DISTRICT COUNCIL OF Streaky Bay

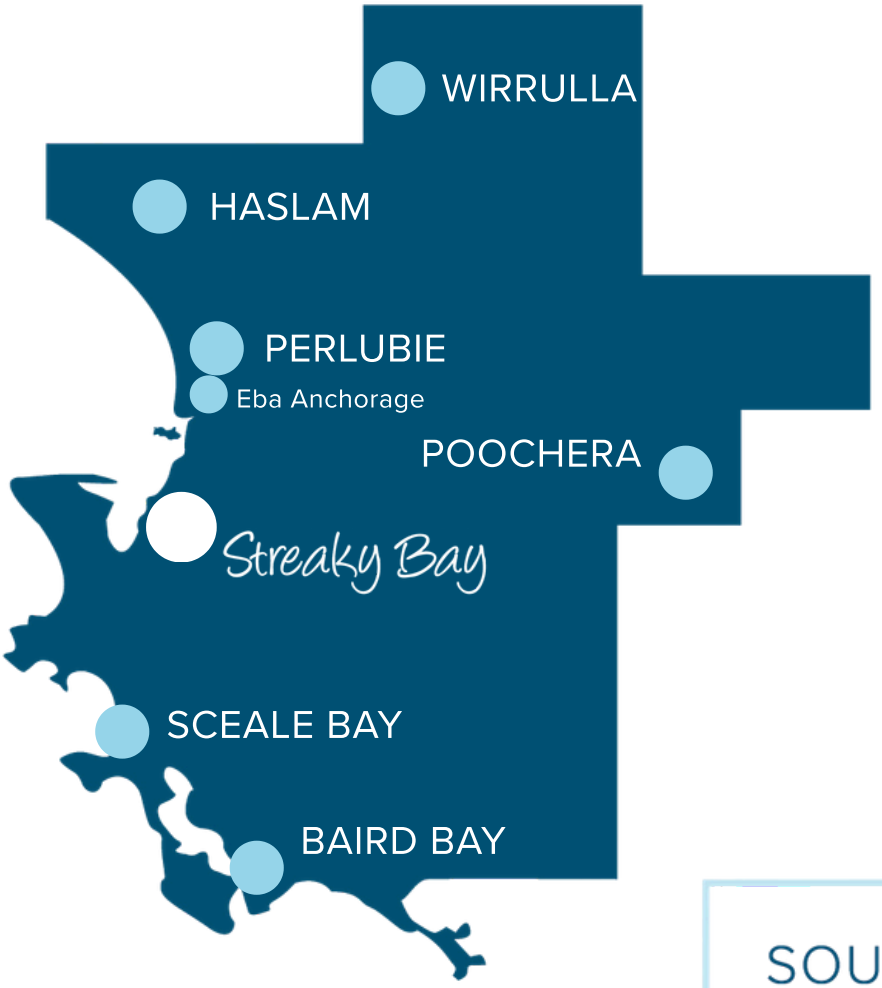
The District Council of Streaky Bay

ANNUAL BUSINESS PLAN & BUDGET

2026/2027



DISTRICT COUNCIL OF Streaky Bay





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Acknowledgement of Country

Council would like to acknowledge the Custodians of this land and pay respects to Elders past and present.



WELCOME

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

The Annual Business Plan aims to maintain efficient, appropriate services and facilities for the community, without imposing an unrealistic rate charge. The provision of services reflects meeting Council's obligations under legislation, making policy choices on behalf of the community to achieve Council's long-term goals in its delibrations Council has considered the current economic and seasonal conditions.

YOUR COUNCIL

The township of Streaky Bay is the district's primary service centre, supported by the smaller townships of Wirrulla and Poochera, which play important roles as local service hubs. The coastal settlements of Haslam, Sceale Bay, Baird Bay, Yanerbie, Eba Anchorage, Perlubie Landing and Fisherman's Paradise provide important focal points for recreational fishing, holiday accommodation, coastal living, as well as transitioning to higher levels of permanent residents

The district's economy is underpinned by three core pillars: agriculture, aquaculture and tourism. These are complemented by construction and service-sector industries, including health and education, which continue to provide growing employment opportunities. Economic diversification is also emerging through mining and energy resource development, with the potential to create longer-term employment and investment opportunities.

Located approximately 700 kilometres north-west of Adelaide, the District Council of Streaky Bay sits on the western side of the Eyre Peninsula. The district is characterised by generally flat and fertile inland agricultural landscapes that transition to spectacular sandy beaches, extensive dune systems and rugged coastal cliffs along a pristine coastline.



MESSAGE FROM THE *Mayor*

The 2026–2027 Annual Business Plan and Budget sets a clear, responsible and forward-looking direction for the District Council of Streaky Bay.

This is a budget focused on the future of our district. It maintains the services our community relies on, invests in the infrastructure that supports our towns and settlements, and makes careful financial decisions that strengthen Council's long-term sustainability.

Each year, Council must balance community expectations, service delivery, asset renewal and affordability. This year, that balance has been especially important. Councils across Australia are facing rising costs, increasing infrastructure demands and broader economic uncertainty. For regional councils like ours, these pressures are often greater because of distance, freight costs, contractor availability and the large network of assets we are responsible for maintaining.

Global uncertainty, including the ongoing conflict involving Iran and pressure in international fuel markets, has added further challenges. While these events are occurring far from our district, their impacts are felt locally through fuel prices, transport costs, construction materials, contractor pricing and supply chain reliability. These factors directly influence the cost of delivering essential services and progressing important community projects.

In this environment, Council has taken a practical, disciplined and community-focused approach. The 2026–2027 Annual Business Plan and Budget prioritises what matters most: essential services, responsible asset management, externally funded opportunities and projects that provide lasting benefit for our community.

The proposed general rate increase has been carefully considered. Council understands that any increase affects ratepayers, and we do not make these decisions lightly. Importantly, part of the overall rate increase relates to growth from new properties, meaning existing ratepayers will generally see an increase closer to CPI. This budget ensures Council can continue to meet rising service and infrastructure costs while maintaining a responsible financial position. It is about protecting the services our community depends on, looking after our assets and ensuring Council remains ready to respond to future needs.

A key strength of this budget is its focus on delivering value. Council has reviewed priorities, deferred some initiatives where appropriate, and focused investment on projects that are critical, essential or supported by external funding. This means we can continue moving forward while managing risk and affordability responsibly.

The plan continues to invest in key infrastructure, demonstrating Council's commitment to maintaining and improving the assets that support community wellbeing, strengthen local connections, enhance safety, encourage tourism and contribute to economic activity across the district.

The Annual Business Plan and Budget is more than a financial document. It is Council's commitment to the community for the year ahead. It shows how we will direct resources, respond to challenges, support essential services and continue building a strong, sustainable and confident future for the District Council of Streaky Bay.

On behalf of Council, I thank our community for its continued interest, understanding and engagement. This budget reflects responsible leadership, careful planning and a clear commitment to delivering for our district.

Yours faithfully,

Travis Barber

Mayor



MESSAGE FROM THE CEO

The 2026–2027 Annual Business Plan and Budget provides a practical, achievable and financially responsible program of service delivery, asset renewal and capital investment for the District Council of Streaky Bay.

The budget has been developed through a detailed review of Council's income, expenditure, operational requirements, asset management priorities and project commitments. It maintains core services, responds to cost pressures, delivers priority works and supports Council's long-term financial sustainability.

A key strength of the budget is its near-neutral operating result, with a very small operating deficit of approximately $26,476. In the context of rising costs, major infrastructure responsibilities and the need to deliver services across a large regional area, this is a disciplined and positive outcome. It demonstrates Council's balanced approach to absorbing unavoidable cost increases while continuing to invest in the services and assets the community relies on.

Council's operating environment continues to be affected by increasing costs for fuel, materials, freight, insurance, labour and contractor services. Global uncertainty, including the ongoing conflict involving Iran, has contributed to volatility in fuel markets and supply chains, creating direct and indirect cost pressures for Council. Council uses approximately 138,650 litres of fuel each year to support essential services including waste collection, road maintenance and construction, parks and gardens, inspections, animal management, landfill operations, street sweeping, aerodrome operations, CWMS maintenance and broader infrastructure management. If fuel increases from $2 per litre to $3 per litre, Council's direct fuel costs increase by approximately $138,650 per year. Higher fuel prices also affect freight, contractor pricing, bitumen, construction materials, plant operations and oil-based products such as poly pipe.

This is a key reason why the budget includes a proposed 5.9% general rate increase, based on Adelaide CPI in March plus 1%, consistent with the target identified in Council's Long Term Financial Plan. Importantly, approximately 1% of this increase relates to growth from new properties, rather than an increase applied to existing ratepayers. This means most existing ratepayers will effectively see an increase closer to CPI. Each 1% movement in general rates equates to approximately $42,000 in Council revenue. The proposed increase is a measured response to unavoidable cost increases and supports continued investment in services, assets and community infrastructure.

The Waste Service Levy is proposed to increase by 7%, moving from $274 to $293, noting that current waste charges still do not fully recover the true cost of providing the service. Waste management involves far more than simply burying waste in the ground. State Government charges, including the landfill waste levy, together with environmental laws, compliance obligations and regulatory requirements, add significantly to the cost of managing waste safely and responsibly. The proposed increase also responds to auditor recommendations regarding the Waste Reserve, which has recorded a negative balance, and helps reduce the need for waste-related shortfalls to be funded through general rates or other Council services.

Council has also reviewed its fees and charges. Most fees and charges have been increased by 4%, with some adjusted differently where required for cost recovery, actual cost information or legislative requirements. Community group waivers have continued at 50%, consistent with the approach presented last year.

On the expenditure side, the budget has been carefully assessed. Employee costs, materials, contracts and other expenditure have been reviewed, with non-essential programs identified separately for Council consideration. Insurance increases have been based on Local Government Risk notifications, and depreciation has been indexed in response to ESCOSA and auditor recommendations.

MESSAGE FROM THE CEO

Roads remain one of Council's most significant responsibilities. The budget allocates approximately 9% of total operating expenditure to roads, reflecting ongoing costs such as inspections, grading, repairs, maintenance, fuel, materials, plant and contractor support. Roads also represent approximately 51% of total capital expenditure, demonstrating the priority placed on renewing and improving road infrastructure. When operating and capital expenditure are combined, roads account for approximately 34% of Council's total budgeted expenditure, highlighting the scale of investment required to maintain safe and reliable transport connections for residents, businesses, freight, agriculture, tourism and emergency services.

The capital program totals approximately $5.834 million, made up of $4.5 million in renewals and replacement works and $1.3 million in new and upgraded assets. This investment focuses on maintaining existing assets, delivering funded projects and progressing works that support the long-term needs of the community.

Project	Funding
Aerodrome runway reseal — State grant funding	$400,000
Aerodrome runway reseal — Federal grant funding	$400,000
Montgomerie Terrace shared path	$609,840
Haslam Jetty upgrade	$1,524,000

These funded projects are a strong feature of the budget. By pursuing and securing external funding, Council can deliver important infrastructure outcomes while reducing reliance on rate revenue and strengthening its capacity to deliver projects that may otherwise be difficult to fund.

The budget also reflects a disciplined approach to project selection. Capital works have been assessed against the Asset Management Plan, carryover commitments, funding availability, critical service needs and Roads to Recovery allocations. Critical, essential and funded projects have been prioritised, while some projects have been deferred where funding, timing or delivery risks are less favourable.

Council's cash position as at 30 June March 2026 is expected to be $5.2 million and forecast to increase to $6.7m. The Uniform Presentation of Finances shows a net lending position of approximately $1.275 million, reflecting funds being retained or returned to cash reserves, including grant funding reimbursements for works undertaken in previous years. This demonstrates the careful timing and structuring of the budget, allowing Council to deliver now while maintaining flexibility for future years.

Overall, the 2026–2027 Annual Business Plan and Budget is a sound, positive and responsible financial plan. It delivers a near-balanced operating position, maintains essential services, invests in priority infrastructure and positions Council to manage future challenges with confidence.

I acknowledge the work of Elected Members and staff in developing this budget. It provides a strong platform for the year ahead and demonstrates Council's commitment to delivering value for the community while managing resources carefully, responsibly and sustainably.

Yours faithfully,

Damian Carter

Cheif Executive Officer

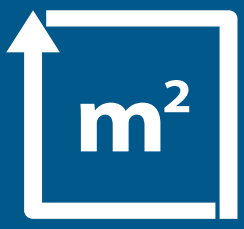



Raw
Rugged
Wild

A SNAPSHOT OF *The District*



303
BUSINESSES



6232km2
LAND AREA



2,292
DISTRICT
POPULATION



360km
DISTRICT
COASTLINE



10
TOWNSHIPS



1717
ELECTORS



2,405
RATEABLE
PROPERTIES



109 kms
SEALED ROADS



1,627 kms
UNSEALED
ROADS

ORGANISATIONAL *Structure*



DISTRICT COUNCIL OF Streaky Bay

OUR STRATEGIC *Framework*

TIME PERIOD	VISION, STRATEGY & POLICY	RESOURCE ALLOCATION & MANAGEMENT
10+ YEARS	2045 "Community Vision" Long Term Strategic Plan	• Asset Management Plan • Long Term Financial Plan
4+ YEARS	• 4 Year Priority Plan • 4 Year Organisational Development Plan • Other Strategic Plan	• Annual Business Plan and Budget • Workforce Development Plan
CYCLIC & ONGOING PROCESSES	• Strategies • Action Plans • Service Plans • Programs, projects and initiatives • Township Masterplans • DCSB Community Plans	• Budgets • Plant and equipment • Staff • Grant funding • Financial modelling • Asset planning

COMMUNITY ENGAGEMENT

















OUR STRATEGIC *Framework*

The District Council of Streaky Bay employs a structured Corporate Planning Framework to set its strategic direction, track progress, and report performance. This approach ensures alignment with legislative requirements, particularly the Local Government Act 1999 (SA), which mandates a strategic plan review within two years following a general election. In May 2024, the Council completed its review of the long-term strategic plan, incorporating extensive community consultation that resulted in 300 responses—representing over 14% of the district's population.

The Long-Term Strategic Plan 2045 envisions:

"A sustainable, connected, and vibrant community that harmonizes growth with the preservation of regional character, fostering well-being, economic prosperity, and environmental stewardship for future generations."

Our ultimate vision is to realise and achieve:

"Sustainable Growth, a Thriving Community, and a Lasting Legacy."

The Corporate Planning Framework provides a structured and integrated approach for the District Council of Streaky Bay to align its long-term vision with strategic priorities, policies, resource allocation, and community engagement. It spans multiple time horizons — from long-term planning over a decade, guided by the 2045 Community Vision (Long Term Strategic Plan), to medium-term strategies such as the Four Year Priority Plan and Organisational Development Plan 2025 - 2029, and short-term annual business planning cycles. This ensures Council's direction remains consistent, forward-looking, and responsive to evolving community needs.

A key focus of the framework is effective resource allocation and management to support sustainable growth and service delivery. This includes long-term financial and asset management planning, annual budgets, workforce planning, and the acquisition of infrastructure and grant funding. Financial modelling and asset planning underpin this work, ensuring resources are used efficiently and strategically to deliver Council's objectives both now and into the future.

Community engagement is central to the framework, ensuring that plans and priorities reflect local aspirations and deliver meaningful outcomes. Strategies, action plans, service plans, township masterplans, and a range of community programs and projects guide Council's efforts to enhance community wellbeing, support economic development, and deliver high-quality services. Through this integrated approach, Council is well-positioned to plan, deliver, and adapt to changing circumstances while progressing towards its long-term vision for the district.

OUR STRATEGIC *Framework*

To ensure the effective implementation of the Corporate Planning Framework, Council employs a structured approach to execution, monitoring, and continuous improvement. Strategic priorities are translated into actionable projects and initiatives, with clear accountability assigned across Council departments. Regular performance reviews and progress assessments ensure that objectives are being met, while adaptive management strategies allow for flexibility in responding to emerging challenges. Additionally, community feedback mechanisms are integrated into the implementation process, ensuring that Council remains responsive to evolving needs and priorities.

By integrating these elements, the Corporate Planning Framework ensures the District Council of Streaky Bay remains adaptable and forward-thinking—effectively balancing growth, sustainability, and community needs to achieve its long-term vision.

Implementing the Corporate Planning Framework

Council's strategic planning turns community aspirations into action. The "Community Vision" Long Term Strategic Plan sets long-term goals, supported by Strategic Plans for mid-term priorities. Operational Plans guide short-term projects, while Individual Performance (People & Culture) aligns staff efforts to deliver results, ensuring accountability and progress.

Strategic Vision: "Community Vision" Long Term Strategic Plan

Guides Council's overarching direction, shaping priorities and aspirations for the community over the next 20+ years, focusing on sustainable development and regional growth.

Strategic Plans

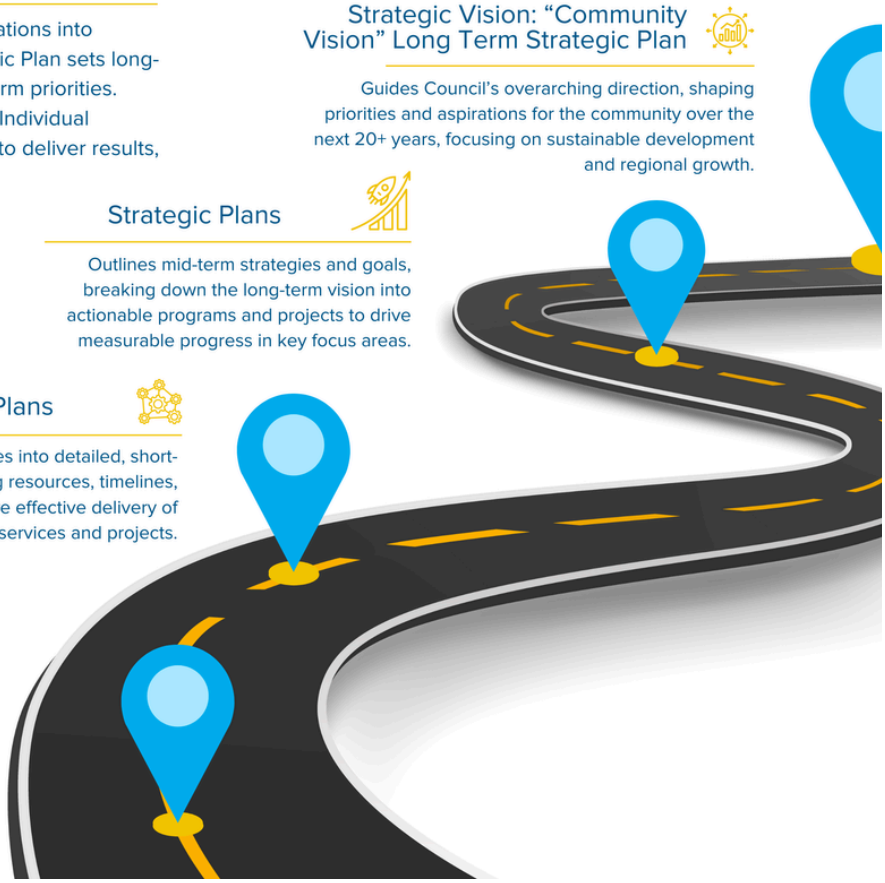
Outlines mid-term strategies and goals, breaking down the long-term vision into actionable programs and projects to drive measurable progress in key focus areas.

Operational Plans

Translates strategic objectives into detailed, short-term initiatives, allocating resources, timelines, and responsibilities to ensure effective delivery of Council services and projects.

Individual Performance (People & Culture)

Aligns staff performance and professional development with Council's strategic goals, fostering accountability, continuous improvement, and a results-driven culture across the organisation.



SIGNIFICANT *Influences*

- Councils current financial position and Long Term Financial Management Plan
- Increased Depreciation from newly constructed assets and asset revaluations
- Requirement to maintain and improve infrastructure assets
- Challenges in managing waste & improving waste outcomes
- Cost shifting by other levels of Government Streams
- Continued increases in utility fuel and insurance costs
- Provision and retention of sufficiently qualified staff
- Level of State and Commonwealth grant funding
- CPI and Local Government Price Index
- Service delivery cost increases
- Employee Enterprise Agreements
- Community Expectation
- Visitor Expectation



CAPITAL HIGHLIGHTS 2025/2026

LEGEND: ✓ COMPLETED IN PROGRESS DEFERRED

CAPITAL	
CWMS - Valve Replacement	⏲
Depot - Planning	⏲
Doctors Beach - Fencing	⏲
Doctors Beach Precinct Renewal - Planning	⏲
Eyre Craft Building - Exterior paint	✓
Jetty Pool Swimming Enclosure - Panel Replacement	↻
Massas Bridge - Renewal	✓
Old Bowling Club (Montgomerie Tce) - Fencing	✓
Poochera Civic Precinct Development - Planning	↻
Streaky Bay Aerodrome - Reseal runway	⏲
Streaky Bay CBD Toilets - Refurbishment/Replacement	↻
Streaky Bay Cemetery - Perimeter Fence	↻
Streaky Bay Cemetery - Old Wall Remove and Replace	↻
Streaky Bay Institute - Repairs, Upgrade & Lighting	⏲
Streaky Bay RV - Precinct Plan	↻
Streaky Bay Waste Landfill Station - Fencing renewal	✓
Visitor Centre - Interior building paint	✓
Wirrulla Triangle Infrastructure - BBQ and Paving	↻
Wirrulla Infrastructure - Dump Point	↻

CAPITAL HIGHLIGHTS 2025/2026

LEGEND: ✓ COMPLETED IN PROGRESS DEFERRED

CAPITAL	
Ride on Mower	◷
Fleet Cars x 3	↻
Haslam Jetty	↻
Tractor	✓
Combi Roller	✓
Trailer Replacement - Landfill Trailer	◷
Principal Office - Photocopier replacement	✓
Eastern Streaky Bay Stormwater Infrastructure Planning	✓
CWMS - Pump Station Upgrades	✓
Montgomerie Terrace Shared Use Path - Stage 1	↻
Robinson Basin Infrastructure	◷
Camping Support Projects	↻
Speeds Camping Grounds - Public Amenities	Removed
Streaky Bay Wellbeing Precinct Planning (Montgomerie Tce)	◷
Waste Transfer Station Compliance Equipment	◷
Waste Transfer Station Wash Down Bay	◷
Tractor Attachment - Road Verge Tree Trimmer	↻
Principal Office - final stage - upgrade of shelving	↻
Waste Transfer Station - concrete bunkers	✓
Waste Transfer Station - Glass Hoppers	✓
Waste Transfer Station - Bin Covers	✓
Water Filling Station	✓
Caravan Park Land Purchasse	✓

OPERATING HIGHLIGHTS 2025/2026

LEGEND: ✓ COMPLETED IN PROGRESS DEFERRED

OPERATING	
Asset Management - Progression of AMP Strategies	IN PROGRESS
Opening & Closing of Roads - Heart Bay Road/Benbutter Road	IN PROGRESS
Cat Control - Cat Desexing Programme	IN PROGRESS
Parks & Gardens - Gazania Control	✓
Land Capacity Study	DEFERRED
Escosa Costs	✓
Christmas Decorations	✓
Youth Strategy	DEFERRED



FUNDING THE BUDGET FOR *2026/2027*

The 2026/2027 Annual Business Plan has been influenced by a wide variety of factors. A challenge for the Council is to prioritise expenditure that meets the demand for services and facilities and considers recent and projected population growth. Given the intensive nature of Council's activities, assessing the long-term capacity of the community to fund the ongoing maintenance and renewal of infrastructure assets is a crucial consideration. This needs to be balanced with growing our economy and remaining resilient to challenges that may arise to ensure Council continues to provide essential day to day services to its communities.

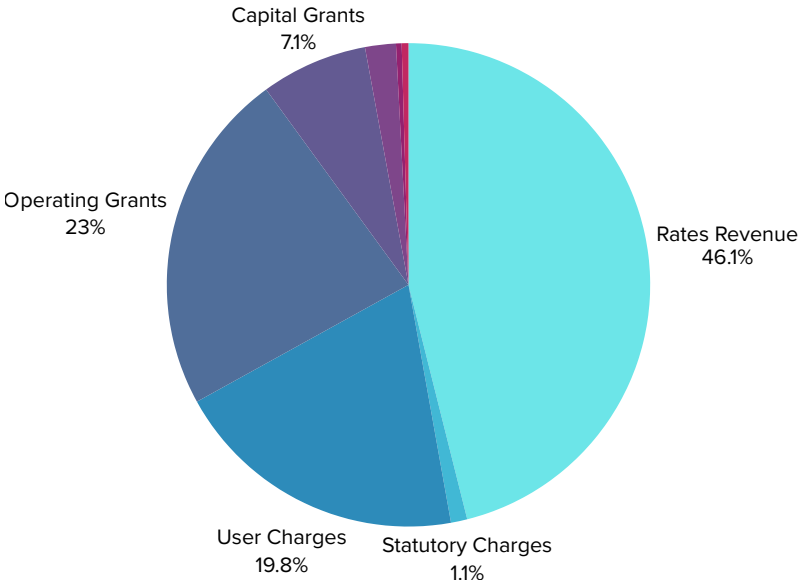
This Annual Business Plan aims to contribute to the long term sustainability of the Council through prudent and responsible financial management, that will result in its operating revenue being slightly more than its operating expenses. Consideration has been given to maintaining the delivery of the current range and level of services to the community, community needs, and the imposition of the financial burden on ratepayers.

BUDGET AT A GLANCE	FY26
Operating Budget	
Operating Income	12,496,821
Operating Expenses	12,523,297
Surplus/(Deficit)	**(26,476)**
Amounts received for new or upgraded assets	2,933,840
Asset Disposal	47,790
Net Surplus/(Deficit)	**2,955,154**
Capital Budget	
Renewal/Replacement Assets	4,569,358
New/Upgraded Assets	1,265,000
Total Capital Expenditure	**5,834,358**

OPERATING *Revenue*

Council's source of funds includes rates, service charges, statutory charges, user charges, investment income, grants and subsidies. The plan indicates that Council's revenue will be 12,496,820and is made up of the following:

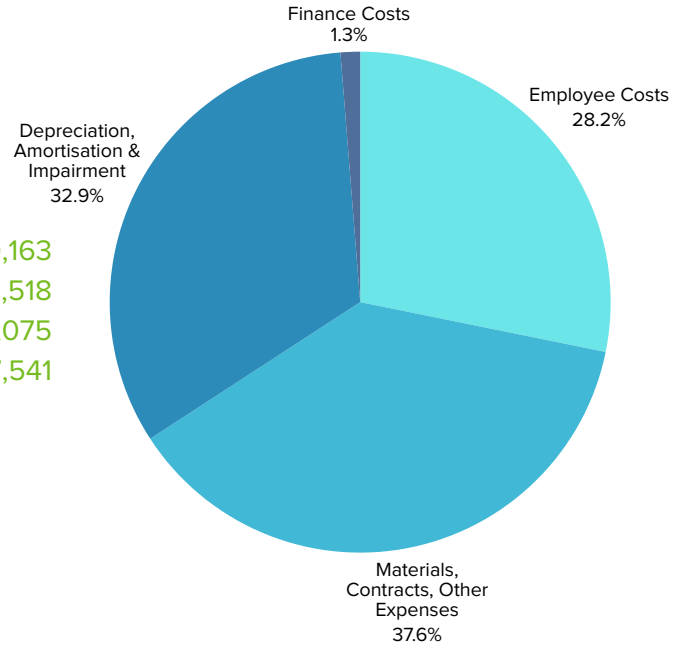
Rates Revenue	$5,760,004
Statutory Charges	$136,450
User Charges	$2,472,721
Operating Grants	$2,874,743
Capital Grants	$892,269
Investment Income	$257,350
Reimbursements	$46,983
Other Income	$56,300



OPERATING *Expenditure*

Council allocates its funds in four main categories; employee costs, depreciation, finance costs and materials, contracts, and other expenses. The plan budgets to spend $12,523,297 and how that expenditure is proportioned is shown below.

Employee Costs	$3,530,163
Materials, Contracts & Other Expenses	$4,712,518
Depreciation, Amortisation & Impairment	$4,123,075
Finance Costs	$157,541



KEY OPERATING PROJECTS

Elected Member Training - (mandatory) Post Election
Elected Member Elections
Asset Management (Roads Revaluation)
Records Management (Records Archiving)
Risk Management Contract (EP Shared Risk Management Resource Assistance)
Haslam Township History Book
Community Garden Support
Medical Support (GP incentatives)
Criterion
Community Support - Wirrulla Hall
Events (New Years Eve)
Events (Streaky Sounds Music Event)
Events - (Seafood Celebration Event)
Events (Museum Celebration Event)
Events (NAIDOC Week Event Support)
Events (Christmas by the Sea Event)
Events (Australia Day)
Events (Biggest Morning Tea)
Tourism (School Based Apprenticeship Visitor Centre)
Parks and Gardens (Gazania Control)
Dogs and Cats (Dog Event)
Dogs and Cats (Cat Desexing Program)
Sealed Roads (Bitumen Jetpatching)
Private Works (External Community Event Support)
Recreation Community Grant
Opening and Closing of Roads (Anderson Rd, Surfers Beach Access, Heart Bay, Benbutter Road)
Back Beach Pit Boundary Realignment (Encroachment)

CAPITAL GRANT FUNDING

Aerodrome Runway Reseal - State and Federal Funding
Footpaths - Shared Path Montgomerie Terrace - Federal Funding
Haslam Jetty Upgrade - State Funding

ADDITIONAL EXPENDITURE INCLUDED AT THE BUDGET ADOPTION DATE

- Community Support - Contribution to Wirrulla Hall



HOW THE BUDGET IS SPENT

Operating Expenditure

36%

Infrastructure

18%

Administration & Governance

12%

Waste Management Collection

7%

Community Services & Development

7%

Arts, Culture & Tourism

6%

Recreation

5%

Business Enterprises



4%

Environment

3%

Regulatory

2%

Regional Development



Capital Projects Planned for 2026/2027

Renewals

Sealed Roads - Reseals	**735,000**	**Unsealed Roads**	**2,264,979**
Buildings	**1,130,000**	**Plant**	**238,500**
Depot - replace side fencing		Platform Ladder for Glass Crusher	
Haslam Campground Planning		Water Tanker with 2400L Tank	
Streaky Bay Institute		Canter Tipper	
Principal Office and Institute Exterior Painting		John Deere Tractor with Bucket	
Streaky Bay Runway Seal		**Stormwater**	**115,000**
Poochera Sports Complex Electricity Upgrade		Montgomerie Terrace	
CWMS - Minor Asset Replacements	**49,878**	Hospital Drive	
Footpaths	**20,000**	Eastern Streaky Bay Engineering Designs	
Furniture	**16,000**		
TOTAL			**$4,569,357**

New

Footpaths	
Footpath - New	
Montgomerie Terrace Shared Path	
TOTAL	**$1,265,000**

IMPACT ON COUNCIL'S *Financial Position*

In summary the Annual Business Plan being presented shows that Council is financially sustainable over the next 12 months, and further development of Asset Management Plans, and their incorporation into the Long Term Financial Plan, will be critical for improvement to ensure Council's ongoing financial sustainability.

Local Government in South Australia has adopted a uniform presentation of finances and key financial indicators to enable comparisons between Councils reports. This provides is an indication of Council's financial sustainability and demonstrates the improving (or declining) trend in Council's financial position over time.

The Uniform Presentation indicates Council will be replenishing $1,275,000 of our cash back to our reserves. This is mainly attributed to funds being received for Haslam Jetty in 2026/2027, whereby the expenditure has occurred in 2025/2026. Council is expected to have Cash Reserves of $5,272,000 at the beginning of 2026/2027. However, this is subject to the final audited result for 2025/2026.

Financial Indicators	Suggested Targets	Budget 26/27
Operating Surplus Ratio	0%	**(.21%)**
Net Financial Liabilities Ratio	0% - 100%	(13.56%)
Asset Sustainability Ratio	90% - 110%	111%

For more details on the Uniform Presentation and the Key Financial Indicators and what it means for Council see the financials in the Statutory Reporting section of the Annual Business Plan.

RATING STRATEGY

2026/ 2027



Streaky Bay
SOUTH AUSTRALIA

RATING STRATEGY FOR *2026/2027*

Council recognises that continual rate increases impacts our ratepayers, and while Council aims to raise sufficient funds to try to achieve a positive operating result and a balanced budget, it continues to source grant funding to offset projects and strategy development.

The 2026/2027 Annual Business Plan & Budget proposes to raise $4,465,597 from rates in a total operating budget of $12,496,821 which equates to 35.7% of the total operating revenue.

Council has applied a 5.9% increase across all properties, but this does not mean every individual ratepayer will have a 5.9% raise. Your actual charge depends on how your properties value changed compared to others.

As the new developments across the Council area have had a 1% increase in overall capital value. This means the 5.9% rate increase has been spread more broadly, and reduced the impact on existing ratepayers.

Method Used To Value Land

Council adopts the valuations made by the South Australian Valuer-General in respect of land within the Council's area for rating purposes. The basis of valuation of land used by Councils, is Capital value being the value of land including improvements.

The Capital Valuation Method is considered to be the fairest method of achieving an equitable distribution of the rates burden across the ratepayers within Council's area for the following reasons;

- The equity principle of taxation requires that taxpayers of similar wealth pay taxes and ratepayers of greater wealth pay more tax than rate payers of lessor wealth. Property value is generally considered a relatively good indicator of wealth.
- Capital value, which trends with the market value of a property, provides the best indicator of overall property value.

Rating Methodology

Council is proposing to apply differential rates by locality, in accordance with Regulation 14 of the Local Government (General) Regulations 2013 which provides for the following land use categories to be used for rating purposes:

The categorisation is provided to Council by the Valuer Generals Office.

- Residential
- Commercial-Shop
- Commercial-Office
- Commercial-Other
- Industry-Light
- Industry-Other
- Primary Production
- Vacant Land
- Other
- Silos

Rates can be raised using two components:

- (a) Value of property subject to the rate: and the other being
- (b) A fixed Charge

Fixed Charge

Council has imposed a fixed charge of $814.00 The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence). Only one fixed charge is 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.

The reasons for imposing a fixed charge are:

- Council considers it appropriate that all rateable properties make a base level contribution to the cost of administering Council services.
- The cost of creating and maintaining the physical infrastructure which supports each property.

RATING STRATEGY FOR 2026/2027

The Valuer General has provided Council with proposed valuations for properties totalling $1,251,480,660 with an amount of $1,215,696,980 of this valuation being for rateable properties, as of 15 June 2026.

					VALUATION			
			Number of Properties LY	Number of Properties TY	Capital Value Last Year	Capital Value This Year	Difference	%
1	Residential		1074	1085	447,169,439	485,225,939	38,056,500	9%
2	Commercial-Shop		14	14	9,531,900	9,586,900	55,000	1%
3	Commercial-Office		2	2	1,330,000	1,330,000	-	0%
4	Commercial-Other		57	57	31,872,520	32,287,120	414,600	1%
5	Industry-Light		21	21	5,543,500	5,543,500	-	0%
6	Industry-Other		6	7	2,925,000	3,215,000	290,000	10%
7	Primary Production		645	630	610,099,900	585,002,900	-25,097,000	-4%
8	Vacant Land		530	554	75,611,060	80,193,860	4,582,800	6%
9	Other		33	32	5,849,761	5,596,761	-253000	-4%
11	Silos		4	4	7,735,000	7,715,000	-20,000	0%
			2386	2406	1,197,668,080	1,215,696,980	18,028,900	2%

				RATES			
		Number of Properties LY	Number of Properties TY	Total Rates Last Year	Total Rates This Year	Difference	%
1	Residential	1074	1085	$1,804,524	$1,989,362	$184,838	10%
2	Commercial-Shop	14	14	$32,449	$34,052	$1,603	5%
3	Commercial-Office	2	2	$4,798	$5,018	$220	5%
4	Commercial-Other	57	57	$93,569	$98,480	$4,911	5%
5	Industry-Light	21	21	$27,430	$28,780	$1,350	5%
6	Industry-Other	6	7	$11,783	$13,891	$2,108	18%
7	Primary Production	645	630	$1,572,906	$1,569,427	-$3,478	0%
8	Vacant Land	530	554	$514,650	$563,488	$48,838	9%
9	Other	33	32	$11,445	$11,412	-$33	0%
11	Silos	4	4	$142,306	$150,690	$8,384	5.9%
		2386	2406	$4,215,861	$4,464,600	$248,739	5.9%

RATING STRATEGY FOR 2026/2027

Differential General Rates

Council will have 3 different general rates for the 2026/2027 financial year with the rates to be applied:

a) according to the use of the land; or
b) according to the locality of the land.

The three categories will be:

1. Rateable land within all Townships in the Council's area excluding any such land with a land use of Commercial-Shop, Commerical-Office, Commercial-Other, Industry-Light and Industry-Other.
2. All rateable land with a land use Commercial-Shop, Commerical-Office, Commercial-Other, Industry-Light and Industry-Other.
3. All rateable land within Employment (Bulk Handling) Zone under the Planning and Design Code (the code).

Council believes the provision of three differential rating categories provides the flexibility within the rating system to ensure an equitable spread of annual rates is imposed.

Rate in the dollar are as below:

1.	Residential	.2317
2.	Commercial - Shop	.2548
3.	Commercial - Office	.2548
4.	Commercial - Other	.2548
5.	Industry - Light	.2548
6.	Industry - Other	.2548
7.	Primary Production	.2317
8.	Vacant Land	.2317
9.	Other	.2317
10.	Silos	1.911

Rebate of Rates

The *Local Government Act 1999,* requires Councils to rebate the rates payable on some land. Specific provisions are made for land used for health services, community services, religious purposes, public cemeteries and educational institutions. Discretionary rebates may be applied by the Council under Section 166 of the Act.

Payment of Rates

Pursuant to Section 181(1) of the Act, all rates are payable in four equal instalments on or before the following dates:

- 9 September 2026
- 9 December 2026
- 10 March 2027
- 9 June 2027

Postponement of Rates - Seniors

Applications may be made to Council for a postponement of the payment of any amount of rates in excess of $500.00, for the current or a future year by:

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

Any rates which are postponed will become due and payable:

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

Interest will accrue on the amount postponed at the prescribed rate per month until the full amount is paid. Postponement is available as a right and can only be refused when the applicant/s has less than 50% equity in the property.

RATING STRATEGY FOR *2026/2027*

Council recognises that continual rate increases impacts our ratepayers, and while Council aims to raise sufficient funds to try to achieve a positive operating result and a balanced budget, it continues to source grant funding to offset projects and strategy development.

The 2026/2027 Annual Business Plan & Budget proposes to raise $4,465,597 from rates in a total operating budget of $12,496,821 which equates to 35.7% of the total operating revenue.

Council has applied a 5.9% increase across all properties, but this does not mean every individual ratepayer will have a 5.9% raise. Your actual charge depends on how your properties value changed compared to others.

As the new developments across the Council area have had a 1% increase in overall capital value. This means the 5.9% rate increase has been spread more broadly, and reduced the impact on existing ratepayers.

Method Used To Value Land

Council adopts the valuations made by the South Australian Valuer-General in respect of land within the Council's area for rating purposes. The basis of valuation of land used by Councils, is Capital value being the value of land including improvements.

The Capital Valuation Method is considered to be the fairest method of achieving an equitable distribution of the rates burden across the ratepayers within Council's area for the following reasons;

- The equity principle of taxation requires that taxpayers of similar wealth pay taxes and ratepayers of greater wealth pay more tax than rate payers of lessor wealth. Property value is generally considered a relatively good indicator of wealth.
- Capital value, which trends with the market value of a property, provides the best indicator of overall property value.

Rating Methodology

Council is proposing to apply differential rates by locality, in accordance with Regulation 14 of the Local Government (General) Regulations 2013 which provides for the following land use categories to be used for rating purposes:

The categorisation is provided to Council by the Valuer Generals Office.

- Residential
- Commercial-Shop
- Commercial-Office
- Commercial-Other
- Industry-Light
- Industry-Other
- Primary Production
- Vacant Land
- Other
- Silos

Rates can be raised using two components:

- (a) Value of property subject to the rate: and the other being
- (b) A fixed Charge

Fixed Charge

Council has imposed a fixed charge of $814.00 The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence). Only one fixed charge is 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.

The reasons for imposing a fixed charge are:

- Council considers it appropriate that all rateable properties make a base level contribution to the cost of administering Council services.
- The cost of creating and maintaining the physical infrastructure which supports each property.

RATING STRATEGY FOR 2026/2027

Late Payment of Rates

The *Local Government Act 1999* provides that councils impose a penalty of 2% on any payment for rates instalment that is received late. A payment that continues to be late is then charged an interest rate, which is determined by the calculation of a formula that is provided in the Act, and the Cash Advance Rate.

Sale of Land for Non Payment of Rates

Section 184, of the *Local Government Act,* 1999 empowers Council to be able to sell any property where the rates have been in arrears for three years or more.

Remission and Postponement of Rates

Section 182 of the *Local Government Act 1999* permits the Council, on the application of a ratepayer, to remit rates partially or wholly or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates, they are invited to contact Council Officers to discuss the matter. Council treats such inquiries confidentially. Council has a Financial Hardship Policy that applies.

Service Charges

Service rates and/or charges are raised to cover the cost of establishing, operating, maintaining, improving, and replacing services. Funds raised by service charges must not be utilised for any other purpose. Funds may not be immediately needed until further capital expenditure is required on renewing or replacing assets.

Community Wastewater Management System (CWMS)

Council has undertaken a review of the CWMS Service Charges to ensure the cost recovery amount from the ratepayer is a true cost in relation to current operating costs, and future renewals. Council has adopted a plan to improve cost recovery by charging a CPI increase plus 3%, so in 2026/2027, this equates to a 8% increase, which increases the fees from $581.00 to 627.00.

Regional Landscape Levy

Council is legislated to collect a Regional Landscape Levy on all rateable properties within the district. Council is operating as a revenue collector for the Eyre Peninsula Landscapes SA Board. Council does not retain this revenue nor determines how this is spent.

The Eyre Peninsula Landscapes SA Board has advised that Council is required to collect $215,522.86 and the fee is charged as per the following land uses:

- Residential and Other $96.75
- Commercial and Industrial $145.15
- Primary Production $193.55

Waste Management Collection

The Waste Management Collection charge is applicable to all properties within the waste management collection service area that have an occupiable dwelling, outbuilding or other class of structure. Properties enroute located outside of the collection area that have access to a waste management collection service are also included. The waste management collection charge allows one 140 litre wheelie bin to be collected weekly on a designated day. Council has increased this fee by 7% from $274.00 to $293.00.

Council Rating Policy

DCSB-FM-07.01 — Rating Policy
DCSB-FM-07.15 — Financial Hardship Policy

These policies are available for inspection at the Principal Council Office as listed below during ordinary business hours and available to be downloaded, free of charge, from Council's website:

www.streakybay.sa.gov.au

District Council of Streaky Bay
29 Alfred Terrace
Streaky Bay SA 5680

Copies will be provided to interested parties upon request.

HOW YOUR RATES ARE CALCULATED



General Rates

General Council Rates are comprised of a combination of rate in the dollar multiplied by the capital value of the property and the addition of a fixed charge. The rate in the dollar and fixed charge is determined by Councils Annual Business Plan and Budget. The capital value is determined by the Valuer General.



Community Waste Management System

The Community Wastewater System Charge is set annually through Council's Budget and Annual Business Plan. The charge applies to all land which has access to or is provided with the service.



Waste Collection Levy

The Waste Collection Levy is applicable to all properties within the service area that have an occupiable dwelling, outbuilding or other class of building structure. The levy allows one 140 litre wheelie bin to be collected weekly on designated days. On request, multiple levies can be applied to allow more than one collection per week.



Regional Landscape Levy

The Regional Landscape Levy is charged to all rateable properties within the District and is collected by Council on behalf of the Landscapes Board. The levy contributes to funding projects and programs that aim to sustainably manage regional landscapes with emphasis on land and water management.



Your Rates Notice

These individual charges are what comprise your overall rate bill. For further information, please contact the Council Office on:

Phone: (08) 8626 1001
Email: dcstreaky@streakybay.sa.gov.au

COUNCIL SERVICES

2026/2027



Streaky Bay
SOUTH AUSTRALIA

COUNCIL SERVICE *Cover*



ADMINISTRATION

Customer Service, Human Resources, Council Support, Records Management, Asset Management, Finance, Information Technology, Risk Management & WHS.



*

AERODROME

Aerodrome facility providing service for Royal Flying Doctors, Bank Plane & Private Planes.



*

BUILDING AND DEVELOPMENT

Facilitating planning and building approvals and wastewater applications. Council Bylaws & Health Inspections.



*

CARAVAN PARK AND CAMPING

Streaky Bay Foreshore Tourist Park Campgrounds: Perlubie, Baird Bay, Haslam, Speeds Point, Tractor Beach, Wirrulla & Streaky Bay



*

CEMETERIES

Provision and Operation of Streaky Bay, Carawa, Wirrulla, Poochera, Conglima, Calca, Chandada & Capeithia.



*

COMMUNITY BUILDINGS

Visitor Centre, Institute Hall & Supper Room, Rental Offices, Kiosk, Museums, Sporting Complex



COMMUNITY & CULTURE

Event Management, Festivals, Australia Day, Christmas Decorations & Naidoc Week.



*

COASTAL INFRASTRUCTURE

Maintaining 3 Boardwalks - Granites, Whistling Rocks & Hallys Beach. Jetty Platform, Haslam Jetty & Boat ramps.



*

DOG AND CAT MANAGEMENT

Public Awareness in relation to good pet ownership, help with renewals & lost animals. Cat Trapping & Cat Desexing



ECONOMIC DEVELOPMENT & TOURISM

Regional Development, Tourism & District Development



*

ENVIRONMENT

SA Landscapes Levy to the Government



*

FIRE PROTECTION + EMERGENCY

Preparation for fire danger season and fire management plans. Annual fire inspections. Vegetation maintenance within our roads & reserves.

*Portion of costs recovery occurs for these services

COUNCIL SERVICE *Cover*



LIBRARY SERVICES

Contribution to the Streaky Bay Area School & Karcultaby Area School Community Libraries



OTHER NEC *

Roads Opening & Closing, Private Works, Depot & Plant.



PARKS AND GARDENS

Managing & Maintaining Playgrounds inc. the Streaky Bay Skate Park. (9 major park and garden areas)



PUBLIC AMENITIES

Maintenance (including cleaning) of 13 Public Amenity Facilities across the District.



PUBLIC HEALTH *

Health, Dental, Medical & Immunisation Support. Thrive Wellbeing Project & Ageing Strategy



ROADS AND FOOTPATHS *

Managing & maintaining footpaths, bicycle paths, carparks and road network of 1700kms. Street Lighting & Cleaning.



STORMWATER

Stormwater Management is monitored and maintained to prevent flooding.



SWIMMING POOLS *

Streaky Bay Community School Pool & Jetty Pool.



WASTE MANAGEMENT *

Kerbside Waste Collection & provision of the Streaky Bay Waste Transfer Station. DrumMuster. Illegal Dumping & Litter. Recycling of Cans & Bottles. Management of Cungena Landfill.



COMMUNITY WASTEWATER MANAGEMENT SCHEME *

Operation of the districts Wastewater Management Scheme.



YOUTH

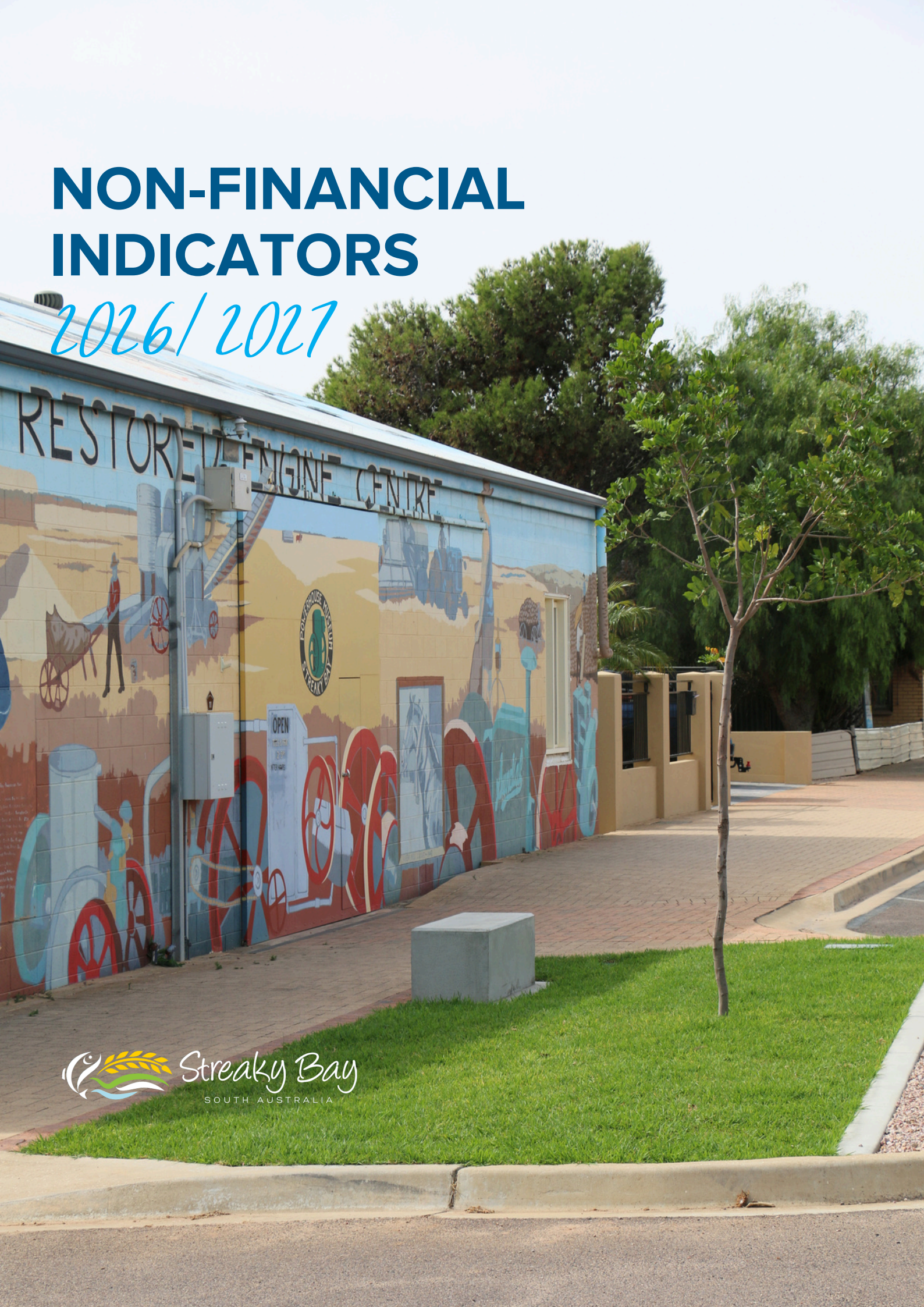
Management of Youth Support and Activities.

DISTRICT COUNCIL OF Streaky Bay

*Portion of costs recovery occurs for these services

NON-FINANCIAL INDICATORS

2026/2027



Streaky Bay
SOUTH AUSTRALIA

NON-FINANCIAL INDICATORS

2026/2027

The District Council of Streaky Bay is committed to delivering excellence across multiple areas of community service, governance, and development. Our 2026/27 Non-Financial Key Performance Indicators (KPIs) are designed to ensure we maintain high standards, drive continuous improvement, and enhance community engagement. These KPIs provide a clear framework for measuring our performance in critical areas, aligning our efforts with the needs and expectations of our residents, businesses, and visitors. Our Non-Financial Key Performance Indicators for 2026/27 are:

Tourism & Economic Support

- Total annual foot traffic recorded at the Visitor Information Centre (VIC).
- Complete the Tourism Marketing Strategy.
- Number of events hosted or supported that promote off-season tourism.
- Visitor satisfaction rating at VIC maintained or improved year-on-year (via surveys or feedback forms).

Governance

- Supporting the Electoral Commission of SA in undertaking the LG Election.
- Induction and training sessions for Incoming Council Members to build skills and understanding of Council and Council Members roles and functions.
- Implement the Council's Strategic Internal Audit Plan and monitor the implementation of agreed actions.
- At least 75% of actions from the WHS Action Plan completed by year-end.
- Continued update and completion of all WHS Procedures in accordance to the Safework program.

Innovation & Continuous Improvement

- Enhance internal communication, information sharing, and collaboration among staff members by developing and implementing an intranet platform.
- Creation and ongoing management of the Council Members Portal.
- Utilize cloud-based services for data storage, collaboration, and applications to reduce costs and improve accessibility.
- Annual performance reviews and feedback completed for 100% of staff.
- Develop a Customer Service Plan which provides a framework for customer service and identifies opportunities to improve service delivery and customer satisfaction.
- Identify and develop new revenue streams, such as grants, partnerships, sponsorships, and commercial activities.
- Implement best practices in procurement to achieve cost savings through competitive bidding, bulk purchasing, panel contracts, and long-term supplier agreements.
- Completion of internal review and opportunities for waste services including Waste Fee Structures

NON-FINANCIAL INDICATORS

2026/2027

Community Engagement & Development

- Number of community events supported or facilitated annually.
- At least four community engagement and outreach forums delivered during the year.
- Minimum of two active partnerships developed or maintained with local educational institutions for traineeships, work experience or joint projects.
- Regular use of at least two social media platforms to share Council updates, with engagement metrics monitored monthly.
- Delivery of the LDAT Action Plan
- Delivery of the Community Grants Program
- Delivery of Community Communications such as the Criterion and Online Newsletter.

Emergency Management

- Develop a Community Emergency Management Plan (CEMP) as a guide for the community to plan for emergencies common to the locality.
- Complete a Coastal Hazard Mapping and Adaptation Study.
- Develop a Heatwave Management Policy to guide Council's preparedness response, and recovery actions during extreme heat events.
- Establish a resource and equipment register identifying plant, vehicles, and personnel available to support emergency services under the i-Responda framework.





STATUTORY REPORTING

2026/2027



Streaky Bay
SOUTH AUSTRALIA

STATEMENT OF COMPREHENSIVE INCOME

$'000	2026 BUDGET	2026 BUDGET REVIEW 3	2027 BUDGET
Income			
Rates	5,418	5425	5760
Statutory charges	127	118	136
User charges	2,204	2299	2473
Other grants, subsidies and contributions - operating	2,832	2882	2875
Other grants, subsidies and contributions - capital	1,099	1142	892
Investment Income	309	309	257
Reimbursements	112	140	47
Other Revenues	100	224	56
Total Income	12,201	12,539	12,496
Expenses			
Employee Costs	3,659	3463	3530
Materials, contracts & other services	4,424	4744	4711
Finance Costs	133	117	159
Depreciation, Amortisation & Impairment	4,031	4667	4123
Total Expenses	12,247	12,991	12,523
OPERATING SURPLUS/(DEFICIT)	(46)	(452)	(27)
Gain (loss) on disposal of assets	10	5	48
Amounts specifically for new or upgraded assets	605	657	2934
Physical resources received free of charge	-		
NET SURPLUS/(DEFICIT)	569	210	2,955
Other Comprehensive Income			
Amounts which will not be reclassifed subsequently to operating result		0	3,666
Changes in revaluation Surplus -I,PP&E	-	0	0
TOTAL COMPREHENSIVE INCOME	569	210	6,621

STATEMENT OF FINANCIAL POSITION

$'000	2026 BUDGET	2026 BUDGET REVIEW 3	2027 BUDGET
ASSETS			
Current Assets			
Cash and cash equivalents	4,342	5272	6694
Trade & other receivables	791	863	955
Inventories	336	399	395
TOTAL CURRENT ASSETS	5,469	6,534	8,044
Non-current Assets			
Financial Assets	230	198	198
Infrastructure Property, Plant and Equipment	105,638	104,295	109,638
Other Non Current Assets	273	889	889
TOTAL NON-CURRENT ASSETS	106,141	105,382	110,725
TOTAL ASSETS	111,610	111,916	118,769
LIABILITES			
Current Liabilities			
Trade & Other Payables	1,746	1382	1397
Borrowings	447	312	369
Short-term Provisions	716	821	821
TOTAL CURRENT LIABILITIES	2,909	2,515	2,587
Non-Current Liabilities			
Long -term Borrowings	3,270	2868	3027
Long-term Provisions	531	534	534
TOTAL NON-CURRENT LIABILITIES	3,801	3,402	3,561
TOTAL LIABILITIES	6,710	5,917	6,148
NET ASSETS	104,900	105,999	112,621
EQUITY			
Accumulated Surplus	29,753	30678	33633
Asset Revaluation Reserve	75,147	75321	78988
TOTAL EQUITY	104,900	105,999	112,621

STATEMENT OF CHANGES IN EQUITY

	2026 BUDGET	2026 BUDGET REVIEW 3	2027 BUDGET
Balance at the end of the Reporting Period	29,184	30,468	30,678
Asset Revaluation Reserve	75,147	75,321	78,988
Net Surplus / (Deficit) for Year	569	210	2,955
Transfer to Reserves	-		
Other Comprehensive Income			3,666
Gain (Loss) on Revaluation of I,PP& E	-		
Total Comprehensive Income	-	-	-
BALANCE AT THE END OF THE PERIOD	104,900	105,999	112,621

UNIFORM PRESENTATION

	2026 BUDGET	2026 BUDGET REVIEW 3	2027 BUDGET
Operating Income	12,202	12,539	12,497
Less Operating Expense	12,248	12,991	12,524
Operating Surplus / (Deficit)	- 46	- 452	- 27
Less: Grants, Subsidies and contributions - capital	(1,099)	(1,142)	(892)
	- 1,145	- 1,594	- 919
Net Outlays on Renewal/Replacement of Existing Assets			
Capital Expenditure on Renewal/Replacement of Existing Assets	(5,124)	(6,595)	(4,569)
Add back: Depreciation, Amortisation and Impairment Expenses	4,031	4666	4123
add back : Amounts received specifically for Capital Renewal			
Add back: Proceeds from sale of Replaced Assets	220	197	79
Net Outlays on Existing Assets	(873)	(1,732)	(367)
Net Outlays on New and Upgraded Assets			
Capital Expenditure on New/Upgraded Assets	(2,622)	(2,794)	(1,265)
add back: Grants, Subsidies and contributions - capital	1,099	1142	892
add back : Amounts received specifically for New/Upgrade Assets	605	657	2934
add back: Proceeds from Sale of Surplus Assets	60		
Net Outlays on New and Upgraded Assets	(858)	(995)	2,561
Net Lending (Borrowing) for Financial Year	(2,876)	(4,321)	1,275

UNIFORM PRESENTATION EXPLAINED

Operating Surplus (Deficit)

An operating surplus (or deficit) arises when operating revenue exceeds (or is less than) operating expenses for a period. A Council's long term financial sustainability is dependent upon ensuring that, on average, its expenses are less than its revenue.

Net Lending and Borrowing

Achieving a zero result on the net lending/(borrowing) measure in any one year essentially means that the Council has met all its expenditure (both operating and capital) from the current year's income (with income including amounts received specifically for new/upgraded assets).

FINANCIAL INDICATORS

	2026 BUDGET	2026 BUDGET REVIEW 3	2027 BUDGET
Operating Surplus Ratio	0.38%	**(3.61%)**	**(0.21%)**
Net Financial Liabilities Ratio	11%	**(9.82%)**	**(13.56%)**
Asset Sustainability Ratio (based on depreciation)	127%	141%	111%

FINANCIAL INDICATOR DEFINITIONS

Operating Surplus Ratio

Calculated by dividing the Operating Surplus (or deficit) by the Operating Revenue.

Positive Percentage

A positive percentage result indicates that Council is covering operating costs and indicates available funding for future capital expenditure or ability to pay down debt.

Negative Percentage

A negative percentage result indicates that Council is not covering operating costs and the percentage increase required in operating revenue or the approximate decrease in operating expenses required to achieve a break-even position.

Optimum Target is to achieve an operating surplus ratio 0% to 10% surplus

Council's 2026/2027 Annual Business Plan and Budget original forecast is a minor operating deficit of .21%

Net Financial Liabilities Ratio

Calculated as Net Financial Liabilities divided by Total Operational Revenue

Net Financial Liabilities equals total liabilities less financial assets (excluding equity accounted investments in Council Business).

The Net Financial Liabilities ratio indicates the extent to which net financial liabilities of a Council could be met by its operating revenue. Target Percent over time should be above zero, this would indicate that the Council is employing all available funds generated from rate payers towards meeting the needs of the community.

Where the result is declining or negative this indicates that Council has more cash available than what is owed in Council borrowings. Therefore, a negative result is a positive financial indicator for Council.

Optimum target is to maintain its net financial liability ratio between 0% and 100%

Councils 2025/2026 Annual Business Plan and Budget forecasts net financial liability of negative-13.56%, Which is reflective of an increase in expected cash over 2025/2026 and 2026/2027

Asset Sustainability Ratio

Calculated as Expenditure on Renewal and Replacement of Assets (refer to Cash Flow Statement) less Sale of Replaced Assets divided by the Optimal Level of such Expenditure as per the Infrastructure and Asset Management Plan (IAMP) and/or depreciation.

In this Annual Business Plan, Council has based its percentage using depreciation, rather than using the IAMP. The plan assumes all renewals and/or replacements will be achieved, and if the percentage result is equal to the target percentage as identified, renewal and replacement of ex-isting assets is considered as being maintained.

A result close to the target range indicates that sufficient funds have been allocated to replace Council assets.

Optimum target is to maintain its asset sustainability ratio between 90% and 110%.

Councils 2025/2026 Annual Business Plan and Budget forecasts an asset sustainabilty ratio 111%, indicating that Council is focusing on the renewal of assets - the denominator for this is depreciation

DISTRICT COUNCIL OF Streaky Bay

Council Comments

ESCOSA REPORT

2026/2027



Council Context Statement - ESCOSA Local Government Advice

The Essential Services Commission of South Australia's Local Government Advice provides an independent assessment of Council's financial performance, position and outlook. Council has included the ESCOSA report at the rear of this Annual Business Plan and Budget (following this statement) to provide additional context for ratepayers and the community about Council's long-term financial sustainability, asset renewal planning and future financial direction.

Council welcomes ESCOSA's finding that the District Council of Streaky Bay's past, current and projected financial performance is "mostly sustainable." This independent assessment confirms that Council's financial position is fundamentally sound, with generally positive operating performance in recent years, low net financial liabilities and the capacity to meet financial obligations while responsibly managing cash reserves.

The advice also recognises the work Council has undertaken to improve its understanding of community assets, including their condition, useful life and long-term renewal requirements. This work has strengthened Council's asset management planning and supports the increased focus on renewal expenditure in the 2026–2027 Annual Business Plan and Budget, including investment in roads, stormwater, buildings, community infrastructure and public spaces.

Importantly, Council has already commenced implementing ESCOSA's recommendations. This includes indexing asset valuations in this year's Annual Business Plan and financial planning, in response to ESCOSA and auditor recommendations. This step improves the reliability of depreciation estimates, strengthens long-term asset planning and ensures Council's financial forecasts better reflect the current replacement cost of community infrastructure.

ESCOSA's advice should also be read alongside Council's current budget position. The 2026–2027 budget delivers a near-neutral operating result, with a small operating deficit of approximately $6,476, while maintaining essential services and supporting a capital program of approximately $5.834 million. This includes $4,569 million in renewals and replacement works and $1.265 million in new and upgraded assets, demonstrating Council's continued commitment to responsible asset management and long-term community benefit.

Council acknowledges that ESCOSA has identified areas for continued improvement, particularly in asset data, forecasting and transparency. Council views these recommendations as constructive and consistent with the work already underway to strengthen financial planning, improve asset information and ensure future budgets are based on reliable, practical and transparent assumptions.

Council Context Statement - ESCOSA Local Government Advice

ESCOSA notes that Council's Long Term Financial Plan forecasts cash holdings increasing to $16.6 million by June 2035. Council acknowledges this projection; however, it is important to provide further context. This forecast is based on the information and assumptions available at the time, and the projected cash position is likely to reduce over time as Council continues to refine its asset data, update renewal requirements and bring forward major infrastructure investment. Significant projects, including stormwater upgrades and other vital infrastructure works not yet fully incorporated into forward forecasts, are expected to utilise a portion of future cash reserves.

Council views prudent cash reserves as an important part of responsible financial management. Maintaining a sound cash position gives Council flexibility to respond to major infrastructure renewal needs, natural disasters and extreme weather events, unexpected asset failures, grant co-funding opportunities, economic shocks affecting regional communities and strategic investment opportunities that benefit the district. This flexibility allows Council to respond to emergencies, support priority infrastructure and take advantage of external funding opportunities without placing sudden or unnecessary pressure on ratepayers.

Council will continue to carefully balance the use of cash reserves, borrowings, grant funding and rates to deliver services and infrastructure in a financially responsible way. Where appropriate, Council will also consider opportunities to moderate future rate increases, while ensuring that short-term decisions do not compromise long-term sustainability or the renewal of essential community assets.

Overall, the ESCOSA advice provides valuable independent assurance that Council is on a sound financial path, while also reinforcing the need for continued discipline, transparency and improvement. Council remains committed to delivering essential services, renewing community assets, pursuing external funding and making responsible decisions that support the long-term sustainability, liveability and prosperity of the District Council of Streaky Bay.



DISTRICT COUNCIL OF Streaky Bay

ESCOSA REPORT

2026/2027



Advice

Local Government Advice

District Council of Streaky Bay

February 2026

Enquiries concerning this advice should be addressed to:

Essential Services Commission
GPO Box 2605
Adelaide SA 5001

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

District Council of Streaky Bay
AT A GLANCE

OVERVIEW

The Essential Services Commission finds the District Council of Streaky Bay's historical financial performance to be **mostly sustainable**, recognising that a surplus was achieved in most years but investment in asset renewal was low. The Council's current financial performance is **mostly sustainable,** noting its low Net Financial Liabilities Ratio and renewal capital expenditure. Its projected financial performance remains **mostly sustainable**, given its forecast average operating surplus and forecast investment in capital renewal aimed at addressing a historical shortfall.

FINANCIAL PERFORMANCE



Past 10 years
Mostly Sustainable



Current
Mostly Sustainable



Projected
Mostly Sustainable

RISKS IMPACTING SUSTAINABILITY

- ⚠ Detailed Asset Management Plans have not been prepared for all asset classes.
- ⚠ There is an ongoing asset renewal and replacement gap based on the Infrastructure and Asset Management Plan renewal required.
- ⚠ Assets are revalued at five-year intervals and not indexed in the intervening years.
- ⚠ The forecast low growth in expenses, particularly depreciation, may not be achievable.

KEY FACTS

- ▶ Population in 2024 was **2278** residents
- ▶ The Council covers **6,223 square kilometres**
- ▶ **2373** rateable properties in 2024-25
- ▶ **$13.4 million** of income in 2024-25
- ▶ Value of infrastructure assets held in 2024-25 equals **$99.8 million**

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, please visit www.escosa.sa.gov.au.

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1 Executive summary

1.1 Summary of observations

The Essential Services Commission (Commission) finds the District Council of Streaky Bay (Council) is operating mostly sustainably, with operating surpluses in most years and sustained low Net Financial Liabilities Ratios, demonstrating a capacity to meet financial obligations while increasing cash reserves. Borrowing has historically been low and future borrowing plans remain conservative. However, the Council has not fully funded its asset renewal and replacement requirements over the Historical Period. While it plans to remedy asset underfunding over the Forecast Period, this is partially dependent on achieving its forecast cost constraints.

Expenses have grown historically at 6.4 percent per year on average, but expenses growth is forecast to slow to an average of 1.4 percent, a target viewed as potentially difficult to achieve, noting higher costs associated with the Council's remote location.

Depreciation expenses are forecast to decline, but there are concerns about the accuracy of forecasts given that asset values are forecast to increase. The Council proposes a transfer of asset costs to community groups, which will reduce maintenance and depreciation costs if achievable.

The Council reviews its Long-Term Financial Plan annually and the material amendments between the two latest plans indicate that it anticipates both total income and total expenditure will decline, but the operating surplus will improve. The Council provides clear guidance on the assumptions it uses in preparing forecasts.

The Council has comprehensive Infrastructure and Asset Management Plans for stormwater, community wastewater management system and roads while other asset classes are incorporated into the Infrastructure and Asset Management Plan. Assets are revalued every five years including condition assessments; however, values are not indexed annually, which affects forecasts for capital expenditure and depreciation.

Historically, spending on asset renewals has been below the levels required by the Council's Infrastructure and Asset Management Plans. Forecasts show increased asset renewal spending, aiming to reduce the renewal/replacement gap and fully funding asset renewals in line with Infrastructure and Asset Management Plans. The capital renewal requirements forecast in the Infrastructure and Asset Management Plans align with the Long-Term Financial Plan forecasts.

Cash holdings are forecast to continue to increase significantly, although that might change as the Council strengthens its knowledge of its asset base, values and renewal requirements. If the Council continues to forecast significant cash accumulation, it could alternatively consider the opportunity to moderate future rate increases, supporting both affordability and intergenerational equity.

1.2 Summary of recommendations

The Council has a range of sound practices in its strategic planning and asset management, including:

- Reviewing expenditure and consulting the community on priorities.
- Seeking community support for its strategic programs that would necessitate rate increases.
- Aligning its Infrastructure and Asset Management Plan expenditure with its Long-Term Financial Plan forecasts.

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

1. Develop a thorough understanding of the Council's assets, including:
   - **Review** its asset register to ensure it contains all the Council's assets, including the aerodrome, and ensure that the Infrastructure and Asset Management Plan accurately reflects asset values, conditions and useful lives.
   - **Review, monitor and report** to the community on depreciation expenses to ensure that forecast expenditure is accurate and aligned with asset management strategy and practice.
   - **Update** its infrastructure forecasts to include all planned asset disposals.
   - **Undertake** annual indexation of assets values to improve capital expenditure and depreciation forecasts.
2. Strengthen cost management and cost forecasting, including:
   - **Review** the forecast constraint in expenditure to ensure that it is achievable and set out for the community how it will be achieved, while also fully funding asset renewal and replacement.
   - **Identify** all underlying assumptions affecting revenue and cost estimates in its Long-Term Financial Plan, to improve transparency for ratepayers.
3. Having developed a good understanding of the assets and costs:
   - **Update** asset management plans and asset valuations at least every four years to ensure an accurate alignment between the asset valuation and renewal expenditure requirements in the asset management plans and the latest Long-Term Financial Plan projections.
4 Review cash holding policy and forecasts, including:
   - **Reduce** the forecast level of cash holdings, if they are realised, unless it is required to fund specific capital projects or to bring forward expenditure on renewal and replacement of assets, taking into consideration rates affordability.
   - **Adjust** subsequent Long-Term Financial Plans accordingly.

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.[1]

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

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

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

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

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

2.2 The Commission's approach

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

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

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

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

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

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

6 LG Act s122(1f)(a) and (1g)(a)(ii).

7 LG Act s122(1f)(b) and (1g)(b).

8 LG Act s122(1h).

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

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

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

Table 1: Strategic management documents referred to

- District Council of Streaky Bay, General Purpose Financial Statements for the year ended 30 June 2025
- Long Term Financial Plan 2025-2035
- Long Term Financial Plan 2023-2034
- Annual Business Plan and Budget 2025/2026
- Long Term Strategic Plan 2045
- Infrastructure and Asset Management Plan Summary 2025-2035 adopted May 2025
- Asset Management Plan Roads & Footpaths 2022
- Asset Management Plan Stormwater 2023
- Asset Management Plan CWMS 2024
- Streaky Bay Aerodrome Master Plan, Version 2 2019-2039
- District Council of Streaky Bay Township Master Plans Consultation Summary Report Draft 4 December 2023
- CEO Financial Sustainability Report 2025-26

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

The Commission has also reviewed the financial template provided by the Council, including its 2025-26 LTFP forecasts for 2025-26 to 2034-35, historical financial data, the number of rateable properties and the Council staff (Full Time Equivalent or FTE) numbers from 2014-15 onwards.[14] The charts and tables in the Advice are primarily sourced from these datasets. In addition, the Commission has reviewed the Council's audit committee reports, and other public information, as appropriate.

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

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

[12] LG Act s122(1g)(a)(i).

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

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

The Commission has reported estimates in nominal terms to identify 'real' rather than 'inflationary' effects. In the charts, the Consumer Price Index (CPI) line for the Historical Period is calculated as the compound annual growth rate in the CPI (Adelaide) series from 2014-15 to 2023-24, being 2.9 percent[15]. Each financial year is the average of the four quarterly results. The CPI for the Forecast Period is calculated as the compound annual growth rate in the CPI (Australia) series from 2025-26 based on the Reserve Bank of Australia (RBA) (Australia-wide) inflation forecasts to the December 2027 quarter, and the midpoint of the RBA target range (2.5 percent) thereafter, yielding an average inflation rate for the Forecast Period of 2.5 percent. Similarly, for the current year 2024-25, we have observed a CPI (Adelaide) of 2.4 percent.

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

- its location as a Rural Agricultural: Small and Medium Council.
- its income level ($13.4 million in 2024-25[16]), and
- the size of its rates base (around 2,373 ratepayers in 2024-25[17]).

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

Legend: Low-risk Moderate-risk High-risk

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

[16] District Council of Streaky Bay, General Purpose Financial Statements for the year ended 30 June 2025, p. 4.

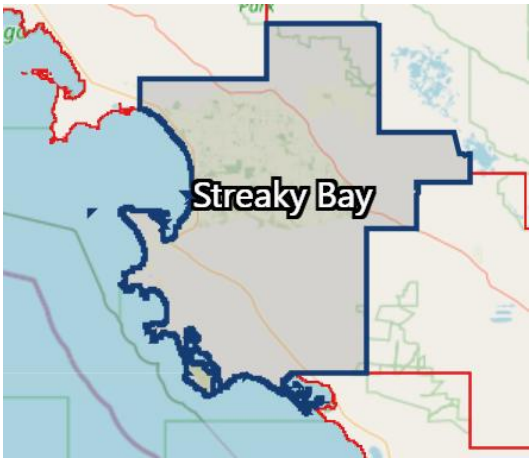
[17] Based on the Council's financial reporting template provided to the Commission.

3 Council profile

The Council is classified by the Commission as a 'Rural Agricultural: Small and Medium' council and is one of 19 in this category in South Australia.[18] It covers an area of 6,223 square kilometres, has an estimated resident population of 2,278 (at 30 June 2024),[19] and approximately 2,373 rateable properties (at 1 January 2025).[20]

The Council is in the Western Eyre Peninsula region of South Australia and was established in 1888.

Figure 1: Council Area



The Council region has the following attributes:

- Historical rateable property growth of approximately 0.6 percent per annum.[21]
- Population density of 0.4 persons per square kilometre.[22]
- 1,737 kilometres of sealed and unsealed roads, of which 93.7 percent are unsealed roads.[23]
- Employment sectors mainly in agriculture, forestry and fishing (28.6 percent), retail trade (9.6 percent), education and training (9.1 percent), and health care and social assistance (9.1 percent).[24]
- A median population age of 47.5years.[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 Australian Bureau of Statistics, *Data by region*, available at: https://dbr.abs.gov.au/region.html?lyr=lga&rgn=47490.

[20] Based on the Council's Financial Reporting template provided to the Commission.

[21] Based on the Council's Financial Reporting template provided to the Commission.

[22] Refer to Australian Bureau of Statistics, *Data by region*, available at: https://dbr.abs.gov.au/region.html?lyr=lga&rgn=47490.

[23] Refer to the Department of Infrastructure and Transport - Local Government Grants Commission, *2023-24 Database Reports*, available at: Publications - Department for Infrastructure and Transport - South Australia

[24] Refer to Australian Bureau of Statistics, *Data by region*, available at: https://dbr.abs.gov.au/region.html?lyr=lga&rgn=47490.

[25] Refer to Australian Bureau of Statistics, *Data by region*, available at: https://dbr.abs.gov.au/region.html?lyr=lga&rgn=47490.

4 Material plan amendments in 2025-26

The material amendments to some of the Council's main financial forecasts are listed in the table below (in nominal terms).[26] To ensure a comparable analysis of estimates between the 2024-25 and 2025-26 LTFPs, the Commission has reviewed the nine overlapping years' statistics: 2025-26 to 2033-34 and identified material amendments accordingly.

4.1 Key points

- The Council's operating surplus is forecast to increase by 71.6 percent over the period compared to the previous plan.
- Income assumptions for rates and charges exceed RBA inflation forecasts.

Table 2: Historical and forecast financial items

Selected Financial Item	Sum of 2025-26 to 2033-34 estimates in 2024-25 LTFP ($ million)	Sum of 2025-26 to 2033-34 estimates in 2025-26 LTFP ($ million)	Change in 2025-26 estimates ($ million)	Change in 2025-26 estimates (percent)
User charges	$41.3	$22.9	-$18.5	-44.6
Grants, subsidies and contributions	$33.6	$37.2	+$3.6	+10.8
Materials, contracts and other expenses	$59.9	$43.8	-$16.1	-26.9
Depreciation, amortisation and impairment	$38.6	$33.5	-$5.1	-13.3
Operating surplus / (deficit)	$6.1	$10.5	+$4.4	+71.6
Capital expenditure on renewal of assets[27]	$22.0	$30.5	+$8.5	+38.9
Capital expenditure on new and upgraded assets[28]	$0.8	$6.1	+$5.2	+624.7

[26] Table 2 shows only selected financial items to demonstrate the material amendments made by the Council in its 2025-26 estimates. It excludes various financial items, and individual items do not sum to totals.

[27] The capital expenditure estimates are based on the 2024-25 and 2025-26 LTFP estimates provided by the Council to the Commission (in an Excel template).

[28] The capital expenditure estimates are based on the 2024-25 and 2025-26 LTFP estimates provided by the Council to the Commission (in an Excel template).

4.2 Changes to operating performance

The Council projects an 9.7 percent reduction in income between the previous and current plans and expenses are expected to decrease further by 13.5 percent. The Council provided the following explanations for its changes:

- The Council has reduced its forecast inflation indices between the compared LTFPs.
- Reduced user charges (reflecting a change in the contract management arrangements for a tourism asset), while both grants and investment income are forecast to rise.
- Reductions in planned expenditure on 'materials, contracts and other expenses', and depreciation, including bringing some previously outsourced work in-house, related to changes in operating models for tourism assets, community/sporting groups and waste management.
- The Council has removed forecast expenditure related to sporting/community bodies and associated assets (including insurance, maintenance, health and safety compliance, and depreciation) although the Council continues to hold the assets and is yet to reach agreement with community groups on asset transfers.

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

Further analysis of the forecast decline in depreciation expenses, particularly in relation to increased asset values, is provided in section 5.3.

4.3 Indexation adjustments

The LTFP outlines key assumptions for all income and expenditure categories, incorporating projections of future growth, capital projects, and anticipated borrowings. The Council has reduced its forecast indices between the two LTFPs compared from between 7.0 and 4.0 percent, to 5.5 and 3.5 percent. External factors are acknowledged, together with the Council's target levels for financial indicators. While assumptions appear reasonable for most income and expenditure items, they exceed RBA inflation forecasts for rates and charges and forecast expenses constraint will depend on whether the Council can outsource the assets and operating expenses to community and sporting groups.

The changes in capital expenditure reflect the Council's approach of including capital projects only when capital funding has been sourced. Assets, the AMPs, and the Council's capital expenditure outlook are discussed further in Section 5.3.

5 Financial sustainability

5.1 Operating performance

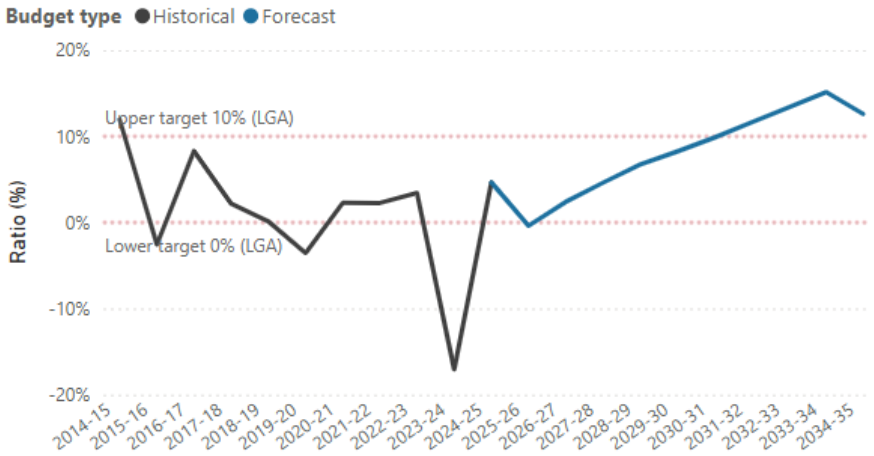
5.1.1 Key points

✓	The Council has predominantly achieved an operating surplus historically and forecasts this trend will mostly continue.
⚠	The Council is relying on asset disposals as well as transfers of assets and operating costs to sporting and community groups to reduce expenses.
⚠	The Council forecasts that its operating expenses growth per annum will be less than inflation, and this may not be achievable, in part, due to its remote location.

Historically, the Council has mostly achieved, and is forecasting, operating surpluses. Income is predominantly sourced from rates, grants and user charges. Annual expenses growth averaged 6.4 percent over the Historical Period but is forecast to slow significantly to 1.4 percent, which may be difficult to achieve due to the Council's remote location and forecast inflation. If the Council cannot achieve the low growth in operating expenses, the operating surpluses forecast may not eventuate.

5.1.2 Operating Surplus Ratio

Figure 2: Operating surplus ratio – historical and forecast



During the Historical Period, the OSR was negative for three out of ten years, primarily due to the timing of Financial Assistance Grant payments. In the Forecast Period, the Council expects the OSR to rise as income grows faster than inflation (driven by rates and other charges) while expenses growth is slower (see Figure 3). The average annual OSR for the Historical Period was 0.5 percent. This is forecast to rise over the Forecast Period to an average of 8.9 percent (Figure 2). Achievement of that result will depend upon the Council's ability to constrain average annual growth in operating expenses to 1.4 percent compared with forecast CPI growth of 2.5 percent and, in the Commission's view, this is likely to be difficult to achieve. See further discussion in Section 5.3.

The Council historically derived an average of 25.2 percent of its revenue from tourism facilities.[29] However, this is forecast to decline to 18.3 percent over the Forecast Period, primarily due to the

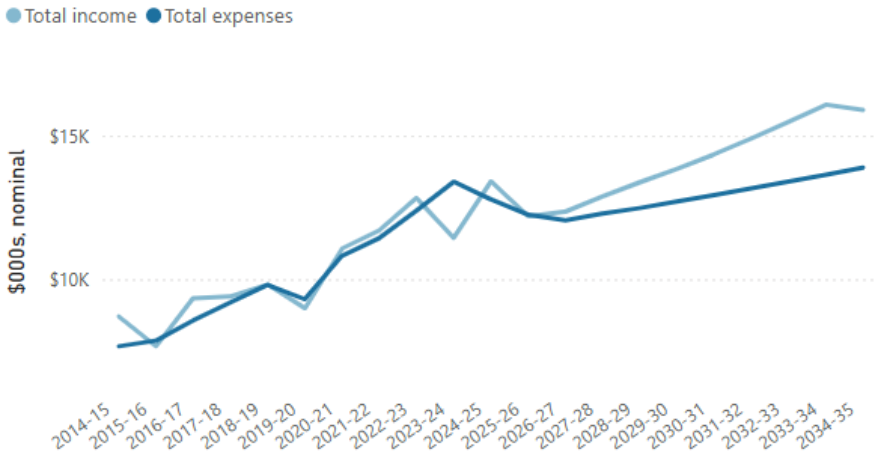
[29] User charges - Meeting with the Council, 13 May 2025.

change in the Council's operating model for a tourism asset.[30] Rates are increasing from 39.6 percent of income in the Historical Period to 46.4 percent in the Forecast Period.

The Council forecasts expansion of its user-pay model and proposes to transfer to community user groups some assets and their operating costs, including maintenance, insurance, compliance and depreciation costs,[31] with the Council to retain ownership of the land. These proposals have not yet been agreed to by the relevant community groups and might not be achievable or feasible. The Council has forecast 0.1 percent reduction per annum (CAGR) in depreciation; however this may only be achieved if the planned building asset disposal and cost shifts occur.

The Council consults extensively with the community to determine desired levels of service and priorities for expenditure. For example, the Council funded a health service in 2018 to help establish the business in the local region. This required a one to two percentage points rise in rates and was approved by the community to address regional market failure.[32]

Figure 3: Total income and expenses – historical and forecast



5.1.3 Income

5.1.3.1 Over the Historical Period:

- The Council has averaged annual growth (CAGR) of 3.1 percent in total income, with average operating income of $10.1 million.
- Income from rates grew (CAGR) by 4.8 percent and user charges grew (CAGR) at 9.6 percent, compared with CPI of 2.9 percent over the same period.

5.1.3.2 Over the Forecast Period:

- Total income is expected to grow (CAGR) at a 3.0 percent annual rate, averaging $14.1 million per year.
- Rates are projected to rise by an average (CAGR) of 4.0 percent annually and user charges by 3.3 percent, compared with forecast average CPI of 2.5 percent. Grants are anticipated to increase by (CAGR) 1.9 percent per annum.

[30] Correspondence with the Council, 21 November 2025.
[31] Meeting with the Council, 13 May 2025.
[32] See Note 31.

5.1.4 Expenditure

5.1.4.1 Over the Historical Period:

- Growth (CAGR) in operating expenses averaged 6.4 percent, including 6.4 percent growth (CAGR) in employee costs, 7.2 percent in 'materials, contracts and other' expenses, and 5.4 percent in depreciation costs, all compared with average CPI of 2.9 percent for the same period.
- The largest item of historical expenses was 'materials, contracts and other', averaging 45.4 percent of total expenses, followed by depreciation at 31.3 percent and employee expenses at 22.6 percent.

5.1.4.2 Over the Forecast Period:

- The Council forecasts growth (CAGR) in operating expenses of 1.4 percent, reducing from 6.4 percent in the historical period.
- A significant decline in costs between the 2024-25 and 2025-26 LTFPs is primarily due to the proposed operating model change for a tourism asset.
- The forecast assumes that maintenance, depreciation, insurance and compliance expenses for assets used by community groups are no longer borne by the Council from 2025-26 and are offset by an increase in grants to the community, resulting in a net reduction in expenditure of $0.6 million per annum.[33]

The forecast expenses growth rate is significantly below what the Council has achieved historically and below the average forecast CPI for the period. Combined with uncertainty about the Council's capacity to divest some assets costs to community groups, the Commission has the view that the forecast constraint in cost growth is unlikely to be achieved. In addition, the Council's remote location can result in higher contractor costs,[34] noting that the Council undertakes procurement with adjacent councils, when possible, to reduce mobilisation costs and achieve savings.[35]

5.2 Net financial liabilities

5.2.1 Key points

✓	The Council's low NFLR, both historically and forecast, indicate that based on the LTFP, the Council can meets its financial obligations.
⚠	The Council holds cash of $8.0 million at June 2025 and forecasts to increase cash held to $16.6 million in June 2035.

The NFLR[36] is a measure of a council's indebtedness and indicates whether a council can cover its net financial liabilities over a period. The Council's historical and planned low NFLR indicates that the Council can comfortably manage its debt.

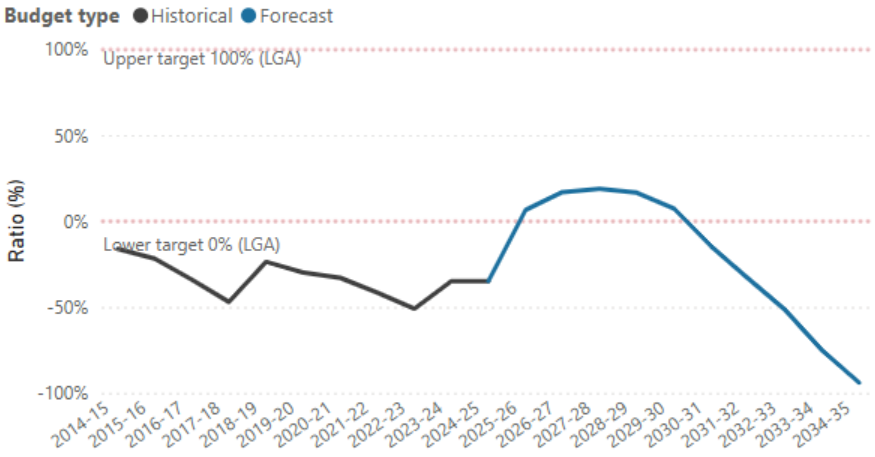
[33] Correspondence with the Council, 21 November 2025.

[34] Where contractors require additional expenses to provide labour, equipment and materials to the worksite based on its location.

[35] See Note 31.

[36] 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 LGA target range is between zero and 100 percent of total operating income but could be higher in some circumstances (see LGA SA *Financial Indicators Paper*, pp 7 – 8).

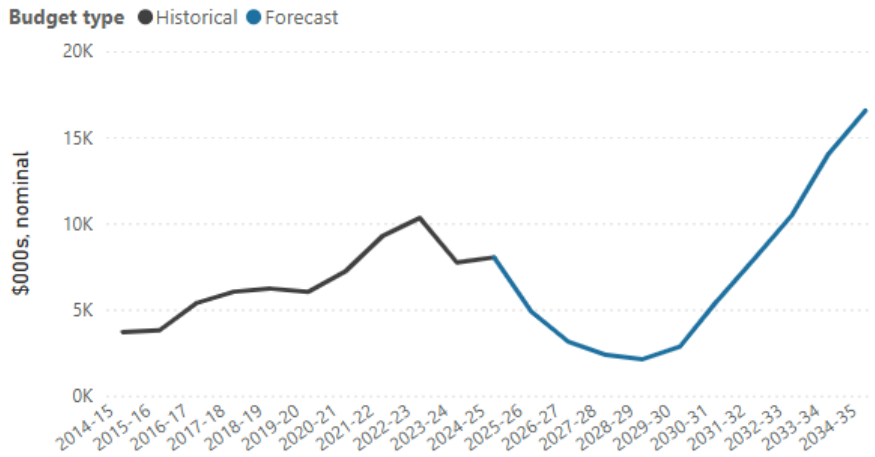
Figure 4: Net financial liabilities ratio – historical and forecast



The low historical NFLR averaged negative 34.4 percent per annum due to low borrowings and the amount of cash held in the Historical Period. In this period, total income trended upwards while new borrowings were minimal, excluding in 2018-19 when the Council borrowed $2.5 million for new/upgraded asset expenditure,[37] as seen in Figure 4.

The decline in the forecast NFLR to an average of negative 23.7 percent is driven primarily by the forecast increase in cash holdings, from $8.0 million at June 2025 to $16.6 million in 2034-35 (see Figure 5). This contrasts with advice from the Council that they intend to spend more cash on asset renewal to address renewal backlog due to underfunding of asset renewals in the Historical Period.[38]

Figure 5: Cash and cash equivalents at year end – historical and forecast



The Council held cash at year end averaging $6.6 million per annum in the Historical Period. Over the Forecast Period, the Council plans for cash holdings to fall to $2.5 million as at June 2029, then increase to $16.6 million as at June 2035. As noted above, the Council may reduce its projected level of cash holdings by utilising the cash to undertake new capital expenditure projects.[39] However, if this does not occur, the Council could consider reducing its projected increases in rates over the Forecast Period. This could improve both affordability and intergenerational equity, by funding new capital projects using a combination of cash holdings and debt.

[37] 2018-19 Annual Report, Financial Statements, Note 8b, P.26.
[38] See Note 31.
[39] See Note 31.

5.3 Asset renewals expenditure

5.3.1 Key points

- The Council has comprehensive AMPs for most assets, although some asset classes do not have stand-alone AMPs. The Council is improving its focus on strategic management of assets.
- Historically, the Council has underspent on asset renewal, however the Council plans to fully fund asset renewal over the Forecast Period.
- The forecast decrease in depreciation expense is subject to asset transfers and disposals and assumes nil depreciation on assets that the Council intends to transfer to the Community.
- The Council has not forecast any reductions in infrastructure values commensurate with its plans to transfer assets to the community and dispose of other surplus building assets.

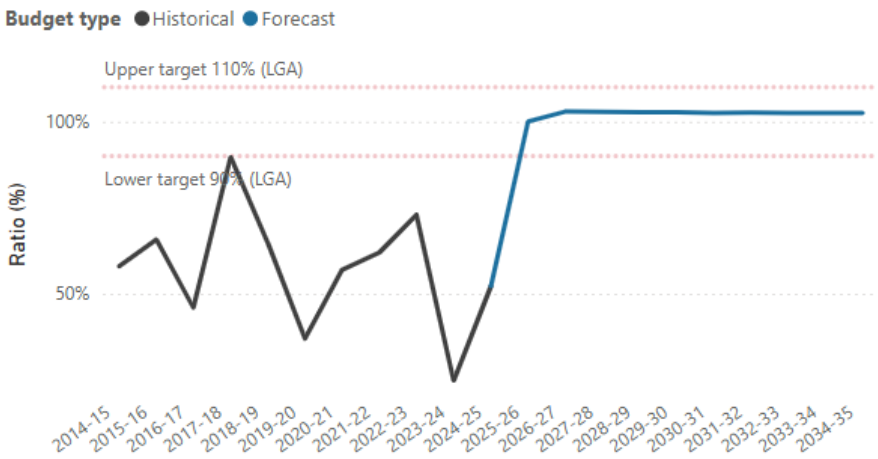
The Council has well developed AMPs for major asset classes and a summary IAMP, however, the extent to which the aerodrome is included in AMPs is not clear. The Council relies on grants for capital expenditure. The Council has underspent on asset renewal and replacement in the Historical Period, relative to requirements set out in its AMPs, however, asset upgrades may have helped to offset this.

The Council has AMPs for Roads, CWMS and Stormwater classes of assets. These assets have all been revalued within the last four years, and asset conditions have been assessed. A recent strategic review of building assets resulted in decisions about future use that will include disposal of some assets.[40] However, these disposals are not reflected in the forecast infrastructure values. The Council revalues assets and updates its condition and remaining useful life data every five years. It does not index its asset base annually,[41] which may lead to anomalies in forecast capital expenditure and depreciation expenses, particularly since inflation has been significant[42] between the 2021 assessment of the major asset class of Roads, and the next assessment (due in 2026).

The Council's aerodrome is subsidised by the Council as an important strategic asset for recreational and Royal Flying Doctor Service use. It currently relies on grants for capital expenditure, and the Council is considering revenue-raising opportunities. Land, Buildings and Structures are included in the summary IAMP, however there is no specific AMP for this class of asset nor for Plant and Machinery. The lack of detailed plans for these assets may lead to an understatement of depreciation and asset renewal costs, which may lead to unexpected capital expenditures requiring rate increases or service level decreases.

[40] See Note 31.
[41] Answers to ESCOSA questions, 29 April 2025.
[42] Refer to the CPI for the Historical Period (Adelaide) series from 2021 to date. Source: Consumer Price Index, Australia, September Quarter 2025 | Australian Bureau of Statistics

Figure 6: Asset renewal funding ratio (renewal expenditure gross) – historical and forecast



Historically, the Council's ARFR (gross) averaged 54.3 percent, indicating that investment in infrastructure renewal and replacement was below levels required by its AMPs and the LGA-recommended range.[43]

During the Historical Period, the Council expended an annual average of $1.9 million on renewal of infrastructure compared to the $3.4 million that IAMP renewal expenditure proposed. From the annual average of $1.7 million spent on new and upgraded assets, a significant proportion was directed to upgrading roads,[44] where previously unsealed roads were sealed to reduce future costs and mitigate coastal climate impacts. This may reduce the perceived underinvestment in asset renewal, however, the extent to which this occurred was not quantified.

The forecast for asset renewal expenditure proposes to achieve an average ARFR (gross) of 102.2 percent with an average annual spend of $3.4 million. Forecast capital expenditure is aligned in the LTFP and IAMP. Despite forecast renewal expenditure matching the IAMP required expenditures, it will not address the residual cumulative renewal and replacement gap (which was $15.7 million in 2023-24 and is forecast to be $17.1 million in 2034-35).

The Council proposes rate increases to fund the additional capital spending. Despite the forecast expenditures, cash is forecast to rise from $8.0 million in 2024-25 to $16.6 million in 2034-35 (see Figure 5), which questions the need for rate increases or the extent of rate increases.

As discussed in section 4.1, average growth of depreciation expenses in the Historical Period was 5.4 percent. In the Forecast Period, average growth is anticipated to be negative 0.1 percent. The forecast depreciation-based ARFR averages 89.3 percent, compared with 102.2 percent for the ARFR (gross), which indicates some divergence between the renewal expenditure requirements in the IAMP and depreciation expensed as a proxy for asset consumption. The forecast decline in depreciation expenses reflects the planned divestment of some assets to community groups, however, the disposal of these assets[45] is not reflected in the LTFP forecast.

The Council is upgrading its AMP data and asset revaluations in 2025. This review, combined with some asset classes not having stand-aloneAMPs, and the potential disposal of a significant quantity of building assets, may mean that the current capital renewal and depreciation forecasts in the 2026 - 2035 LTFP require amendment. The Council's practice of not indexing its assets between revaluation

[43] LGA SA Financial Indicators paper, p9, available at: https://dit.sa.gov.au/local-government/documents/office-of-local-government/financial_sustainability_information_paper_9.pdf.

[44] See Note 31.

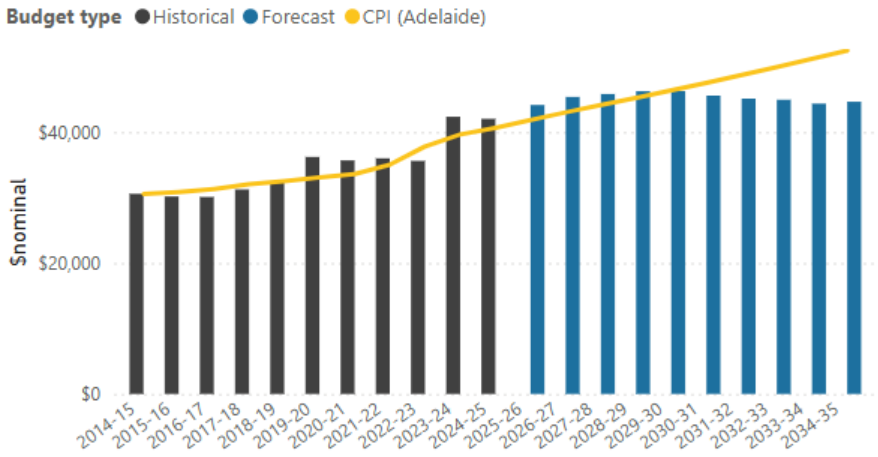
[45] Correspondence with the Council, 21 November 2025.

impacts the asset values and the basis for depreciation, which may lead to material change in depreciation expenses when revaluations are undertaken.

Regular review of asset values, remaining asset life and depreciation schedules is essential to accurately estimate depreciation expenses and ensure that asset renewal funding is sufficient to prevent asset failure or service level declines. Inaccurate estimates of these factors may impact financial statements leading to rate increases that are higher than necessary.

The Council advises that it has consulted extensively with ratepayers to determine priorities within community master plans.[46] The forecast for new/upgraded infrastructure is much lower than it had been historically, at an average of $0.6 million per annum. However, this figure excludes any projects that require grant funding to proceed.

Figure 7: Value of asset stock per rateable property – historical and forecast



The value of asset stock per rateable property was $42,041 in 2024-25 and is projected to increase to $44,650 per property by 2034-35 (representing a fall in value in real terms) as the Council rationalises its building assets in accordance with its strategy and undertakes its forecast expenditure (see Figure 7). However, the inclusion of assets that are expected to be disposed of suggests that the value of asset stock per rateable property will fall further than the forecast.

5.4 The Commission's recommendations on financial sustainability

To strengthen the Council's sustainability, the Commission recommends that the Council implement the following sequence of activities:

1. Develop a thorough understanding of the Council's assets, including through:
   - **Review** its asset register to ensure it contains all the Council's assets, including the aerodrome, and ensure that the Infrastructure and Asset Management Plan accurately reflects asset values, conditions and useful lives.
   - **Review, monitor and report** to the community on depreciation expenses to ensure that forecast expenditure is accurate and aligned with asset management strategy and practice.
   - **Update** its infrastructure forecasts to include all planned asset disposals.
   - **Undertake** annual indexation of assets values to improve capital expenditure and depreciation forecasts.

[46] See Note 31.

2. Strengthen cost management and cost forecasting, including:

   - **Review** the forecast constraint in expenditure to ensure that it is achievable and set out for the community how it will be achieved, while also fully funding asset renewal and replacement.
   - **Identify** all underlying assumptions affecting revenue and cost estimates in its Long-Term Financial Plan, to improve transparency for ratepayers.

3. Having developed a good understanding of the assets and costs:

   - **Update** asset management plans and asset valuations at least every four years to ensure an accurate alignment between the asset valuation and renewal expenditure requirements in the asset management plans and the latest Long-Term Financial Plan projections.

4 Review cash holding policy and forecasts, including:

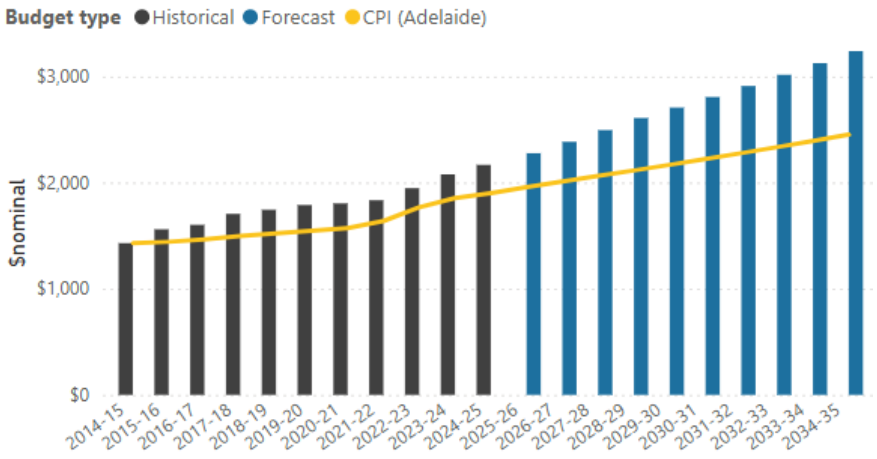
   - **Reduce** the forecast level of cash holdings, if they are realised, unless it is required to fund specific capital projects or to bring forward expenditure on renewal and replacement of assets, taking into consideration rates affordability.
   - **Adjust** subsequent Long-Term Financial Plans accordingly.

6 Advice on current and projected rate levels

6.1 Key points

⚠ Rate increases above inflation may reduce affordability for some residents.

Figure 8: Average rates revenue per property – historical and forecast



Growth in rates per property in the Historical Period was an average (CAGR) of 4.2 percent, which was above the CPI for the period. The Council advised that it increased rates above inflation for strategic projects after consultation with the community.[47] The Commission notes that the Council's cash holdings increased by $4.0 million over the same period.

The proposed rates increase for 2025-26 is 5.5 percent increase across all properties,[48] however, due to the differential rating strategies and differences in capital values, not all ratepayers will incur the same rate rise. No details on underlying assumptions for the increase were provided in the ABP.

Both total rates and rates per property in the Forecast Period are anticipated to grow at an average of 4.0 percent per annum, which is above forecast CPI. The Council is raising its rates to provide additional funds for renewal capital expenditure.[49]

In the Forecast Period, cash is forecast to increase significantly (see Figure 5). The Council noted that it may spend this cash on asset renewal, however if this does not occur, it could consider reducing forecast rate rises to improve rates affordability.

47 See Note 31.
48 Annual Business Plan and Budget 2025-2026, P.23.
49 See Note 31.

6.2 Affordability risk

The forecast rate increases encompass the Council's strategic approach to community consultation and asset management. The SEIFA ranking[50] for the region is 39 in 2021 therefore rates affordability is unlikely to be a significant issue for most ratepayers. However, the Commission is concerned that strong accumulation of cash while also fully funding asset renewals and replacements may indicate over-charging of rates, unless the Council plans additional expenditure on new or upgraded assets that has not been articulated in its LTFP.

[50] The Council is ranked 39 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 (e.g., 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/latest-release

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:

- achievement of operating surplus forecasts including cost constraint
- achievement of IAMP renewal plans including addressing the asset renewal backlog and including all assets in the plans
- increased transparency in LTFP and ABP regarding the basis for assumptions, and
- rates affordability given use of cash reserves amid rising rates.

8 Appendix: Glossary of terms

Term	Explanation
ABS	Australian Bureau of Statistics
AMP	Asset management plan (also called an IAMP)
ARFR	Asset Renewal Funding Ratio: renewal expenditure based (gross): Asset Renewal Expenditure / IAMP Renewal Expenditure (where IAMP expenditure includes sale of replaced assets) Asset Renewal Funding Ratio - renewal expenditure based (net) - if IAMP excludes sale of replaced assets: Asset Renewal Expenditure / IAMP Renewal Expenditure (where IAMP expenditure excludes sale of replaced assets) Asset Renewal Funding Ratio (depreciation based): Asset Renewal Expenditure / Depreciation (IAMP Renewal Expenditure is that required according to the IAMP.)
CAGR	Compound Annual Growth Rate: CAGR = $(V_{final} / V_{begin})^{1/t} - 1$ CAGR represents the mean annualized growth rate for compounding values over a given time period. CAGR smooths the effect of volatility of periodic values that can render arithmetic means less meaningful. (Source: Wikipedia)
Commission	Essential Services Commission, established under the *Essential Services Commission Act 2002*
CPI	Consumer Price Index (Adelaide, All Groups)
Council	District Council of Streaky Bay
CWMS	Community Wastewater Management System
ESC Act	*Essential Services Commission Act 2002*
F&A	Local Government Advice: Framework and Approach – Final Report
Forecast Period	10 years from 2025-26 to 2034-35
FTE	Full Time Equivalent
Historical Period	10 years from 2014-15 to 2023-34
IAMP	Infrastructure and asset management plan (also called an AMP)
LG Act	*Local Government Act 1999*

Term	Explanation
LGA SA Financial Indicators Paper	Local Government Association of South Australia, Financial Sustainability Information Pa per 9 - Financial Indicators Revised May 2019
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: Net financial liabilities ÷ Total Operating Income
OSR	Operating Surplus Ratio The Operating Surplus (Deficit) is defined as: Total Operating Income LESS Total Operating Expenses The Operating Surplus Ratio is defined as: Operating Surplus (Deficit) ÷ Total Operating Income
Regulations	*Local Government (Financial Management) Regulations 2011*
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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Council would like to acknowledge the Custodians of this land and pay respects to Elders past and present.

Streaky Bay
SOUTH AUSTRALIA

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