Depreciation	0	(2,236,100)	0	(418,800)	(2,654,900)
Infrastructure Maintenance	2,589,554	0	0	0	2,589,554
Parking	2,600	(300)	0	0	2,300
Aerodromes	62,900	(1,250)	8,000	0	69,650
Other Infrastructure Delivery	100,000	0	0	0	100,000
TOTAL	3,265,437	(2,237,650)	4,191,038	(418,800)	4,800,025

Economy & Tourism	Operating (\$)		Capital (\$)		
Sub-Program	Expense	Revenue	Expense	Revenue	Total
Saleyards	2,800	(2,800)	0	0	0
Economic Development	291,524	(4,400)	0	0	287,124
Accommodation Services	962,384	(1,032,600)	49,500	0	(20,716)
Tourism	192,451	0	0	0	192,451
Other Economic Services	0	0	0	0	0
TOTAL	1,449,159	(1,039,800)	49,500	0	458,859

Operations & Other Service	Operating (\$)		Capital (\$)		
Sub-Program	Expense	Revenue	Expense	Revenue	Total
Plant Operations	(483,000)	(70,000)	1,596,478	(380,500)	662,978
Depot & Overhead Expense	1,767,802	(52,000)	15,000	0	1,730,802
Vandalism	1,000	0	0	0	1,000
Other Property & Services	135,313	(100,000)	0	0	35,313
Private Works	50,000	(50,000)	0	0	0
Reserve Movements	0	0	0	0	0
TOTAL	1,471,115	(272,000)	1,611,478	(380,500)	2,430,093

Depreciation, Finance & Transfers			
Sub-Program	Depreciation	Finance	Transfers
CWMS - All	640,000	(500,000)	0
Wolesley Water Supply	750	0	0
Land Development	0	500,000	0
Parks & Gardens	120,000	0	0
Sport & Recreation	0	(40,000)	0
Other Cultural Services	0	(4,050)	0
Infrastructure Grants & Depreciation	4,516,000	0	0
Bridges	92,000	0	0
Footpaths	151,000	0	0
Aerodromes	96,000	0	0
Plant Operations	750,000	0	0
Other Property & Services	786,000	0	0
Reserve Movements	0	0	(1,751,425)
TOTAL	7,151,750	(44,050)	(1,751,425)

Appendix 3 – Budgeted Project Highlights

This section provides detail of key projects. The figures provided in this section are included within the Budget Detail and link to the expenditure associated with our 2026/27 objectives & activities.

Operating Projects & Strategic Plan Initiatives

Administration Operating Projects

Sub-Program	Description	Expense	Revenue	Net	Strategic Reference
Governance (Other)	Community Grant Program	71,000	0	71,000	1.1.3
Governance (Other)	In Kind Grant Program	30,000	0	30,000	1.1.3
Governance (Other)	Stand Like Stone Grant	4,000	0	4,000	1.2.3
Governance (Other)	Asset Revaluations	49,500	0	49,500	4.3.1
IT & Communications	ICT Road Map Implementation	500,000	0	500,000	4.3.1
Governance (Other)	Limestone Coast LGA Contribution	47,300	0	47,300	4.2.1
Governance (Other)	Connected & Active Communities Contribution	9,300	0	9,300	1.2.3
TOTAL		711,100	0	711,100	

Health Operating Projects

Sub-Program	Description	Expense	Revenue	Net	Strategic Reference
Vertebrate Pests	Wild Dog Control Contribution	1,700	0	1,700	2.4.1
Vertebrate Pests	Pigeon and Other Control	2,600	0	2,600	2.4.1
Other Health Services	Community Transport Vehicle	13,000	0	13,000	1.5.4
TOTAL		17,300	0	17,300	

Social Security & Welfare Operating Projects

Sub-Program	Description	Expense	Revenue	Net	Strategic Reference
Senior Citizens	Senior Citizens - Other Expense	3,200	0	3,200	1.1.3
Senior Citizens	Grant - Senior Citizens Bordertown Club	1,610	0	1,610	1.1.3
Senior Citizens	Grant - Senior Citizens Keith Club	1,610	0	1,610	1.1.3
Senior Citizens	Grant - Tatiara Men's Shed	1,610	0	1,610	1.1.3
Senior Citizens	Grant - Keith Men's Shed	1,610	0	1,610	1.1.3
Community, Social & Welfare Services	Donations - Chaplaincy	10,000	0	10,000	1.3.1
Community, Social & Welfare Services	Youth Week	5,000	0	5,000	1.3.1
Community, Social & Welfare Services	Youth Opportunities Partnership	3,000	0	3,000	1.3.1
Community, Social & Welfare Services	Volunteer Activities	6,000	0	6,000	1.3.1
Community, Social & Welfare Services	Community Development Projects	40,000	0	40,000	1.3.1
TOTAL		73,640	0	73,640	

Sport & Recreation Operating Projects

Sub-Program	Description	Expense	Revenue	Net	Strategic Reference
Halls, Buildings & Structures	Community Halls - Donations Mundulla Hall	6,160	0	6,160	1.1.3
Halls, Buildings & Structures	Community Halls - Donations Padthaway Hall	6,070	0	6,070	1.1.3
Halls, Buildings & Structures	Community Halls - Donations Bangham Hall	1,130	0	1,130	1.1.3
Halls, Buildings & Structures	Community Halls - Donations Wolseley Community Centre	2,250	0	2,250	1.1.3
Bordertown Library	Events	20,268	(5,000)	15,268	1.3.1
Parks & Gardens	Wildlife Park Management Plan	10,500	0	10,500	2.1.1
Parks & Gardens	Traffic School Disposal	2,100	0	2,100	2.1.1
Parks & Gardens	Heritage Street Keith Trees	10,500	0	10,500	2.1.1
Parks & Gardens	Accelerated Tree Planting	6,300	0	6,300	2.1.1
Other Community	Walkway Gallery Annual Program	38,050	0	38,050	1.4.1
TOTAL		103,328	(5,000)	98,328	

Agricultural Services Operating Projects

Sub-Program	Description	Expense	Revenue	Net	Strategic Reference
Conservation	Mundulla Common Management	5,000	0	5,000	2.4.2
Conservation	Caring for Council Contribution	47,300	0	47,300	2.4.2
TOTAL		52,300	0	52,300	

Infrastructure Operating Projects

Sub-Program	Description	Expense	Revenue	Net	Strategic Reference
Infrastructure Maintenance	Patrol Grading	838,000	0	838,000	2.2.3
Infrastructure Maintenance	Sealed Road Repairs	367,000	0	367,000	2.2.3
Infrastructure Maintenance	Unsealed Road Repairs	276,000	0	276,000	2.2.3
Infrastructure Maintenance	Shoulder Maintenance	177,000	0	177,000	2.2.3
Infrastructure Maintenance	Sign Maintenance	100,000	0	100,000	2.2.3
TOTAL		1,758,000	0	1,758,000	

Economy & Tourism Operating Projects

Sub-Program	Description	Expense	Revenue	Net	Strategic Reference
Economic Development	Telstra Tower Contribution	197,373	0	197,373	3.1.1
Economic Development	Economic Development Plan Implementation	11,100	0	11,100	3.1.1
Economic Development	Regional Development Association Contributions	15,000	0	15,000	3.2.1
Tourism	Tourism - Marketing & Promotions	26,300	0	26,300	3.3.3
Tourism	Tourism - Events	7,000	0	7,000	3.3.3
TOTAL		256,773	0	256,773	

Capital Works & Purchases

Housing & Community Amenities Capital Projects

Sub-Program	Type	Description	Expense	Revenue	Net	Strategic Reference
Cemetery - Mundulla	Renewal	Carry Forward - Shelter Renewal	20,809	0	20,809	CF
CWMS - Bordertown	Upgrade	Pump Station 3 Capacity Upgrade	27,500	0	27,500	2.2.3
CWMS - Bordertown	Upgrade	Pump Station 4 Capacity Upgrade	25,800	0	25,800	CF
CWMS - Bordertown	Upgrade	Pump Station 5 Capacity Upgrade	136,500	0	136,500	2.2.3
CWMS - Bordertown	New	Ramsay Terrace CWMS	337,500	0	337,500	3.1.3
CWMS - Bordertown	New	Pump Station 2 Upgrade	20,650		20,650	CF
CWMS - Keith	Renewal	Pump Station 1 Sump Lining	101,000	0	101,000	2.2.3
CWMS - Keith	Upgrade	Pump Station 3 Capacity Upgrade	7,000	0	7,000	2.2.3
CWMS - Keith	New	Lagoon Expansion	2,096,589	0	2,096,589	2.2.3
Transfer Stations & Kerbside Waste	Renewal	Hook Lift Bin - Pad Renewal	6,000	0	6,000	2.3.1
Transfer Stations & Kerbside Waste	Renewal	New Hook Lift Bins	46,000	0	46,000	2.3.1
Street Lighting	Renewal	School Crossings Renewal	15,600	0	15,600	2.2.3
Street Lighting	Renewal	Woolshed Street Lights	16,569	0	16,569	CF
Land Development	New	Bennett Street Estate - Designs	52,506	0	52,506	3.1.2
Land Development	New	Keith Industrial Estate - Site Works	310,680	(160,000)	150,680	3.1.2
Land Development	New	Bordertown Industrial Estate - Site Works	1,266,164	0	1,266,164	3.1.2
Land Development	New	Ramsay Terrace Estate - Site Works	3,593,525	(499,224)	3,094,301	3.1.3
Land Development	New	Ramsay Terrace Estate - Road Development	58,340	0	58,340	3.1.3
Land Development	New	Ramsay Terrace Estate - Kerb & Gutter Development	70,000	0	70,000	3.1.3
TOTAL			8,208,732	(659,224)	7,549,508	

Sport & Recreation Capital Projects

Sub-Program	Type	Description	Expense	Revenue	Net	Strategic Reference
Halls, Buildings & Structures	Renewal	Keith Institute Flooring	10,000	0	10,000	2.2.3
Halls, Buildings & Structures	Renewal	Bordertown Over 50s Gutter	30,000	0	30,000	2.2.3
Halls, Buildings & Structures	Renewal	Keith CWA Screen Door & Frame	10,000	0	10,000	2.2.3
Parks & Gardens	Renewal	Irrigation Renewal	17,405	0	17,405	CF
Parks & Gardens	Renewal	Garden Bed renewals	11,000	0	11,000	2.1.1
Parks & Gardens	Renewal	Bordertown CBD Wooden Posts	7,500	0	7,500	2.1.1
Parks & Gardens	Renewal	Padthaway Electrical Box	2,500	0	2,500	2.1.1
Parks & Gardens	Renewal	Padthaway Pine Post & Railing	21,500	0	21,500	2.1.1
Parks & Gardens	Renewal	Padthaway Playground Fencing	5,500	0	5,500	2.1.1
Parks & Gardens	New	Apex Park Hayfield Play Unit	38,096	0	38,096	1.2.4
Parks & Gardens	New	Depot Bin Stands	11,000	0	11,000	2.1.1
Parks & Gardens	New	Wildlife Park Watering System (Stage 1 of 4)	7,500	0	7,500	2.1.1
Parks & Gardens	New	Tolmer Park Creek Bank Stabilisation	21,500	0	21,500	2.1.1
Parks & Gardens	New	Wirrega Council Chambers Irrigation	11,000	0	11,000	2.1.1
Parks & Gardens	Upgrade	Bore Asset Renewal Program	24,000	0	24,000	2.1.1
Bordertown Pool	Renewal	Renewal Works	395,000	0	395,000	1.2.2
TOTAL			623,501	0	623,501	

Infrastructure Capital Projects

Sub-Program	Type	Description	Expense	Revenue	Net	Strategic Reference
Road Construction	Upgrade	Cannawigara Road 2026/27	450,000	0	450,000	2.2.3
Road Construction	Upgrade	Padthaway Road 2026/27	545,000	(364,000)	181,000	2.2.1
Road Construction	Upgrade	Service Rd North Keith Seal Widening	166,000	0	166,000	2.2.3
Road Construction	New	King Court Sealing	73,000	0	73,000	2.2.3
Road Construction	New	Shannon Street Sealing	94,000	0	94,000	2.2.3
Road Construction	New	Carousel Road	20,000	(7,500)	12,500	2.2.3
Road Construction	Upgrade	Tatiara Road Reconstruction	150,000	0	150,000	2.2.3
Road Construction	Renewal	Resheets	1,205,200	0	1,205,200	2.2.3
Road Construction	Renewal	Reseals	764,805	0	764,805	2.2.3
Road Construction (Stormwater)	New	Stormwater Upgrades	37,500	0	37,500	2.2.3
Road Construction (Kerb)	Renewal	Kerb & Gutter Renewals	100,000	0	100,000	2.2.3
Road Construction (Kerb)	Renewal	Davis Street, Bordertown	39,150	0	39,150	CF
Road Construction (Kerb)	New	Fifth Street, Bordertown	37,500	0	37,500	2.2.3
Road Construction (Paths)	Renewal	Various Pram Ramps	15,981	0	15,981	CF
Road Construction (Paths)	New	Naracoorte Road, Keith	60,000	0	60,000	2.1.2
Road Construction (Paths)	New	Pigeon Flat Road to Rowney Road Track (Active Transport Fund)	270,002	(47,300)	222,702	2.1.2
Road Construction (Carparks)	Renewal	Carpark Renewals	68,850	0	68,850	2.2.3
Other Infrastructure	Renewal	Street Furniture	8,550	0	8,550	CF
Other Infrastructure	Renewal	Court rehabilitation, Padthaway	37,500	0	37,500	1.1.3
Other Infrastructure	Renewal	Contingency for Kerb & Gutter	40,000	0	40,000	CF
Aerodromes	Renewal	Aerodrome Renewals	8,000	0	8,000	2.2.3
TOTAL			4,191,038	(418,800)	3,772,238	

Economy & Tourism Capital Projects

Sub-Program	Type	Description	Expense	Revenue	Net	Strategic Reference
Caravan Park / Accommodation	New	Accessibility Upgrade	16,000	0	16,000	1.2.4
Caravan Park / Accommodation	New	Irrigation Stage A + Carry Forward	33,500	0	33,500	3.3.2
TOTAL			49,500	0	49,500	

Operations & Other Capital Projects

Sub-Program	Type	Description	Expense	Revenue	Net	Strategic Reference
Plant Operations	Renewal	P5602 Fuso Canter Renewal	73,000	(15,000)	58,000	2.2.3
Plant Operations	Renewal	P5567 Side Tipper Renewal	186,978	(38,000)	148,978	2.2.3
Plant Operations	Renewal	P5604 Grader Renewal	580,000	(103,500)	476,500	2.2.3
Plant Operations	Renewal	P5627 Tractor Renewal	152,000	(41,500)	110,500	2.2.3
Plant Operations	Renewal	P5634 Tractor Renewal	152,000	(41,500)	110,500	2.2.3
Plant Operations	Renewal	P5688 Passenger Vehicle Renewal (Depot)	46,500	(13,500)	33,000	2.2.3
Plant Operations	Renewal	P5695 Single Cab Utility Renewal	75,000	(21,000)	54,000	2.2.3
Plant Operations	Renewal	P5705 Dual Cab Utility Renewal	53,500	(19,000)	34,500	2.2.3
Plant Operations	Renewal	P5709 Dual Cab Utility Renewal	43,000	(10,500)	32,500	2.2.3
Plant Operations	Renewal	P5710 Dual Cab Utility Renewal	54,500	(19,000)	35,500	2.2.3
Plant Operations	Renewal	P5712 Dual Cab Utility Renewal (Engineering)	54,500	(20,000)	34,500	2.2.3
Plant Operations	Renewal	P5723 Passenger Vehicle Renewal (Corporate)	61,000	(19,000)	42,000	2.2.3
Plant Operations	Renewal	P5724 Dual Cab Utility Renewal	54,500	(19,000)	35,500	2.2.3
Plant Operations	Renewal	Minor Plant Renewal / Upgrade	10,000	0	10,000	2.2.3
Plant Operations	Upgrade	Smart Fill - Fuel Dispensing System - Keith Depot	15,000	0	15,000	4.3.1
TOTAL			1,611,478	(380,500)	1,230,978	

Appendix 4 – Statement on Expected Rate Revenue

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at adoption of the Annual Business Plan and Budget (ABP&B).

Expected Rates Revenue				
	2025/26 (as adopted)	2026/27 (estimated)	Change	Comments
General Rates Revenue				
General Rates (existing properties)	\$10,173,272	\$10,724,235 (a)		For 2026/27, an expected increase in total General Rates revenue of around 5.7 per cent is projected plus estimated growth (refer n) of 0.40 per cent from new properties that have been created over the last year.
General Rates (new properties)	\$16,532	\$40,699 (b)		
General Rates (GROSS)	\$10,189,804	\$10,764,934 (c)		
Less: Mandatory Rebates	(\$86,794)	(\$84,449) (d)		
General Rates (NET)	\$10,103,010	\$10,680,485 (e)	5.7%	
(e)=(c)+(d)				
Other Rates (inc. service charges)				
Regional Landscape Levy	\$618,457	\$641,971 (f)		The Regional Landscape Levy is a State tax, it is not retained by council.
Waste collection	\$1,126,305	\$1,200,090 (g)		\$545 for each 3 bin waste service. No rate change, increased count of services.
CWMS	\$1,003,984	\$1,061,794 (h)		\$194 for each vacant land property unit and \$420 for each occupied property unit.
Separate and Special Rates	\$0	\$0 (i)		Council does not currently use any separate or special rates.
	\$12,851,756	\$13,584,340		
Less: Rate Capping Rebates	(\$103,717)	(\$71,484) (j)		Council has adopted rate capping at 8%, for further details please refer to the criteria in the Annual Business Plan.
Less: Discretionary Rebates	(\$51,230)	(\$54,100) (k)		Council has provided a range of discretionary rebates.
Expected Total Rates Revenue	\$12,078,352	\$12,816,785 (m)	6.11%	Excluding the Regional Landscape Levy and minus Mandatory & Discretionary Rebates.
(m)=(e)+(g)+(h)+(i)+(j)+(k)				
Estimated growth in number of rateable properties				
Number of rateable properties	4,757 Actual	4,776 (n) Estimate	0.40%	Growth' is expected to account for around 0.40 per cent of the estimated increase in General Rates to be collected (refer b).
'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	\$2,091	\$2,210 (o)	5.7%	The estimated 'average' is based on the total of all rateable properties and is therefore not necessarily indicative of either the rate or change in rates that individual ratepayers will experience.
(o)=(c)/(n)				
Councils use property valuations to calculate each rateable property's contribution to the required rate revenue total. Councils do not automatically receive more money because property values increase but this may alter how rates are apportioned (or divided) across each ratepayer (ie. some people may pay more or less rates, this is dependent on the change in value of their property relative to the overall valuation changes across the council area). The total General Rates paid by all rateable properties will equal the amount adopted in the budget.				
Notes				
(d) Councils are required under the Local Government Act to provide a rebate to qualifying properties under a number of categories: Health Services - 100 per cent Religious purposes - 100 per cent Royal Zoological Society of SA - 100 per cent Community Services - 75 per cent Public Cemeteries - 100 per cent Educational purposes - 75 per cent The rates which are foregone via Mandatory Rebates are redistributed across the ratepayer base (ie. all other ratepayers are subsidising the rates contribution for those properties who receive the rebate).				
(e) Presented as required by the <i>Local Government (Financial Management) Regulations 2011</i> reg 6(1)(ea) Please Note: The percentage figure in (e) relates to the change in the total amount of General Rates revenue to be collected from <u>all</u> rateable properties, not from <u>individual</u> rateable properties (ie. individual rates will not necessarily change by this figure).				
(f) Councils are required under the <i>Landscape South Australia Act 2019</i> to collect the levy on all rateable properties on behalf of the State Government. The levy helps to fund the operations of regional landscape boards who have responsibility for the management of the State's natural resources.				
(i) Community Wastewater Management Systems				
(j) 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 <i>Local Government (Financial Management) Regulations 2011</i> reg 6(2)				

Please note: These figures represent a considered estimate of Expected Rate Revenue based on the most current information available at adoption of the Annual Business Plan and Budget (ABP&B).

Expected Rates Revenue										
	Total expected revenue			No. of rateable properties		Average per rateable property			Cents in the \$	
	2025/26	2026/27	Change	2025/26	2026/27	2025/26	2026/27	Change	2026/27	
Land Use (General Rates - NET)										
Residential	\$2,290,233	\$2,443,172	7%	2193	2210	\$1,044	\$1,106	(p)	\$61	0.302422
Commercial - Shop	\$92,543	\$104,057	12%	90	93	\$1,028	\$1,119	(p)	\$91	0.290877
Commercial - Office	\$9,644	\$10,516	9%	16	14	\$603	\$751	(p)	\$148	0.290877
Commercial - Other	\$223,702	\$239,560	7%	161	164	\$1,389	\$1,461	(p)	\$71	0.290877
Industry - Light	\$38,847	\$42,733	10%	26	28	\$1,494	\$1,526	(p)	\$32	0.290877
Industry - Other	\$132,668	\$130,879	-1%	49	50	\$2,708	\$2,618	(p)	-\$90	0.290877
Primary Production	\$6,963,644	\$7,388,429	6%	1783	1787	\$3,906	\$4,135	(p)	\$229	0.166525
Vacant Land	\$186,892	\$185,262	-1%	387	379	\$483	\$489	(p)	\$6	0.302422
Other	\$9,890	\$10,293	4%	52	51	\$190	\$202	(p)	\$12	0.302422
Total Land Use	\$9,948,063	\$10,554,901	6.1%	4,757	4,776	\$2,091	\$2,210	(p)	\$119	

Council uses a differential rating system, using Land Use Codes as the factor to apply such differential rates. In applying differential general rates, council has considered and is satisfied that the rating system addresses the issue of consistency and comparability across all council areas, particularly as it relates to the various sectors of the business and wider community.

Minimum Rate					
	No. of properties to which rate will apply		Rate		
	2026/27	% of total rateable properties	2025/26	2026/27	Change
Minimum Rate	783	16.4%	\$620	\$655	(r) \$35

The Minimum Rate provides a mechanism where lower valued properties do not pay less than a minimum amount as determined by the council. Typically, only a small number of all properties (with no more than 35%) pay a minimum amount. Council proposes to set a minimum rate of \$655 which shall be applied to all rateable properties.

Adopted valuation method

Capital Value/Site Value/Annual Value

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

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

Site Value – the value of the land and any improvements which predominantly affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements (Note: Site Value will cease to be an option from 1 Sept 2023); or

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

Council continues to use Capital Value as the basis for valuing land within the Council area.

Notes

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

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

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

Appendix 5 - Rating Policy



Tatiara District Council

Rating Policy 2026/27

s123, Local Government Act 1999

Overview

Section 123 of the *Local Government Act 1999* requires Council, as part of the Annual Business Plan, to have a rating policy which must be prepared and adopted each financial year in conjunction with the declaration of rates.

Council's powers to raise rates are found in Chapter 10 of the *Local Government Act 1999* ("the Act"). The Act provides the framework within which Council must operate, leaving room for 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 Council has made on how it imposes and administers the collection of rates.

Compulsory features of the rating system can be recognised by references, in footnotes, to relevant sections of the Act.

All land within a Council area, except for land specifically exempt (e.g. Crown Land, Council occupied land and a few other limited categories)¹⁰ is rateable.

Rates are not fees for services. They constitute a system of taxation for Local Government purposes¹¹, Local Government functions are defined broadly in the Act¹².

All systems of taxation try to balance various principles of taxation (see below).

In addition to rates, Council also raises some revenue through:

- Optional user charges (e.g. hire of community facilities); and
- Expiation fees (e.g. for parking infringements); and
- A compulsory "service charge" for Waste Collection and CWMS.

If these charges are applicable to you, they will be collected along with your rates and will be itemised separately on your rates notice.

Principles of Taxation

This Policy represents Council's commitment to balancing the five main principles of taxation:¹³

¹⁰ *Local Government Act 1999*, s 147

¹¹ *Local Government Act 1999*, s 150(a)

¹² *Local Government Act 1999*, s 7

¹³ Balancing these principles is not a "compulsory" aspect of rating policy. Nevertheless, these principles are broadly accepted throughout the world in a variety of contexts.

- i) Benefits received (i.e. services provided, or resources consumed). Reliance on this principle suggests that (all other things being equal) a person who received more benefits should pay a higher share of tax.
- ii) Capacity to pay. This principle suggests that a person who has less capacity to pay should pay less; and that persons of similar means should pay similar amounts.
- iii) Administrative simplicity. This principle refers to the costs involved in applying and collecting the tax and how difficult it is to avoid.
- iv) Economic efficiency. This refers to whether or not the tax distorts economic behaviour.
- v) Policy consistency. The principle that taxes should be internally consistent, and based on transparent, predictable rules that are understandable and acceptable to taxpayers.

Valuation of Land

Council is permitted to adopt one of two valuation methodologies to value the properties in its area.¹⁴ They are:

- Capital Value – the value of the land and all of the improvements on the land.
- Annual Value – a valuation of the rental potential of the property.

Council has decided to continue to use capital value as the basis for valuing land. Council considers that this method provides the fairest way to distribute the rate burden across all ratepayers on the following basis:

- the 'capacity to pay' principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;
- property value is a relatively good indicator of wealth (when lifetime incomes, including incomes from capital gains, are taken into account). Capital value, which closely approximates the market value of a property, provides the best indicator of overall property value.

¹⁴ *Local Government Act 1999*, s 151

Council has a choice whether to employ its own valuers, or accept the valuations made by the Valuer-General, i.e. the State Valuation Office¹⁵. Council adopts the valuations made by the State Valuation Office as provided to Council each year.

If you are dissatisfied with the valuation made by the State Valuation Office your rates notice will include information about how to object to the valuation. Council has no role in this process. The lodgement of an objection does not change the due date for the payment of rates.

Differential General Rates imposed by Council are based on various Land Use Categories. Should you have any reason to believe that the Land Use Category applied to your account is incorrect, you may lodge a written objection to Council outlining the grounds upon which your objection is based (including the Land Use Category that you consider should have been attributed). Objections must be submitted to Council within 60 days after you receive notice of the attribution of the particular land use to which the objection relates (unless Council in its discretion allows an extension of time). The lodgement of a Land Use objection does not change the due date for the payment of rates.

Certain properties may be eligible for a "notional value" under the *Valuation of Land Act 1971*. This may apply if the property is your principal place of residence, and its value is enhanced by unrealised subdivision potential or a different potential land use. A notional value is generally less than the capital value and therefore would result in reduced rates. An application for a notional value must be made to the State Valuation Office.

¹⁵ *Local Government Act 1999*, s 167

Components of Rates

A rate in the dollar

The largest component of your rates is the component that is calculated by reference to the value of your land. Every year, Council officially “declares” what percentage of the value of your land will be payable in rates. The Act allows Council to impose rates that differ (i.e. higher or lower) based on the location of land, or the uses to which the land is put (residential, commercial, primary production, industrial, vacant, etc).¹⁶

Property values reflect, among other things, the relative availability of and access to Council services. This applies to all types of land use, and to land in all locations.

After a comprehensive Rate Review in 2021 and due to changes in the state government’s planning policy and the *Planning, Development and Infrastructure Act 2016*, Council resolved to implement rating by land use codes only. Rating is categorised into three types of land use. Land use definitions are prescribed by regulation¹⁷:

Rate Differential	Land Use Categories	Rate Contribution
Primary Production	• Primary Production	70%
Residential	• Residential • Vacant Land • Other	25%
Commercial & Industrial	• Commercial – Shop • Commercial – Office • Commercial – Other • Industry – Light • Industry – Other	5%

The differential rates have regard to the range of services provided, the standard of those services, whether there are any specific budget expenses which may be unique to or benefit a specific Land Use, and new initiatives which may target a specific sector or sectors.

¹⁶ *Local Government Act 1999*, s 156

¹⁷ *Local Government (General) Regulations 2013* – Reg 14

Council recognises the economic and social importance of primary production, other business and industry to the district, and the need to support the long-term viability of all of our businesses to ensure the Tatiara's ongoing prosperity. To this end, Council has resolved to apply a differential rate based on business related properties, that is those with a Land Use of Primary Production, Commercial and Industry, raising 75% of Council's total rate revenue, with residential properties, that is those with a Land Use of Residential, Vacant Land and Other making up the remaining 25% share of rate revenue.

Minimum Rate

Council has a discretion to apply either:

- a fixed charge (applying equally to all rateable properties);¹⁸ or
- a minimum rate (to lower-value properties)¹⁹
- (or neither) but cannot use both of these mechanisms.²⁰

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 (not just the relative extent of Council services) Council considers it is equitable, from the perspective of the benefit principle, to recover the costs of such services by way of a minimum rate, set at an appropriate level. However, applying the benefit principle exclusively would not take account of the capacity to pay principle.

Service Rates and Charges

Council imposes Service Charges for Kerbside Waste Collection and Community Wastewater Management Schemes. The rates are derived to seek full cost recovery for the services provided.

Kerbside Waste Collection

Council levies a service charge for the kerbside collection and disposal of domestic garbage, green waste and recyclables collection and recycling (3 bin service), within

¹⁸ *Local Government Act 1999*, s 152

¹⁹ *Local Government Act 1999*, s 158

²⁰ *Local Government Act 1999*, s 158 (2)(e)

the designated areas as indicated in the Waste Collection Policy. The service charge is imposed on rateable and non-rateable land that has a residential dwelling.

CWMS Services

Council maintains four (4) CWMS networks across the townships of Bordertown, Keith, Mundulla & Wolseley. The establishment of the annual service charge for occupied and vacant connections, and the assessment of connection counts is in alignment with the Local Government Association CWMS Pricing Principles²¹, and the CWMS Property Units Code.²²

Regional Landscape Levy

Council is required under the *Landscape South Australia Act 2019* to make a specified contribution to the Limestone Coast Landscape Board. It does so by imposing a separate rate against all rateable properties.

This separate rate is effectively a State tax that local government is required to collect, and return to a State Government agency, the local Landscape Board. Even though it appears on Council's rates notice, enquiries about this component should be directed to the Limestone Coast Landscape Board at:

- email: landscapeboardengage@sa.gov.au
- Phone: 08 8429 7550

Help with Rates

The State Government funds some concessions on Council rates. You may be eligible for a Council rate concession, on your principal place of residence if you are:

- A pensioner and have a current Pensioner Concession Card or Department of Veteran's Affairs (DVA) Gold Card (TPI, EDA, WW) or receive a Centrelink Allowance. Apply through the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or at <http://www.sa.gov.au/concessions> using the on-line form.
- A Self Funded Retiree who holds a State Seniors card. If so, you can apply through Revenue SA on 1300 366 150.

²¹ CWMS Accounting Principles – The Costing and Pricing of CWMS, October 2025

²² Local Government (General) regulations 2013 – reg 12.

- A low income earner, or unemployed person who meets the DCSI low income threshold. If so, apply through DCSI Concessions Hotline: 1800 307 758.

For more information visit: <http://www.sa.gov.au/concessions>.

If you are awaiting the outcome of an application for one of these concessions, you should not delay in paying your rates, as penalties apply for late payment. Rather, you should pay the full amount of your rates bill, as it falls due. In all instances if your application is successful, the concession will be paid directly to you.

Financial Hardship

Council has adopted a Rates Hardship Policy to make extended payment provisions available where the payment of rates will cause a ratepayer demonstrable hardship. Any ratepayer experiencing difficulty meeting the standard payment arrangements is invited to contact the Council Office to discuss alternative arrangements. All such inquiries are treated respectfully and confidentially.

The Rates Hardship Policy is available from Council's website www.tatiara.sa.gov.au or by contacting our office.

Residential Rate Capping

Rate Capping (section 166(1)(l)(i) of the Local Government Act) provides relief against what would otherwise amount to a substantial change in rates payable to a ratepayer due to rapid changes in valuation and or a change in the rating system. Council reviews the Rate Capping Rebate percentage annually.

Council will continue rate capping to general rates for the 2026/27 financial year and will apply a cap of 8% to any assessments where the uncapped amount of general rates payable would exceed the 2025/26 general rate by more than 8%.

Rate capping will not apply where:

- the property has been acquired by the ratepayer after 1 July 2024;
- the increase in general rate payable is due in whole or in part to an increase in valuation of the property attributable to improvements;
- the property has been provided with rate capping for 3 consecutive years.

Remission of Rates

Council has a discretion to partially or wholly remit (i.e. waive) rates on the basis of hardship.²³ If you are suffering financial hardship, you may contact Council's Rates Administrator to discuss the matter. Such inquiries are treated confidentially, and any application will be considered on its merits.

Postponement of Rates

If you hold a State Seniors Card then (unless you have a mortgage entered before 2007 that is greater than 50% of your home's value) you are eligible to postpone, on a long-term basis, a large component of the rates on your principal place of residence.²⁴ The postponed amount is subject to a monthly interest charge, with the accrued debt falling due for payment only when the property is sold or transferred to someone else. However, some or all of the debt may be paid at any earlier time, at your discretion.

At least \$500 of the annual Council rates bill must be paid as it falls due, but any amount in excess of \$500 per year may be postponed.

Persons other than the holders of a Seniors Card may also apply for postponement of rates.²⁵ Council will consider each case on its merits, but any successful applicant should expect that any postponed rates would be subject to accruing interest charges in the same manner as the Seniors Rate Postponement Scheme.

Rebate of Rates

Mandatory Rebates

Council is required to rebate (discount) the rates payable on some land.

A 100% rebate must be applied to land used for:

- health services,²⁶
- religious purposes,²⁷

²³ *Local Government Act 1999*, s 182 (1)(b)

²⁴ *Local Government Act 1999*, s 182A

²⁵ *Local Government Act 1999*, s 182

²⁶ *Local Government Act 1999*, s 160

²⁷ *Local Government Act 1999*, s 162

- public cemeteries;²⁸
- the Royal Zoological Society;²⁹

A compulsory rebate of at least 75% (or more, at Council's discretion) must be applied to land used by:

- community service organisations;³⁰ and
- schools and universities.³¹

Discretionary Rebates

In addition, Council is allowed a wide discretion to rebate any percentage of rates for a number of other purposes, such as:

- securing proper development of an area;
- assisting or supporting a business;
- preservation of historically significant places;
- facilities or services for children or young persons; or
- accommodation for the aged or persons with disability; or
- other purposes.³²

If you or your organisation wishes to apply for a discretionary rate rebate, you may apply by contacting Council's Rate Administrator.

Each rebate that is granted either reduces Council's revenue and hence its capacity to provide services, or else it effectively increases the amount that must be collected from other ratepayers. Therefore, decisions on these applications must be carefully considered. Council has a rate rebate policy detailing this process.

After considering an application, Council may refuse to grant any rebate, or may grant a rebate of rates subject to specific conditions.³³

²⁸ *Local Government Act 1999*, s 163

²⁹ *Local Government Act 1999*, s 164

³⁰ *Local Government Act 1999*, s 161

³¹ *Local Government Act 1999*, s 165

³² For the full list of purposes, see *Local Government Act 1999*, s 166.

³³ There are fines for falsely claiming eligibility for rebates, and for failing to notify Council when eligibility no longer applies. See *Local Government Act 1999*, s 159

Late Payment

Council will impose a penalty of a 2 per cent fine on any late payment for rates.³⁴ This fine may be remitted (waived) in whole, or in part, at Council's discretion.

A payment that continues to be late is then charged an interest rate (which is adjusted by legislation each year)³⁵ for each month it continues to be in arrears, including the amount of any previous unpaid fine and including interest from any previous month. The purpose of this penalty is to act as a genuine deterrent to ratepayers who might otherwise fail to pay their rates on time, to allow Council to recover the administrative cost of following up unpaid rates and to cover any interest cost Council may meet because it has not received the rates on time.

Council issues a fines notice for payment of rates when rates are overdue i.e. unpaid by the due date. Should rates remain unpaid, debt collection will be commenced. This attracts additional fees that are recoverable from the ratepayer.

When Council receives a partial payment of overdue rates, Council must apply the money as follows:

- first – to satisfy any costs awarded in connection with court proceedings (if applicable);
- second – to satisfy any interest costs;
- third – in payment of any fines imposed;
- fourth – in payment of rates, in chronological order (starting with the oldest account first).³⁶

Sale of Land for Non-Payment of Rates

Council may sell any property where the rates have been in arrears for three years or more.³⁷ Council is required to notify the owner of the land of its intention to sell the land, provide the owner with details of the outstanding amounts, and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

³⁴ *Local Government Act 1999*, s 181(8)

³⁵ *Local Government Act 1999*, s 181(8) c

³⁶ *Local Government Act 1999*, s 184

³⁷ *Local Government Act 1999*, s 184

Contacting Council's Rates Administrator

If you believe that Council has failed to properly apply this policy you should contact Council's Rates Administrator to discuss the matter. (See contact details below). If after this, you are still dissatisfied then you should write to Council's Chief Executive Officer.

For further information, queries, or to lodge an application for rate postponement, remission, rate capping, etc. please contact Council's Rates Administrator on:

Phone: 08 8752 1044

E-mail: office@tatiara.sa.gov.au

Post: PO Box 346, Bordertown, SA, 5268

In person at: 43 Woolshed Street, Bordertown SA, 5268



Appendix 6 – ESCOSA Local Government Advice



Advice

Local Government Advice

Tatiara District Council

February 2025

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

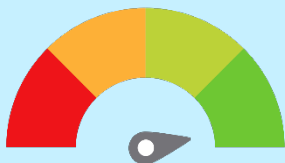
Tatiara District Council

AT A GLANCE

OVERVIEW

The Essential Services Commission finds Tatiara District Council's projected financial performance **sustainable**, given the Council's high cash balances (of \$22.8 million on 30 June 2024) and planned average rate increases per property of **3.0** percent per annum over the next 10 years. There is a risk in forming that view that current strategic management plans have not been fully updated, however the Council is planning to update several of its asset management plans, including reviewing depreciation, which it intends to reflect in future Long-Term Financial Plans.

FINANCIAL PERFORMANCE



Past 10 years
Sustainable



Current
Sustainable



Projected
Sustainable

RISKS IMPACTING SUSTAINABILITY

- ⚠ Not updating its asset management plans to reflect up to date estimates of asset valuations, asset condition or asset renewal requirements.
- ⚠ Conservative operating performance targets suggest some risk (in the achievability in the constrained level of cost growth), which could lead to the small operating surpluses becoming operating deficits.
- ⚠ Higher accumulation of cash reserves may add to intergenerational equity risk if these represent an over-recovery from ratepayers.

KEY FACTS

- ▶ Population in 2023 was **7,066 residents**.
- ▶ Council covers **6,527 square kilometres**.
- ▶ **4,727** rateable properties in 2022-23.
- ▶ **\$11.0 million of rates income** in 2022-23.
- ▶ Value of assets held in 2022-23 equals **\$208.7 million**.

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1 Executive summary

1.1 Summary of observations

The Essential Services Commission (**Commission**) of South Australia finds the Tatiara District Council's (**Council**) current and projected financial performance and position is sustainable. Over the last 10 years, the Council has generally run operating surpluses, indicating that the operating income it collects has, on average, exceeded its operating expenses, by a small margin.

The Council has demonstrated some constraint in its budgeting, with a target operating surplus ratio of zero or positive over a five-year rolling period. While operating surpluses appear modest, the Commission notes that asset renewal and replacement is well-funded relative to the Infrastructure and Asset Management Plan (see Figure 11), but there is a disparity between asset renewal expenditure and depreciation (see Figure 14). Considering these two factors together, it appears that depreciation could be overstated relative to the requirements set out in the Infrastructure and Asset Management Plan, over the entire historical and forecast periods. The apparent over-provision of depreciation would have the effect of reducing the reported operating surpluses and can lead to the accumulation of cash.

The Commission notes the Council has large cash reserves (of \$22.8 million on 30 June 2024) which it has stated it intends to use, in part, for the renewal of Community Wastewater Management System assets or other long-life assets. The Commission recommends that the Council review its forecast cash balances relative to the amount and timing of cash needed for asset renewal and replacement or new and upgraded assets and consider opportunities to adjust the pace of accumulation of cash, in consultation with its community.

The Council's forecasts show an average increase in rates of 3.0 percent per annum, and an average increase in operating expenses of 2.4 percent per annum, which are broadly in line with long-term inflation expectations.¹

The Commission has identified possible risks to its asset and financial sustainability largely due to the lack of updates to some of its asset management plans, with the transport assets plan (its largest asset category) not having been updated since October 2020, although the Council has recently completed the transport assets revaluation. The implication is that the Long-Term Financial Plan may not present an accurate picture of asset renewal requirements, or repairs and maintenance estimates. However, the Commission notes the Council has the borrowing capacity (notwithstanding its cash reserves) to address any changes resulting from updates to its asset management plans.

The Council predominantly relies on primary producer ratepayers and grant income to support its financial sustainability. Affordability risk appears to be low for residential ratepayers, who generally have lower rates compared to similar councils; and where the socio-economic ranking for the community is considered above average in South Australia.

The Commission notes the Council's current good practice of consulting with stakeholders and its community on its strategic management plans and recommends that it continues to understand the community's preferences on desired service levels, new service provision and proposed uses of its cash resources.

¹ The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

1.2 Summary of Recommendations

The Commission recommends that the Tatiara District Council:

1. **Review** its depreciation forecast methodology to improve the accuracy of its financial forecasts in its Long-Term Financial Plan.
2. **Continue** to report its forecast indexation assumptions and document the forecast methodologies used in its Long-Term Financial Plan.
3. **Disclose** material changes to its capital expenditure forecasts as part of its annual review and update to its Long-Term Financial Plan.
4. **Consider** incorporating cost savings targets in its Long-Term Financial Plan, in consultation with stakeholders and the community, and consider the implications for desired service levels.
5. **Review** the forecast cash balances, in conjunction with forecast debt requirements and funds required for any planned new or upgraded infrastructures or significant asset renewals, to determine the optimal level of cash balances, in consultation with the community. If necessary, develop a strategy to adjust the cash balances in line with community requirements, having regard to intergenerational equity.
6. **Update** its asset management plans at least every four years with annual indexation, to ensure those plans provide an accurate picture of current asset condition and asset renewal requirements.
7. **Review** depreciation allowances to ensure that they are fair and reasonable, having regard to accurate assessment of asset values and useful remaining asset lives.

2 About the advice

2.1 Background

The State Parliament has tasked the Essential Services Commission (**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.²

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**). IAMP 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, and the Commission has selected 17 councils for advice in the third year (2024-25) of the Scheme, including the Tatiara District Council (**Council**).

This report provides the Local Government Advice for the Council in 2024-25.

The Council is obliged under the *Local Government Act 1999* (**LG Act**) to publish this advice and its response, if applicable, in its 2025-26 Annual Business Plan (**ABP**) (including any draft Annual Business Plan) and in subsequent plans until the next cycle of the Scheme.⁸ The Council is not compelled under the LG Act to follow the advice.

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 to the Council, the Commission has followed the approach it previously explained in the Framework and Approach – Final Report (**F&A**).⁹

The Commission has considered the Council's SMP documents (set out in the box below), with a particular focus on its performance and outlook against three financial indicators: the Operating

² Amendments to the *Local Government Act 1999* (**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).

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.

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, in addition to cost control and affordability risk.¹¹

Tatiara District Council – Strategic Management Plan Documents

- ▶ Long-Term Financial Plan, 2024/2025 – 2033/2034 (November 2024)
- ▶ Community Wastewater Management Systems, Asset Management Plan (October 2024)
- ▶ Asset Management Strategy (August 2024)
- ▶ 2024-2025 Annual Business Plan (June 2024)
- ▶ Long-Term Financial Plan, 2023/24 to 2032/33 (February 2024)
- ▶ Aerodrome, Asset Management Plan (March 2021)
- ▶ Stormwater, Asset Management Plan (February 2021)
- ▶ Buildings, Asset Management Plan (November 2020)
- ▶ Transport Infrastructure, Asset Management Plan (October 2020), and
- ▶ Parks and Gardens Infrastructure, Asset Management Plan (September 2015).

The Commission notes that most of the Council's infrastructure asset base is covered by its existing AMPs, with asset valuations for its transport assets (its largest asset class) undertaken on 30 June 2024 and reflected in its 2024-25 LTFP.¹²

Given that the Commission must, in providing advice, have regard to the objective of councils maintaining and implementing their IAMP and LTFP,¹³ it has also considered the Council's performance in that context. Findings regarding the content of the Council's AMP, and the alignment between its LTFP and AMP,¹⁴ are discussed in section 5.

The Commission has also reviewed the Council's template data, which contain its 2024-25 LTFP forecasts for 2024-25 to 2033-34, as well as its 2023-24 LTFP forecasts, historical financial data, the number of rateable properties and the Council staff (Full Time Equivalent or **FTE**) numbers from 2013-14 onwards.¹⁵ ¹⁶ The charts and tables in the Advice are primarily sourced from these datasets. In addition, the Commission has reviewed the Council audit committee reports, and other public information, as appropriate.

¹⁰ The indicators are specified in the Local Government (Financial Management) Regulations 2011. Since 2011, each council has been required to refer to these three indicators in its plans, annual budget, mid-year budget review and annual financial statements. The councils can adopt their own target range for each ratio, but the Commission has adopted the previously suggested Local Government Association (**LGA**) target ranges as a basis for its analysis, 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 answered in assessing the Council's performance against these indicators to determine affordability, cost control and other sustainability risks.

¹² Tatiara District Council, *General Purpose Financial Statements for the year ended 30 June 2024*, Note 7 Infrastructure, Property, Plant and Equipment, pp.17-21.

¹³ LG Act s122(1g)(a)(i).

¹⁴ As required under s122(1b) of the LG Act.

¹⁵ Sourced from the Local Government Grants Commission (including data reported by the Office of the Valuer-General) and the Council's data.

¹⁶ The Council's estimates for the 2023-24 financial year, relied on at the time of preparing this advice, were unaudited.

The Commission has reported estimates in nominal terms, for consistency with the Council's plans and actual rate levels, but it has compared estimated inflation impacts to these trends as a guide to identify 'real' rather than 'inflationary' effects. In the charts, the Consumer Price Index (**CPI**) line shows the cumulative growth in the CPI (Adelaide) series from 2013-14, and then projections of this series from 2024-25 based on the Reserve Bank of Australia (**RBA**) (Australia-wide) inflation forecasts (to the December quarter 2026), and the midpoint of the RBA target range (2.5 percent) thereafter.

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, consisting of:

- ▶ its location as a rural council
- ▶ its income level (\$20.7 million), and
- ▶ the size of its rates base (4,727 rateable properties¹⁷).

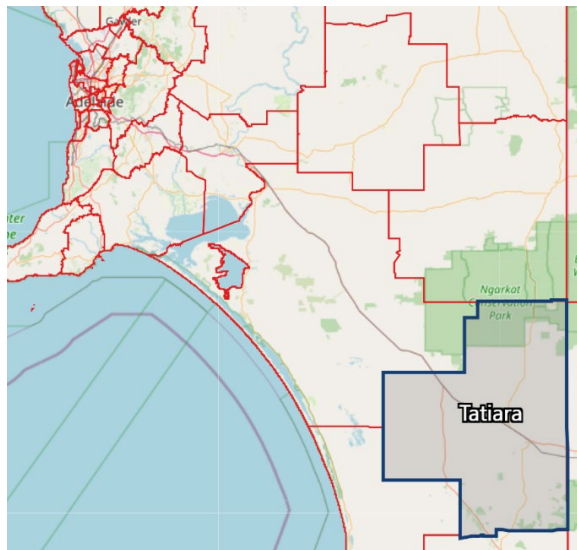
Throughout this paper the Commission has identified several key points and assigned the following risk category to those points:

Legend:  Low-risk  Moderate-risk  High-risk

¹⁷ Based on the estimated number of property assessments in 2022-23.

3 Council profile

The Council is classified by the Commission as a 'Rural Agricultural: Large and Very Large' council and is one of 19 in this category in South Australia.¹⁸ The Council is located in the Limestone Coast (Upper Southeast) region of South Australia. Its main service centres are Bordertown and Keith, and it is approximately 2.5 hours from Adelaide and 4.5 hours from Melbourne.¹⁹ The Council's area is 6,527 square kilometres and it has an estimated resident population of 7,066 (at 30 June 2023).²⁰



The Council region also has the following attributes:

- ▶ generally stable base of 4727 rateable properties²¹
- ▶ population density of 1.1 persons per square kilometre (at 30 June 2023)²²
- ▶ 536 kilometres of sealed roads and laneways, and 1,381 kilometres of unsealed roads and laneways (at 30 June 2023)²³
- ▶ largest employment sectors are agriculture, forestry and fishing (28.9 percent), manufacturing (16.6 percent), retail trade (8.1 percent), health care and social assistance (7.9 percent), and construction (6.3 percent) (at 30 June 2021),²⁴ and
- ▶ a median population age of 41.7 years (at 30 June 2023).²⁵

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 the Tatiara District Council website available at <https://www.tatiara.sa.gov.au/your-council/ceos-welcome>.

²⁰ Refer to Australian Bureau of Statistics, *Data by region*, available at <https://dbr.abs.gov.au/region.html?lga&rgn=47630>.

²¹ Based on the Council's Financial Reporting template provided to the Commission, for the period 2022-23.

²² Footnote 20 applies.

²³ Refer to the Department of Infrastructure and Transport - Local Government Grants Commission, 2022-23 *Database Reports*, available at: <https://www.dit.sa.gov.au/local-government/grants-commission/publications#database>

²⁴ Footnote 20 applies.

²⁵ Footnote 20 applies.

4 Material plan amendments in 2024-25

The Council has made various amendments to its 2024-25 budget and forward projections, partly for inflation and partly for other revenue and spending initiatives. The material amendments to some of its main financial forecasts are listed in the table below (in nominal terms).²⁶ To ensure a comparable analysis of estimates between the Council's 2023-24 LTFP projections and 2024-25 LTFP projections, the Commission has reviewed the nine overlapping years' statistics: 2024-25 to 2032-33 and identified material amendments accordingly.²⁷

4.1 Key points



Good practice of regularly updating its indexation assumptions in its LTFP.



Depreciation reduced by a cumulative 8.8 percent from the 2023-24 LTFP to the 2024-25 LTFP, causing some concern about the accuracy of the forecast.

Table 1: Summary of Plan Amendments

Selected Financial Item	Sum of 2024-25 to 2032-33 estimates in 2023-24 LTFP (\$ million)	Sum of 2024-25 to 2032-33 estimates in 2024-25 LTFP (\$ million)	Change in 2024-25 estimates (\$ million)	Change in 2024-25 estimates (%)
Rates income*	129.4	125.3	-4.0	-3.1
Grants, subsidies and contributions*	57.6	55.1	-2.5	-4.3
Total operating income*	217.7	208.1	-9.6	-4.4
Employee costs	60.2	62.1	+1.9	+3.1
Depreciation, amortisation and impairment	69.7	63.5	-6.2	-8.8
Total operating expenses*	216.3	208.1	-8.2	-3.8
Capital expenditure on renewal of assets* ²⁸	50.4	49.7	-0.6	-1.3
Capital expenditure on new and upgraded assets ²⁹	16.3	18.3	+1.9	+11.9

* These items may not indicate a material amendment.

²⁶ This table shows only selected financial items to demonstrate the material amendments made by the Council in its 2024-25 estimates. It excludes various financial items, and individual items may not sum to totals.

²⁷ The Council's strategic review and update of its 2024-25 LTFP were adopted in November 2024. The financial information presented in the Commission's advice are based on the Council's endorsed draft 2024-25 LTFP provided to the Commission on 2 October 2024.

²⁸ The capital expenditure estimates are based on the 2024-25 LTFP projections provided by the Council to the Commission (in an Excel template).

²⁹ Footnote 28 applies.

4.2 Changes to operating performance

The Council's operating performance generally reflects downward revisions in its 2024-25 LTFP, across the nine-year comparative period to 2032-33 compared to the 2023-24 LTFP forecast estimates (as shown in Table 1 above).³⁰ Overall, the Council has projected a decrease in total operating income of \$9.6 million (or 4.4 percent) compared to its previous forecasts, suggesting that changes in total operating income are not material.

The key operating income sources of the Council come from rates and grants, which are forecast in its 2024-25 LTFP to account for 60.2 percent and 26.5 percent of total operating income over the 9-year comparative period. These two income sources are forecast to decrease by 3.1 percent and 4.3 percent respectively, relative to the prior year's forecast. The Council's reasons for the amendments are largely related to a revision in indexation assumptions (which it states were higher in the previous 2023-24 LTFP forecasts).³¹ It is noted that rateable property forecasts have been assumed by the Council to remain at the current level (4,743³²) across the Forecast period, and do not appear to drive plan amendments.

Similarly, the Council's total operating expenses are projected to decrease by 8.2 million (or 3.8 percent) compared to its previous forecast, indicating overall changes are not material. The Council's reasons for the plan amendments include higher employee costs (by 3.1 percent) due to new budgeted positions; and lower depreciation charges (reduced by 8.8 percent), reflecting the Council's methodology to use a five-year rolling average of actual movements (including updating for recent transport assets revaluation, and lower annual indexation assumptions).

There is limited detail on the depreciation forecast methodology, and the Commission considers that employing a five-year rolling average will tend to understate depreciation when assets prices are increasing or being revalued. Related to this, the Council has advised that its current auditors are reviewing its asset indexation method, which will be considered further. Depreciation is discussed in the context of asset renewals in section 5.3.

The Commission recommends that the Council:

1. **Review** its depreciation forecast methodology to improve the accuracy of its financial forecasts in its LTFP.

4.3 Changes to indexation

The Commission observes that the Council regularly reviews its LTFP and, as part of this, updates its indexation assumptions. Generally, this appears to be a well-documented process within the Council, as it applies various indexation forecasts to income and expenses categories. The Council's preference is to use the Local Government Price Index (LGPI) for most of its operations and discretionary revenues,³³ and applies CPI or contracted escalation (such as in Enterprise Bargaining Agreements) to other operating items.

Overall, the Commission considers the process is appropriate, and its indexation forecasts assist interested parties to identify 'real' rather than 'inflationary' effects and material plan amendments. However, there may be some benefit in the Council disclosing the methodologies or sources of its

³⁰ These increases are in nominal terms and are inclusive of CPI increases.

³¹ Based on the Council's Financial Reporting template (including its reasons for material amendments) provided to the Commission.

³² Unaudited 2023-24 figure, as provided to the Commission in the Council's financial reporting template.

³³ Tatiara District Council, *Long Term Financial Plan 2024/2025-2033/2034*, November 2024, p. 11.

assumptions, to ensure the appropriateness of those assumptions. The Commission recommends that the Council:

2. **Continue** to report its forecast indexation assumptions and document the forecast methodologies used in its LTFP.

4.4 Changes to capital expenditure estimates

The Council's 2024-25 LTFP projections indicate an increase in capital expenditure for new and upgraded assets by \$1.9 million (or 11.9 percent) compared to the previous years' projections (for the period from 2024-25 to 2032-33). The Council states the revision relates to the acquisition of new garbage trucks and other capital associated with land development. Further, the Council is in the early stages of four land development projects for various estates in its region; and has allocated \$1.0 million for each of these within its LTFP forecasts, as well as the gradual sale of land over its planning period. The Council's capital expenditure outlook is discussed further, in the context of its asset renewal funding in section 5.3.

The Commission's review of the Council's LTFPs indicates that while its assumptions are generally well documented, further transparency on the key changes in capital expenditure between annual updates would benefit stakeholders. These material changes should be clearly documented as part of its LTFP reviews. The Commission recommends that the Council:

3. **Disclose** material changes to its capital expenditure forecasts as part of its annual review and update to its LTFP.

5 Financial sustainability

5.1 Operating performance

5.1.1 Key points

- ✓ Operating surpluses were generally achieved between 2013-14 and 2022-23, with the OSR averaging 3.5 percent or \$0.6 million per annum.
- ✓ In its forward projections, the OSR is forecast to be marginally above zero, the lower end of the suggested Local Government Association (LGA) target range, over the period from 2024-25 to 2033-34, averaging 0.1 percent per annum.
- ✓ Expenses per property are projected to increase by 2.4 percent per annum over the period from 2024-25 to 2033-34 (below current inflation projections).

5.1.2 Operating surplus ratio

Figure 1: Operating surplus ratio – historical and forecast

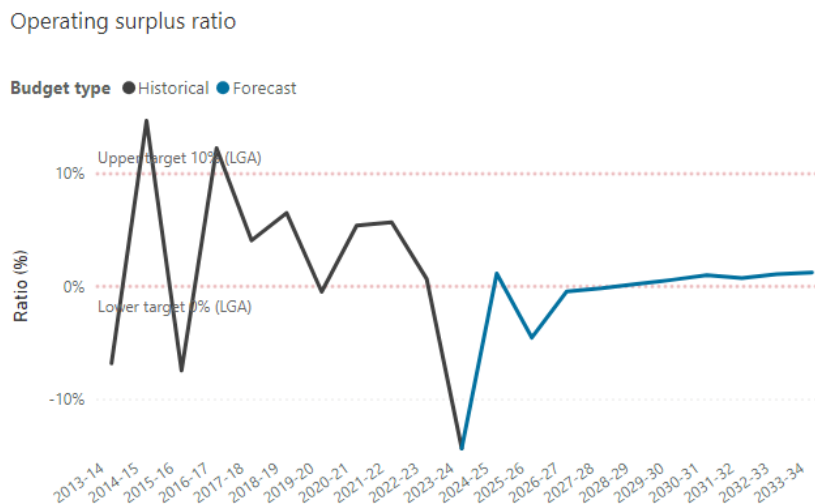
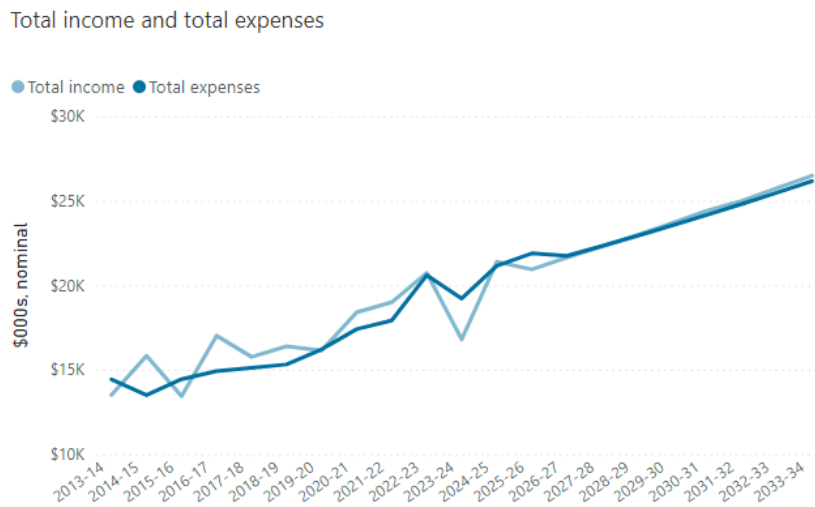


Figure 2: Total income and expenses – historical and forecast



The Council experienced some volatility in its operating performance from 2013-14 to 2022-23, and at times reported operating deficits, but on average has achieved an operating surplus of \$0.6 million per annum (equivalent to an accumulated operating surplus of \$6.3 million). As a result, the Council's OSR³⁴ over the last 10 years has averaged 3.5 percent, within the suggested Local Government Association of South Australia (LGA) target range of between zero and 10.0 percent.

The Council has generally maintained small operating surpluses, with growth in operating income averaging 4.9 percent per annum from 2013-14 to 2022-23, and growth in operating expenses averaging 4.0 percent per annum.³⁵ Both operating revenue and operating expenses have increased at a higher rate than historical CPI,³⁶ however operating income increases have substantially come from non-rate income such as grants and user charges. It is also noted that historically, there has been no growth in the number of rateable properties in the Council's region, which limits its capacity to increase income from ratepayers.

The Council's unaudited financial information in 2023-24 indicates an operating deficit of \$2.4 million, however this is largely due to the receipt timing and recognition of the 2023-24 Financial Assistance Grants of \$3.8 million (typically its largest grant funding source), which was recognised by the Council in 2022-23.³⁷ Over the forecast period from 2024-25 to 2033-34, the Council's OSR mainly reflects break-even performance, averaging 0.1 percent per annum. This is generally consistent with its target to achieve a zero or positive OSR over a five-year period (see Figure 1).³⁸

³⁴ The operating surplus ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income. The general target is to achieve, on average over time, an operating surplus ratio of between zero and 10.0 percent (Local Government Association of South Australia, *Financial Sustainability Information Paper 9 - Financial Indicators Revised*, May 2019 (**LGA SA Financial Indicators Paper**), p. 6).

³⁵ Based on the compound average annual growth rate formula (which is the adopted approach to calculating average annual growth rates throughout the Commission's advice).

³⁶ CPI Adelaide (all groups) increased by 2.6 percent per annum on average over the period from 2013-14 to 2022-23, based on historical ABS statistics. Available at <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/>.

³⁷ The Local Government Grants Commission sets out the quarterly payment schedule for Financial Assistance Grants (among other grants), available at <https://www.dit.sa.gov.au/local-government/grants-commission/grant-payments>.

³⁸ Tatiara District Council, *Long-Term Financial Plan 2024/2025-2033/2034*, November 2024, p. 3.

However, the Commission notes that while the Council's forecast operating surpluses are low, the Council holds large cash balances, which are forecast to grow from \$18.5 million in 2024-25 to \$28.0 million in 2033-34. Cash balances are discussed further in section 5.2 - Net financial liabilities.

5.1.3 Operating income

The Council's primary sources of operating income over the period from 2013-14 to 2022-23 were from rates income (60.5 percent of total operating income) and grants (29.5 percent). Over this period, the Council had an average operating income of \$16.6 million per annum (in nominal terms), but additionally received other contributions for new assets, which averaged \$0.7 million per annum (in nominal terms).³⁹

Rates income increased on average by 1.8 percent per annum from 2013-14 to 2022-23 (when CPI growth averaged 2.6 percent⁴⁰). The Council's region also did not have any growth in the number of rateable properties over this period. Grant income receipt and recognition can be 'lumpy' from year-to-year.⁴¹ The three-year average of \$725 per rateable property in 2015-16 is compared with the three-year average of \$1,377 per rateable property in 2022-23, reflecting an increase in value in real-terms (or 9.6 percent increase per annum in nominal terms). User charges increased materially by 12.4 percent per annum from 2013-14 to 2022-23, reflecting income growth from caravan park operations.

The Council's LTFP is focused on achieving its financial sustainability targets, particularly achieving a breakeven operating surplus position. The Council projects average rate revenue growth (per rateable property) of 3.0 percent per annum, which is slightly higher than the projected long-term inflation rate of 2.6 percent per annum.⁴² This also reflects the application of LGPI, which the Council estimates is higher than CPI. No growth in rateable properties is forecast in the LTFP, however the Council is progressing four land development initiatives and will include growth in the number of rateable properties as estimates become available.⁴³ Rates are discussed further in section 6.

The Council's grant income and user charges appear more conservatively projected and are based on a continuation of current levels for grant income (escalated by forecast CPI), and user charges (escalated by forecast LGPI). Grant income is projected to average \$6.2 million per annum from 2024-25 to 2033-34 (in nominal terms), and user charges are forecast to average \$1.6 million per annum over the same period.

5.1.4 Operating expenses

From 2013-14 to 2022-23, the Council's operating expense growth was primarily due to an average annual increase of 5.3 percent in 'materials, contracts and other' expenses, 4.1 percent in employee costs,⁴⁴ and 2.8 percent depreciation expenses. See changes by expense type in Figures 3 and 4.

³⁹ Tatiara District Council, *General Purpose Financial Statements for the year ended 30 June 2014 to 30 June 2023*, available at <https://www.tatiara.sa.gov.au/council-documents/annual-reports>.

⁴⁰ CPI Adelaide (all groups) increased by 2.6 percent per annum on average over the period from 2013-14 to 2022-23, based on historical ABS statistics. Available at <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/>.

⁴¹ Due to the timing of different grants and sometimes advance grant payments (as for the 2023-24 Financial Assistance grant allocation, which was received and accounted for in 2022-23).

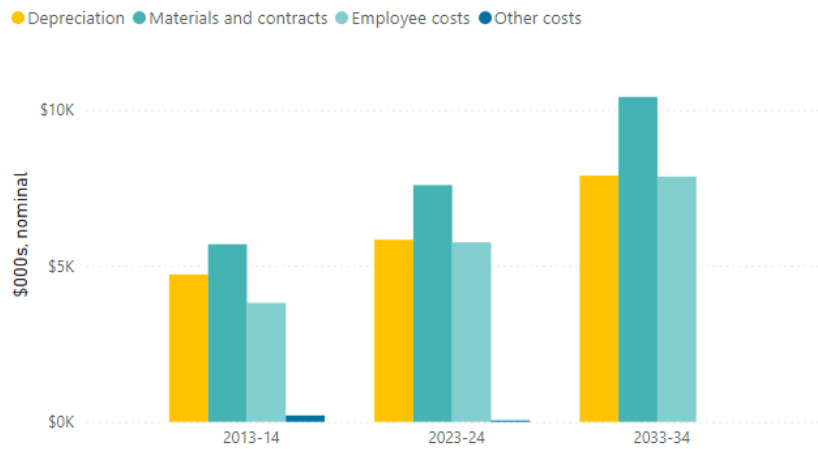
⁴² The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

⁴³ Tatiara District Council, *Long-Term Financial Plan 2024/2025-2033/2034*, November 2024, p. 15.

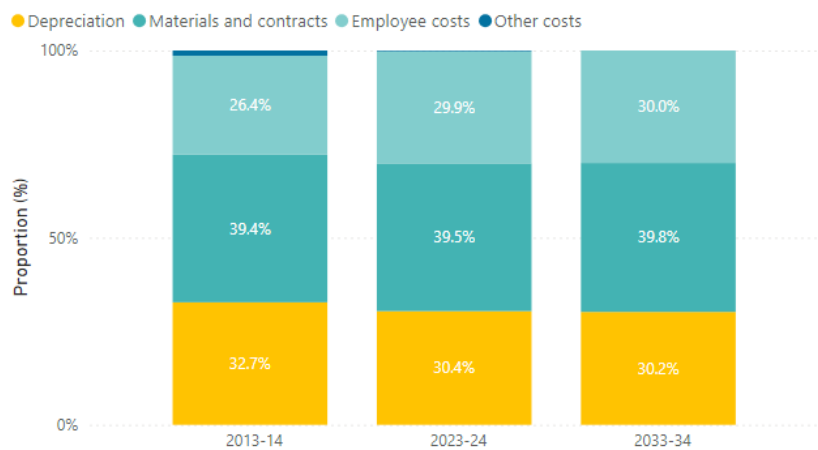
⁴⁴ The Council's template data shows that employee numbers increased by 8 FTEs over this period, and its long-term planning assumptions assumes no change from 2023-24 levels of 63 FTEs.

Figure 3: Expenses by category – historical and forecast

Expenses by category

**Figure 4: Expenses by category - proportions**

Expenses by category (proportions)

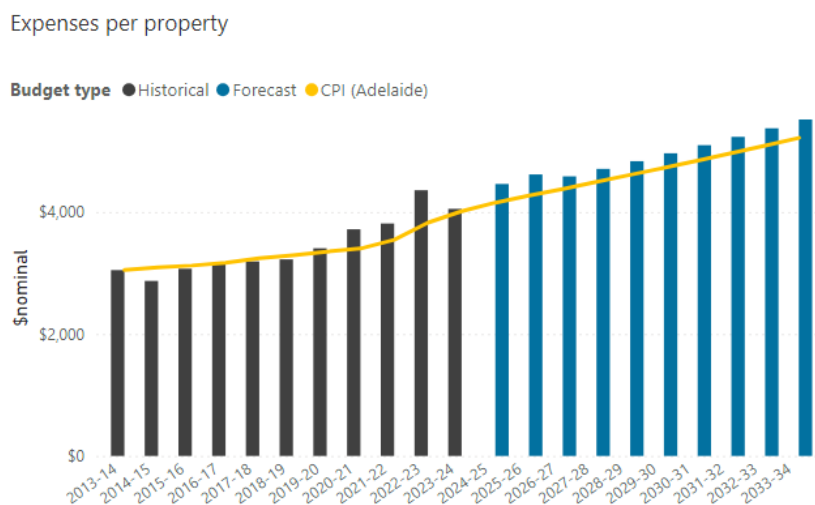


Over the period from 2024-25 to 2033-34, the Council forecasts 2.4 percent annual average expense growth, which is lower than the annual average growth of 4.0 percent in the 10 years to 2022-23 and is marginally lower than the RBA-based forecast inflation growth of 2.6 percent per annum.⁴⁵

While the Council's cost base has been volatile in recent years, the Commission observes that its LTFFP cost trends do not appear out of step with CPI. To achieve these trends, it may be prudent for the Council to consider identifying savings or efficiency targets in its plans to manage inflationary pressures (notwithstanding the Council's large cash reserves).

⁴⁵ Footnote 42 applies.

Figure 5: Expense by rated property - historical and forecast



Expenses per property are projected to increase at the same rate as total operating expenses at 2.4 percent per annum from 2024-25 to 2033-34, noting that no growth in rateable properties is currently assumed in the Council's LTFP.

The Council's financial information shows that lower average increases are projected in most of its cost categories over the period from 2024-25 to 2033-34 compared to the previous 10-year period, for example:⁴⁶

- ▶ 2.7 percent per annum increase in employee costs (compared to 4.1 percent per annum)
- ▶ 2.3 percent per annum increase in 'materials, contracts and other' expenses (compared to 5.3 percent per annum), and
- ▶ 2.3 percent per annum increase in depreciation expenses (compared to 2.8 percent per annum).

This suggests some risk in the achievability in the constrained level of cost growth, which could lead to the forecast small operating surplus becoming a deficit.

In relation to the Council's cost indexation assumptions, they appear appropriate. Its employee costs reflect CPI plus 0.5 percent per annum (consistent with the Enterprise Bargaining Agreement due for renewal in July 2025); and 'materials, contracts and other' expenses reflect a five-year LGPI forecast indexation method. For depreciation expenses, as previously noted, the Council uses a five-year average of actual movements to determine forecasts, which the Commission considers will understate depreciation when asset renewal or replacement costs are increasing or being revalued.

5.1.5 Commission's advice on operating performance

Overall, the Commission considers that the lower rate of operating expense growth is a positive commitment; and that projected operating performance generally shows a conservative approach by the Council. This is mainly expected to be achieved through lower growth in operating expenses, and higher growth in rates income (compared to historically), but is broadly in line with projected CPI. This appears to be reasonable approach, however there is a risk to the Council's operating performance, for example, if operating expenses grow at a faster rate than forecast. The Council could consider saving

⁴⁶ The average annual change for the previous 10 years, from 2013-14 to 2022-23, is shown in brackets.

targets to ensure service levels to the community are sustainable (or not reduced). Accordingly, the Commission recommends that the Council:

4. **Consider** incorporating cost savings targets in its LTFP, in consultation with stakeholders and the community, and consider the implications for desired service levels.

5.2 Net financial liabilities

5.2.1 Key points

- ✓ Between 2013-14 and 2022-23 the NFLR averaged negative 68.1 percent, which was below the suggested LGA target range, but reflects the Council's conservative position on borrowings.
- ✓ Total cash held by the Council on 30 June 2024 was \$22.8 million and the balance is expected to increase over the LTFP forecasts to \$28.0 million by 2033-34.
- ⚠ The high cash balances appear excessive unless the cash will be required for the anticipated renewal of the CWMS. This could present an intergenerational equity risk for ratepayers.

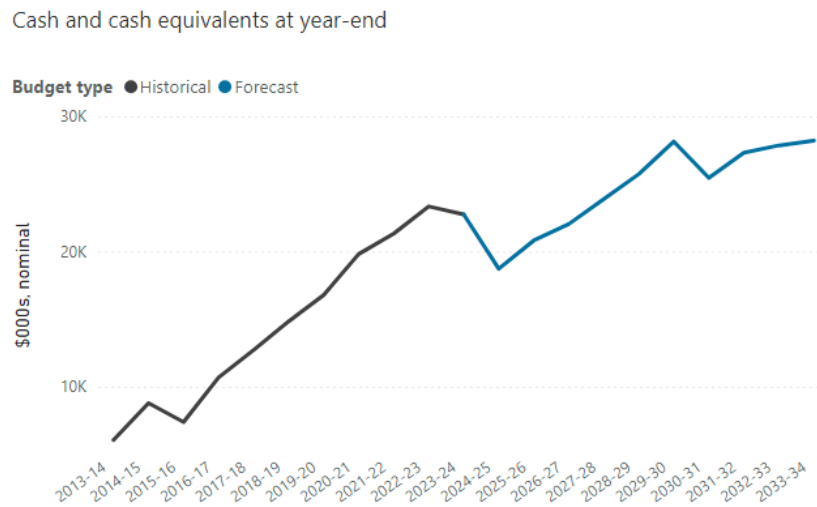
Despite the Council's low average operating surpluses of \$0.6 million over the last 10 years, its net cash flows after operating and investing (that is, capital-related) activities have averaged \$1.9 million annually between 2013-14 and 2022-23.⁴⁷ These are the cash flows generally available for debt repayments (and are after interest payments) and indicate the Council has been able to accumulate cash reserves to repay borrowings. Overall, this appears to have largely come from lower capital expenditure (compared to depreciation), and contributions for new assets totalling \$7.4 million (over this period).⁴⁸

Figure 6, which shows cash held by the Council at the end of each year, including financing activities, has significantly increased from \$6.1 million in 2013-14 to \$23.3 million in 2022-23 and is forecast to further climb to \$28.0 million by 2033-34. It is not clear how much of that cash would be required for the planned renewal of the Community Wastewater Management System (CWMS). Further, the Commission notes that depreciation provision is significantly more than the net asset renewal expenditure, and this could suggest a higher recovery from ratepayers. Refer to section 5.3.

⁴⁷ This figure provides a general indication on whether the Council has a capacity to repay borrowings or has an emerging cash flow sustainability issue. A negative or relatively small figure should be viewed in the context of the Council's revenue base and existing cash balances, and it may be able to service cash flow deficits for a significant period.

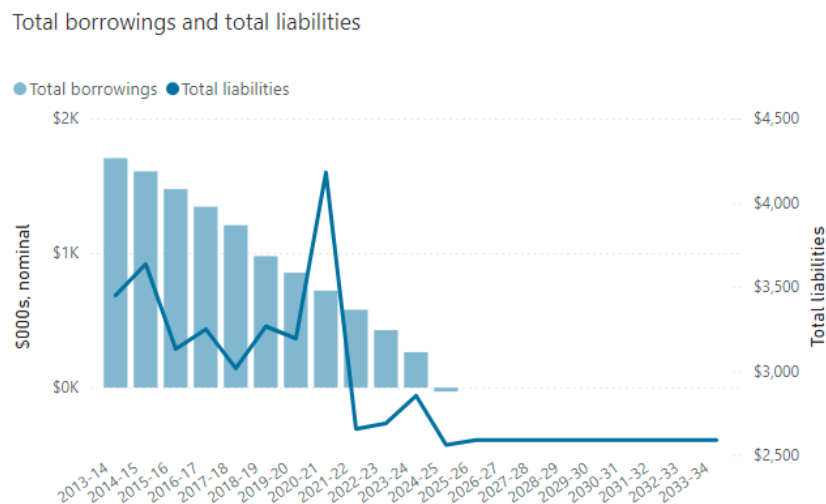
⁴⁸ Classified in the Council's Statement of Cash Flows as 'Amounts specifically for new or upgraded assets'. These amounts are reported below the operating surplus or deficit line in its Income Statement and are not included in the charts throughout the Commission's advice.

Figure 6: Cash and cash equivalents at year-end – historical and forecast

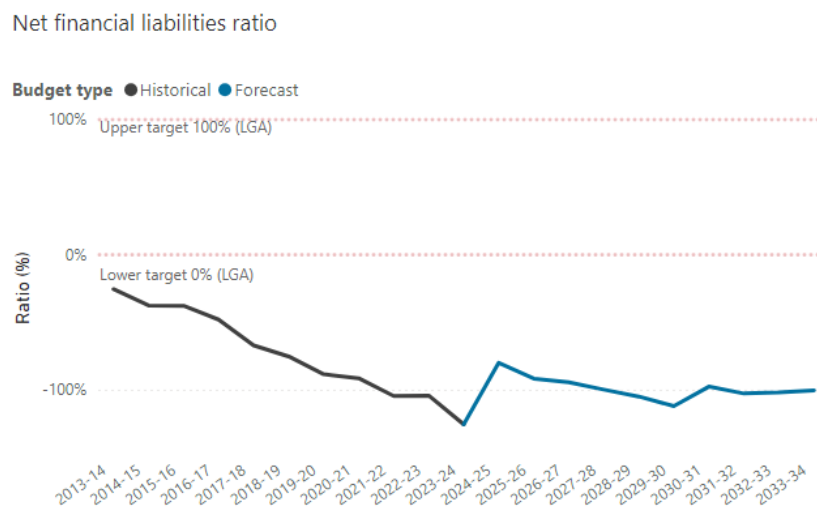


The Council has predominantly used borrowings from the Local Government Finance Authority of South Australia (LGFA) for its capital expenditure needs. The Council states it has a small outstanding loan balance for a Civic Centre upgrade; and that it maintains a large cash reserve for the long-term renewal of its CWMS assets. In the 2024-25 LTFP, the Council reports an actual cash balance of \$22.8 million (on 30 June 2024) and is not forecasting borrowings over the 10 years to 2033-34.⁴⁹ The Council's total borrowings and total liabilities are depicted in Figure 7. This chart show that total liabilities spiked in 2020-21, mainly reflecting a timing difference from the reported increase in trade and other payables (by \$1.0 million).

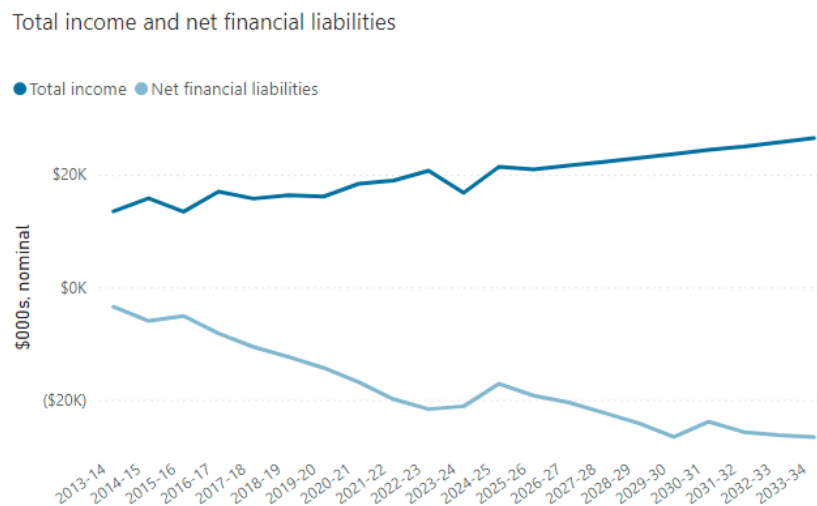
Figure 7: Total borrowings and total liabilities – historic and forecast



⁴⁹ Tatiara District Council, *Long Term Financial Plan 2024/2025-2033/2034*, November 2024, p. 32.

Figure 8: Net financial liabilities ratio – historical and forecast

The Council's NFLR has progressively decreased and averaged negative 68.1 percent over the 10-year period from 2013-14 to 2022-23 (see Figure 8). This is below the suggested LGA target range for the indicator of between zero and 100.0 percent and demonstrates the Council's conservative approach to borrowings and also reflects its accumulation of cash reserves.⁵⁰ Figure 9 shows the widening of gap of the Council's total income and net financial liabilities, indicating it has the capacity (notwithstanding its cash reserves) to support higher borrowings, should it wish to do so.

Figure 9: Total income and net financial liabilities – historical and forecast

The Council forecasts that the NFLR will continue to be below zero, averaging negative 98.6 percent over the forecast period of its LTFP (from 2024-25 to 2033-34).⁵¹ This forecast ratio is within the Council's own target of no greater than 65.0 percent of total operating revenue over a five-year period.

⁵⁰ The net financial liabilities ratio is defined as: Net financial liabilities ÷ Total operating income. This ratio measures the extent to which a council's total operating income covers, or otherwise, its net financial liabilities. The suggested LGA target range is between zero and 100.0 percent of total operating income, but possibly higher in some circumstances (LGA SA Financial Indicators Paper, pp. 7-8).

⁵¹ Based on the Council's Excel template provided to the Commission.

The Council's use of cash reserves appears purposeful (and is supported by its Treasury Management Policy), with Council's preference to reserve cash for renewal of long-life assets, rather than supporting renewal with debt.⁵² The Council also advises that it holds a CWMS reserve for long-term renewal requirements of the CWMS network, and that the annual works program utilises this CWMS reserve. The Commission notes that Council has a larger forecast capital program in nominal terms (compared to the past) which utilises some of its cash over the short-term, however cash balances are forecast to continue to grow to \$28.0 million by 2033-34.

5.2.1 The Commission's advice on financial liabilities

The Commission observes the Council has some uncertainty in its total revenue due to the proportion of grant income, which can be unreliable, and therefore it may be justified in a conservative attitude toward borrowing. However, the high cash balances could be excessive, depending upon the extent to which they are needed for renewal of the CWMS and other long-life assets. This may present an intergenerational equity risk,⁵³ where past and/or current rate payers excessively contribute for future asset replacement or upgrades.

Accordingly, the Commission recommends that the Council:

5. **Review** the forecast cash balances, in conjunction with forecast debt requirements and funds required for any planned new or upgraded infrastructures or significant asset renewals, to determine the optimal level of cash balances, in consultation with the community. If necessary, develop a strategy to adjust the cash balances in line with community requirements, having regard to intergenerational equity.

5.3 Asset renewals expenditure

5.3.1 Key points

- ✓ Between 2013-14 and 2022-23 the ARFR averaged 92.4 percent, with an average renewal expenditure of \$3.2 million per annum.
- ✓ The forecast asset renewal funding ratio over the next 10 years is projected to align with its AMPs, with average renewal expenditure of \$5.6 million per annum (in nominal terms).
- ⚠ Some of the Council's AMPs were updated several years ago which could result in higher than anticipated asset renewal investment and repairs and maintenance.
- ⚠ Depreciation is materially higher than net asset renewal expenditure, which, could suggest an over-recovery from ratepayers - a misalignment of depreciation relative to asset renewal funding requirements.

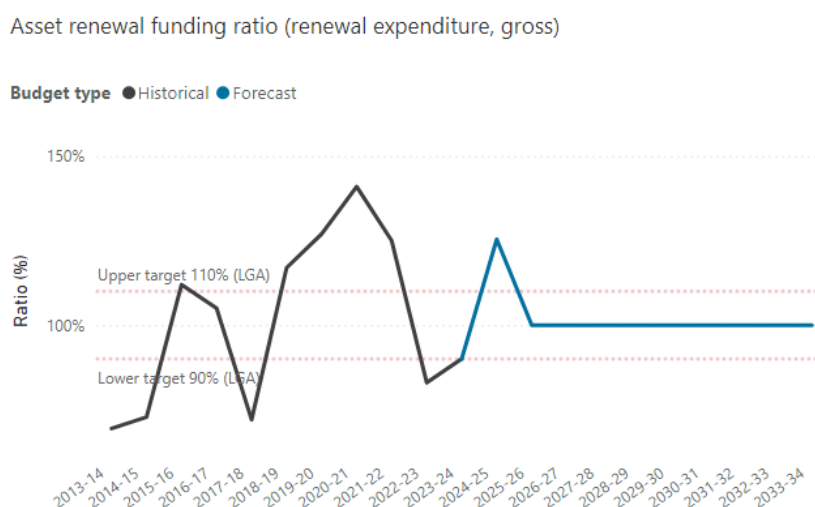
The Council has developed AMPs for major asset classes (covering transport, stormwater, aerodrome, CWMS, buildings, and parks and gardens), as well as an overarching Asset Management Strategy updated in August 2024. The Commission notes that some of the Council's AMPs had not been updated for several years, with its transport AMP (covering its largest assets) last updated in

⁵² Tatiara District Council, *Long Term Financial Plan 2024/2025-2033/2034*, November 2024, p. 21.

⁵³ 'Intergenerational equity' relates to fairly sharing of services and the revenue generated to fund the services between current and future ratepayers.

October 2020. However, the Council has in place an AMP revision schedule (as well as an asset valuation schedule) to progressively update its plans.⁵⁴

Figure 10: Asset renewal funding ratio (renewal expenditure gross) – historical and projected



Historically, between 2013-14 and 2022-23, the Council has generally met the suggested LGA target range for its asset renewal funding ratio,⁵⁵ achieving an average of 92.4 percent over this period (see Figure 10).⁵⁶ Overall, this suggests that the Council has generally met the renewal and replacement needs of its asset stock as detailed in its own AMPs, with an average capital expenditure on asset renewals of \$3.2 million per annum over this period. To a lesser extent, and over the same period, the Council has also invested in new or upgraded assets averaging \$1.8 million per annum.

The Council's updated projections in its 2024-25 LTFP indicates a larger capital expenditure program on asset renewals and on new or upgraded assets compared to the past 10 years (see Figures 11 and 12). Average annual spending on renewal or replacement of assets is projected to increase to \$5.6 million (in nominal terms); and average annual spending on new or upgraded assets is projected to increase to \$2.0 million (in nominal terms). From 2024-25 to 2033-34, the ARFR (net) averages 98.9 percent, reflecting its intention to align spending to AMP projections.⁵⁷

⁵⁴ Tatiara District Council, *Initial Information Request Compilation*, email to the Commission, 14 June 2024.

⁵⁵ The IAMP-based method is the current industry standard whereby asset renewal/replacement expenditure is divided by the recommended expenditure in the IAMP (or AMP). Ideally, this will show the extent to which a council's renewal or replacement expenditure matches the need for this expenditure, as recommended by the plan. The suggested LGA target range for the ratio is 90.0 to 110.0 percent (LGA SA Financial Indicators Paper, p. 9).

⁵⁶ The quoted averages for the ratio are based on 'net asset renewal expenditure' rather than 'gross asset renewal expenditure' (before the sale of replaced assets).

⁵⁷ The Council's target for the ARFR is between 90.0 percent and 110.0 percent over a rolling three-year average. Tatiara District Council, *Long-Term Financial Plan 2024/2025-2033/2034*, November 2024, p. 9.

Figure 11: Net asset renewal and IAMP renewal expenditure – historical and projected

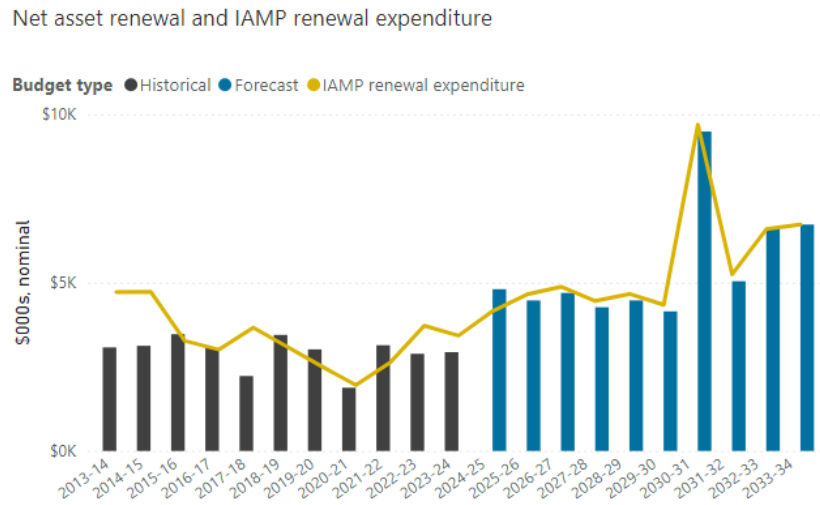
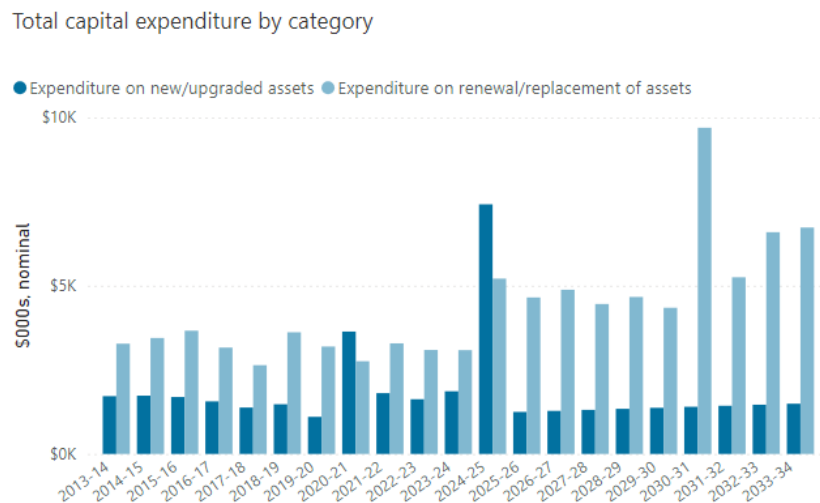
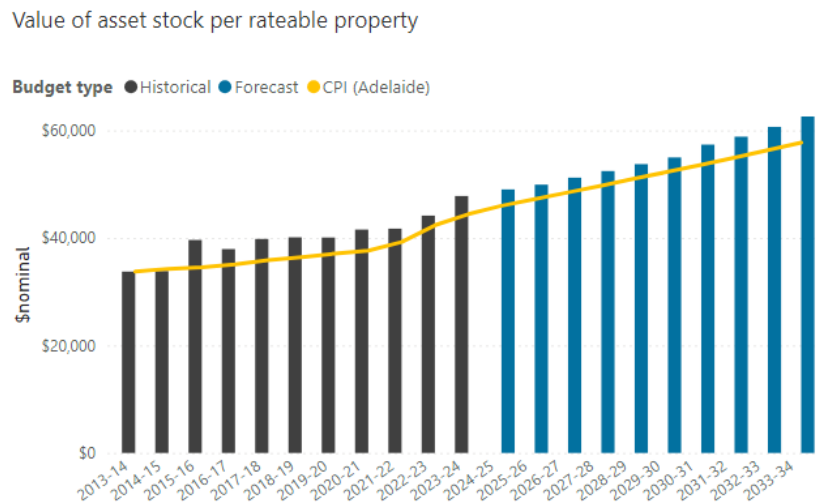


Figure 12: Total capital expenditure by category – historical and projected



Through past capital expenditure and asset revaluation, the Council has grown its asset base. The average increase in the value of asset stock per property was \$1,157 per annum or 3.0 percent per annum over the period from 2013-14 to 2022-23 (see Figure 13). This indicates that the Council's asset stock has been growing broadly in line with the rate of inflation.

Figure 13: Value of asset stock per rateable property – historical and projected



The forecast value of asset stock (per rateable property) indicates average annual growth of 2.8 percent over the period 2024-25 to 2033-34, broadly in line with forecast inflation, noting no forecast growth in the number or rateable properties over this period.⁵⁸ The forecast maintenance of the Council's asset base (in real terms) appears appropriate, however in doing so, the Council should generally ensure that robust AMPs are in place that prioritises regular maintenance and timely asset renewal to prevent asset deterioration. While the Council generally appears to have robust AMPs in place, some of these require updating.

Asset renewals can also be evaluated by the depreciation-based ARFR,⁵⁹ which is projected to be below the recommended minimum level (for the IAMP-based ratio) of 90.0 percent, averaging 76.2 percent per annum in the 10 years to 2033-34 (see Figures 14 and 15).

⁵⁸ The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

⁵⁹ The Council's asset renewal funding ratio by the depreciation-based method (where asset renewal/replacement expenditure is divided by depreciation expenses). This ratio shows the extent to which capital expenditure on the renewal and replacement of assets matches the estimated rate at which these assets are used or consumed. Prior to 2013, the calculation of the ratio in the sector was based on the 'depreciation method' and was known as the asset sustainability ratio until 2018.

Figure 14: Net asset renewal expenditure and depreciation – historical and projected

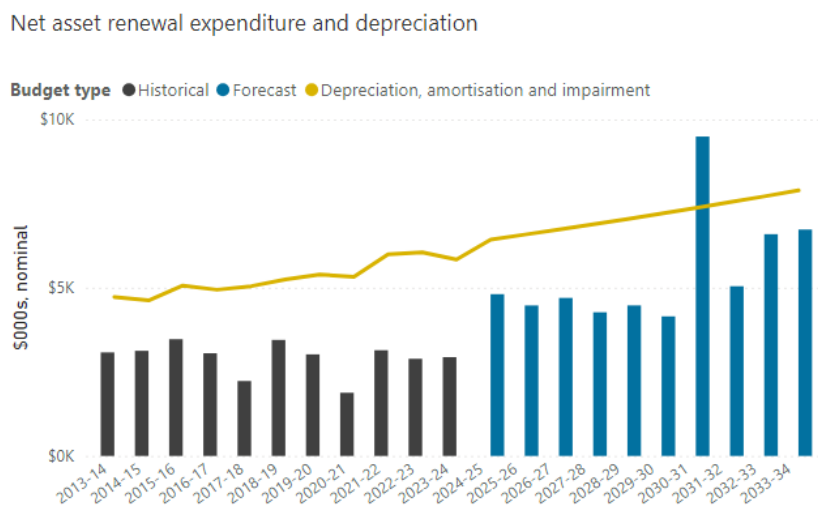
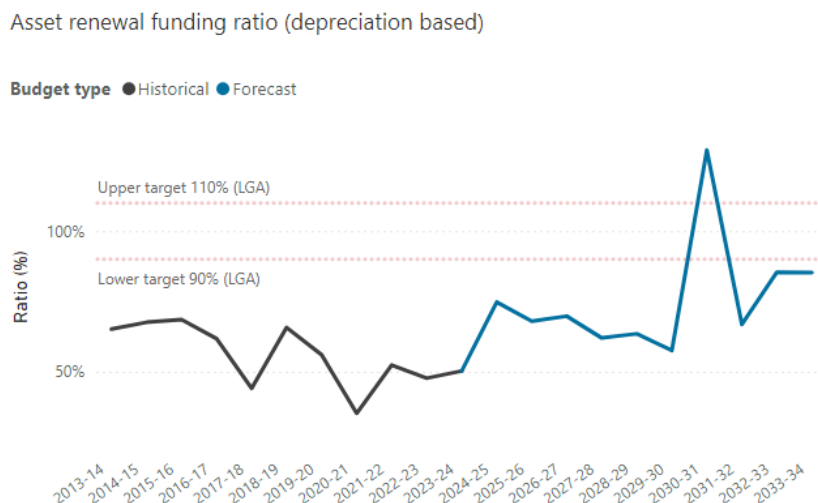


Figure 14 shows that depreciation is consistently higher than net asset renewal expenditure. When viewed in the context of Figure 11 (showing net asset renewal expenditure is generally in line with the IAMPs), this could indicate that higher depreciation is providing for the recovery of long-life assets (such as for the CWMS). It could also suggest an over-recovery is occurring, for example, if the recorded asset lives are understated (thereby overstating depreciation).⁶⁰ This seems to be a key driver of the accumulation of cash balances.

Figure 15: Asset renewal funding ratio (depreciation based) – historic and projected



5.3.1 The Commission's advice on asset renewals funding

While the Council's asset renewal funding ratio has on average met the suggested LGA target range, asset management planning deficiencies can arise from out-dated AMPs. The Commission notes that the Council has in place a rolling schedule for updating its AMPs as well as asset valuations. However,

⁶⁰ In other circumstances, a potential shortfall could exist if the renewal expenditure is consistently below depreciation, with the risk being that the Council may not be maintaining its infrastructure asset base and associated service levels to the community may reduce.

updates on account of higher than anticipated asset valuations (or higher repairs and maintenance programs following a condition assessment) could mean additional funding is required to maintain existing service levels, placing more pressure on its operating budgets. Having said that, the Council appears to have the cash available to resolve any deficiencies with its asset management planning practices.

The Commission recommends that the Council:

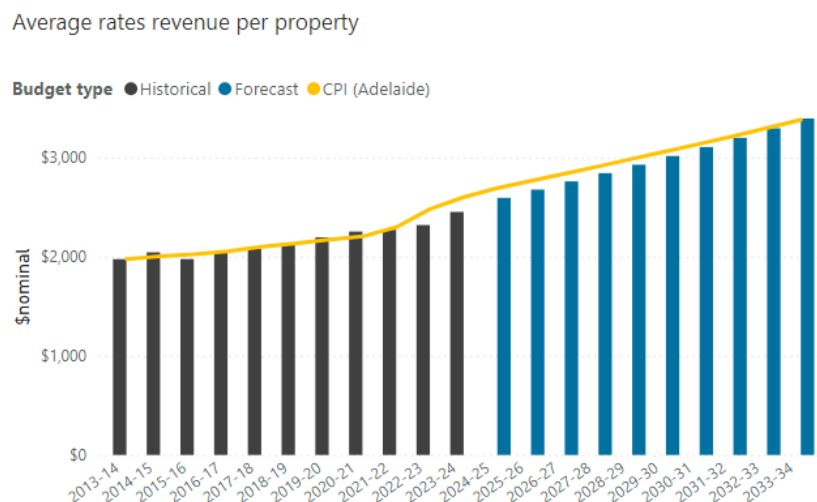
6. **Update** its asset management plans at least every four years with annual indexation, to ensure those plans provide an accurate picture of current asset condition and asset renewal requirements.
7. **Review** depreciation allowances to ensure that they are fair and reasonable, having regard to accurate assessment of asset values and useful remaining asset lives.

6 Advice on current and projected rate levels

6.1 Key points

- ✓ Growth in rate revenue per property averaged 1.8 percent or \$38 per annum for each property between 2013-14 and 2022-23, which is 0.8 percent lower than average CPI for the same period.
- ⚠ The budget rates increase for 2024-25 is 5.6 percent per property, which is higher than CPI and higher than it anticipated charging in previous forecasts; but also reflects higher waste collection charges following a contract renewal.
- ✓ The forecast rate increases per property from 2024-25 to 2033-34 are projected to be an average of 3.0 percent per annum, or a cumulative increase of \$801 per property over this period.
- ✓ Affordability risk among the community for the further rate increases appears to be low, based on a range of factors, including an assessment of the economic resources available to the community, and historical rate increases below the rate of inflation.

Figure 16: Average rates revenue per property – historical and projected



6.2 Historical rates growth

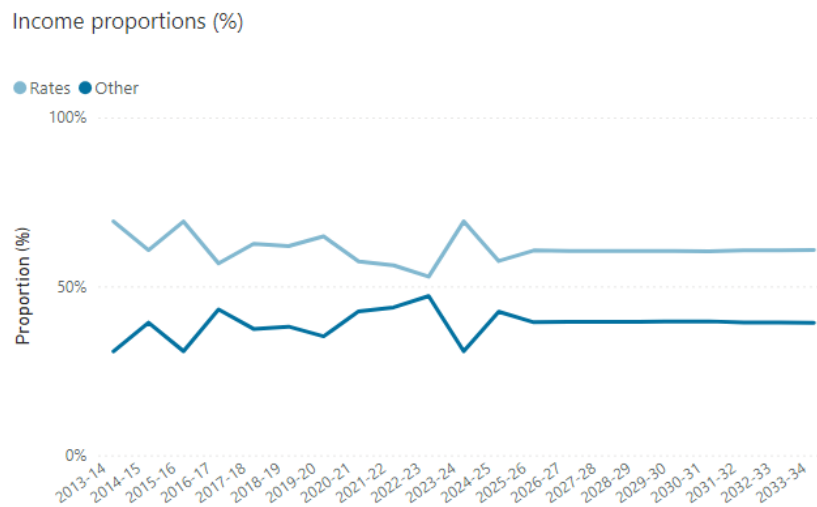
The Council's rate revenue per property growth has averaged 1.8 percent or \$38 per annum for each property over the past 10 years,⁶¹ to reach an estimated average of \$2,320 per property in 2022-23 (see Figure 16). The growth rate was lower than the average CPI increase of 2.6 percent annually during the same period.⁶² The increase in rate revenue per property mainly reflects the increase in rate levels as no growth in rateable properties was reported over the period.

⁶¹ From 2013-14 to 2022-23.

⁶² CPI Adelaide (all groups) increased by 2.6 percent per annum on average over the period from 2013-14 to 2022-23, based on historical ABS statistics. Available at <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/>.

Current rate levels generally reflect the Council's conservative budgeting practices, lower net financial liabilities, and other non-rate income sources.

Figure 17: Income proportions (percent)



The majority of the Council's income comes from ratepayers (with rate income representing 60.5 percent of total operating income over the 10-year period from 2013-14 to 2022-23, see Figure 17). In addition to rate income, the Council has income from grants (accounting for approximately 29.5 percent over the same period), and user charges (accounting for approximately 3.6 per over the same period). To support growth and development in the region, the Council also receives income from 'amounts received specifically for new and upgraded assets' (approximately its third largest income source after grant income).⁶³ Similar to other regional councils, the Tatiara District Council relies on both its rates base and grant income for its operating sustainability.

The Council also has relatively higher 'general rates' compared to similar councils; however, this also reflects its relatively lower average rates for residential ratepayers, and higher average rates for non-residential ratepayers.⁶⁴

6.3 Proposed rate increases for 2024-25

The Council has budgeted for an average rate increase of 5.6 percent per rateable property (including the Regional Landscape Levy, Waste collection, and CWMS charges).⁶⁵ Residential properties are expected to see an increase in general rates of 4.7 percent per property and primary production properties an increase of 4.8 percent per property (its largest rates income source).⁶⁶ The Council

⁶³ These amounts are recorded in the Council's Statement of Comprehensive Income, below the 'Operating Surplus / (Deficit)' line, See Tatiara District Council's *General Purpose Financial Statements* for the relevant financial periods. Available at <https://www.tatiara.sa.gov.au/council-documents/annual-reports>.

⁶⁴ Refer to Councils in Focus rates data for 2021-22 available at https://councilsinfocus.sa.gov.au/councils/tatiara_district_council. The Commission is not relying on these rate comparisons for its advice; the data source provides one indicator, among many, which has informed its advice on the appropriateness of the rate levels. Other rate charges such as for waste management and the regional landscape levy do not form part of this comparison.

⁶⁵ Based on the Commission's calculation using data from the Council's Statement of Expected Rate Revenue. See Tatiara District Council, *2024-2025 Annual Business Plan*, June 2024, p. 35.

⁶⁶ Based on the Commission's calculation using data from the Council's Statement of Expected Rate Revenue, noting that General Rates exclude the Regional Landscape Levy, Waste collection and CWMS charges. See Tatiara District Council, *2024-2025 Annual Business Plan*, June 2024, p. 37.

states that while it had been committed to maintaining rates below CPI (in the past), the current rate increase is slightly above CPI to ensure ongoing sustainability and viability, based upon the forecast cash and non-cash expenses.⁶⁷ These proposed rate increases are also higher than the Council anticipated charges for 2024-25 in its previous LTFP projections being an increase of 4.2 percent, which is based on the LGPI.⁶⁸ Contributing to overall rate increases are increases in the waste collection charges of 14.4 percent, reflecting the new waste and recycling services contract.

The Council has adopted three differential rate categories to apply to ratepayers based on the land use category of rateable property.⁶⁹ The Council's 'rate in the dollar'⁷⁰ differs across these three categories and reflects its comprehensive review of its rating system in 2021, which aimed to improve equity in rate distribution across the community and promote economic development. On a proportional revenue basis, primary production ratepayers are expected to account for around 70.0 percent of 2024-25 general rates revenue, followed by residential (23.0 percent), commercial (3.4 percent), vacant land and other (2.0 percent), and industrial (1.6 percent).⁷¹

Other than general rates income (which represented around 78.3 percent to total rates income in 2024-25),⁷² the Council collects income from CWMS charges (around 7.7 percent), waste collection (around 9.2 percent) and from the Regional Landscape Levy (around 4.8 percent), though the funds from the Regional Landscape Levy are passed through to the State Government.

6.4 Projected further rate increases

Over the forward years of its LTFP, the Council has projected average rates increases for its existing ratepayers of approximately 3.0 percent per annum from 2024-25 to 2033-34,⁷³ which is higher than its historical increases (of 1.8 percent per annum, noted in section 6.2), and 0.4 percent higher than the projected CPI increases of 2.6 percent per annum.⁷⁴

As discussed previously, the Council uses LGPI as the relevant index in forecasting rate revenue over the term of its plan; and currently it does not factor in any growth in the number of rateable properties.⁷⁵ The Council considers several long-term planning assumptions in its 2024-25 LTFP and appears to target an OSR of between zero and 5.0 percent when considering its rates requirement.

The Council's 2024-25 LTFP effectively projects a cumulative increase of \$801 per existing ratepayer (to average \$3,395 per annum) by 2033-34 (refer to Figure 16).⁷⁶ As a result of further rate increases, the percentage of the Council's total income contributions from ratepayers is projected to average

⁶⁷ CPI Adelaide (All groups) increased by 4.8 percent and 4.3 percent in the year to December 2023 and year to March 2024 quarter, respectively. Available at <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release#data-downloads>.

⁶⁸ The Council uses LGPI as the preferred indexation for the majority of the Council operations and discretionary revenues. See Tatiara District Council, *Long Term Financial Plan 2024/2025-2033/2034*, November 2024, p. 11.

⁶⁹ The categories of rateable property consist of primary production; commercial and industry; and residential, vacant and other.

⁷⁰ Section 152(1) of the LG Act provides that a general rate may be a rate based on the value of the land subject to the rate (commonly referred to as the 'rate in the dollar').

⁷¹ Tatiara District Council, *2024-2025 Annual Business Plan*, June 2024, p. 37.

⁷² Net of discretionary rebates.

⁷³ Based on the Council's Financial Reporting template provided to the Commission.

⁷⁴ The forecast average annual growth in the CPI from 2024-25 to 2033-34 is estimated to be 2.6 percent based on the RBA forecasts for the CPI (Australia-wide) to December 2026 (and the Commission's calculations of average annual percentage growth) and the midpoint of the RBA's target range (2.5 percent) from 2026-27.

⁷⁵ The Council does not have enough detail to capture growth projections associated with its proposed four land development initiatives. See Tatiara District Council, *Long Term Financial Plan 2024/2025-2033/2034*, November 2024, p. 15.

⁷⁶ The CPI forecasts in the chart are based on RBA forecasts and then a return to long-term averages (2.5 percent per annum), and this can be different to Council's own inflation and rate increase assumptions.

around 60.3 percent, which is similar to its historical average, indicating there is not a material shift in funding required from ratepayers relative to the Council's other sources of income (such as grants and user charges).

6.5 Affordability risk

Affordability risk among the community for these further rates increases appears to be low, on balance, when considering:

- ▶ the Council's relatively high socio-economic indexes for areas (SEIFA) economic resources ranking for the Council area⁷⁷
- ▶ the current relatively lower average rates for residential ratepayers, with historical rate increases below inflation
- ▶ the current proportion of rates income from primary producers (or non-residential ratepayers), which typically have a higher capacity to pay for rate increases
- ▶ the effect of cumulative increases in general rates per existing ratepayer of approximately 3.0 percent per annum to the period 2033-34, which is slightly higher than the forecast rate of inflation, and
- ▶ minimal community concerns on the 2024-25 rate increase, based on submissions received by the Council during the 2024-25 annual budget process.⁷⁸

⁷⁷ The Tatiara District Council area is ranked 55 among 71 South Australian 'local government areas' (including Anangu Pitjantjatjara and Maralinga Tjarutja Aboriginal community areas and 'unincorporated SA') on the Australian Bureau of Statistics SEIFA Index of Economic Resources (2021), where a lower score (eg, 1) denotes relatively lower access to economic resources in general, compared with other areas, available at <https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/2021>.

⁷⁸ See Tatiara District Council, *Ordinary Council Meeting Agenda – 11 June 2024, Item 17.5 Public Consultation – Draft 2024/25 Annual Business Plan and Budget*, pp. 329-350, available at https://www.tatiara.sa.gov.au/_data/assets/pdf_file/0017/1617002/20240611-Council-Agenda.pdf.

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:

- ▶ ongoing performance against its LTFP estimates and its goal to achieve its long-term operating surplus targets
- ▶ improved disclosure of material changes to its financial forecasts (including capital expenditure forecasts) in its LTFP
- ▶ updates to its AMP, including the impact of changes to asset values and depreciation, and
- ▶ how it has sought to utilise its cash reserves or borrowing capacity.

8 Appendix: Glossary of terms

Item	Meaning
ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
ARFR	Asset Renewal Funding Ratio Since 2013, the asset renewal funding ratio has been defined as: $\text{Asset Renewal Expenditure} \div \text{IAMP Renewal Expenditure}$ Where IAMP Renewal Expenditure is that required according to the IAMP.
Commission	Essential Services Commission, established under the <i>Essential Services Commission Act 2002</i>
CPI	Consumer Price Index (Adelaide, All Groups)
Council	Tatiara District Council
CWMS	Community Wastewater Management System
ESC Act	<i>Essential Services Commission Act 2002</i>
F&A	Local Government Advice: Framework and Approach – Final Report
FTE	Full Time Equivalent
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	<i>Local Government Act 1999</i>
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Paper 9 - Financial Indicators Revised May 2019
LGPI	Local Government Price Index
LTFP	Long-term financial plan
NFLR	Net Financial Liabilities Ratio Net Financial Liabilities are defined as: Total Liabilities LESS Current Assets (Cash and Cash Equivalents) LESS Current Assets (Trade and Other Receivables) LESS Current Assets (Other Financial Assets) LESS Non-Current Assets (Financial Assets - excluding equity accounted investments in Council businesses) The net financial liabilities ratio is: $\text{Net financial liabilities} \div \text{Total Operating Income}$

Item	Meaning
OSR	Operating Surplus Ratio The Operating Surplus (Deficit) is defined as: Total Operating Income LESS Total Operating Expenses²⁸ The Operating Surplus Ratio is defined as: $\text{Operating Surplus (Deficit)} \div \text{Total Operating Income}$
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

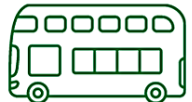


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INFRASTRUCTURE & ASSET MANAGEMENT Managing and maintaining roads, footpaths, bridges, bicycle paths, street furniture and cemeteries 	WASTE & RECYCLING Kerbside waste collection, transfer station, street cleaning and graffiti removal 	HERITAGE Heritage advisory services and support for owners of heritage places 	PLANNING & DEVELOPMENT Planning, building assessments, development assessments 	CUSTOMER SERVICE & INFORMATION Responding to community requests, providing community information 
TECHNICAL SERVICES Mapping, rural addressing, operational administration and surveying 	SOCIAL INCLUSION Migrant Community Action Plan and the Disability, Access and Inclusion Plan 	LIBRARY SERVICES Bordertown & Keith public library service, activities and events 	TOURISM, MARKETING, EVENTS & ATTRACTIONS Festivals and events, visitor information, Visit Tatiara, marketing and promotion 	ECONOMIC DEVELOPMENT Visit Tatiara, Economic Development and Tourism Strategy, supporting the Tatiara Business Association 
ARTS & CULTURAL ACTIVITIES Arts and culture development, public art, promoting the Walkway Gallery 	PARKS & RECREATION Maintaining parks, reserves, playgrounds, walking trails street trees, and Bordertown & Keith swimming pools 	ENVIRONMENT Vegetation maintenance, pest, plant and animal control, environmental preservation 	COMPLIANCE & PARKING Dog and cat management, outdoor dining, nuisance and litter control, parking enforcement 	TRANSPORT Supporting community transport services, agent for booking bus tickets 
PUBLIC & PRIMARY HEALTH Regulating food safety, waste water systems, water quality, sanitation, swimming pools/spas and vermin control, youth immunisation program and the Public Health Plan 	EMERGENCY PLANNING Regional bush fire management plan, local and zone emergency management plans 	ADMINISTRATION Records management, FOI requests, Council and committee support 	CORPORATE SERVICES Financial and risk management, HR, organisational development, computers and telecommunications 	COMMUNITY DEVELOPMENT Grant programs, community facilities and meeting places, advice, advocating on behalf of the community 