



Annual Business Plan & Budget

2022-2023

An ambitious program of \$13.888M in capital works and projects with a conservative 2% increase in general rates revenue headlines Naracoorte Lucindale Council's 2022-2023 Annual Business Plan and Budget.

The Budget ensures the continuation of services for the community, significant infrastructure upgrades and ongoing operations at the Naracoorte Regional Livestock Exchange, and numerous projects associated with the development and ongoing implementation of a suite of significant Masterplans, including the Naracoorte Town Centre Rejuvenation Plan and Lucindale Masterplan.



Naracoorte Lucindale Council
Better by Nature

Budget Highlights

Extensive capital and project expenditure of \$13.888M has been allocated, and key capital works projects from the Budget include:

- **\$3.98M at the Naracoorte Regional Livestock Exchange** including major upgrades and improvements on unloading ramps, D-yards and yard roofing, which will be funded through the ongoing operations of the NRLE, grant funding and loan funds.
- **Almost \$700,000 on road reseals** including \$311,645 on Cadgee Road, \$165,393 on Morambro Lane and \$99,725 on Hynam Caves Road.
- **Almost \$1M on projects associated with the development and ongoing implementation of Masterplans** in Naracoorte, Lucindale and Frances, including the detailed design of the Naracoorte Town Centre Rejuvenation Plan, Lucindale main street redesign and Frances cemetery restoration.
- Just over **\$200,000 on stormwater projects.**
- **\$2.22M on upgrading plant and machinery.**

\$153,000 towards the ongoing support and sponsorship for community events

Upgrades to key public space facilities including the Naracoorte Swimming Lake changerooms, Market Square playground, and a new amenities facility at the Naracoorte Cemetery

\$3.3M on road construction including the construction of Boddingtons West Road (subject to grant funding), Binnum-Benayeo Road and Robertson Street in Naracoorte (from Magarey Crescent to McRae Street)



Financial Snapshot

Operating Budget - Income \$19.964M, Expenditure \$18.805M, Operating Surplus \$889,423

Capital Budget - Total capital & projects \$13.888M (including renewal & replacement \$8.218M, and new and upgraded capital \$5.67M)

Rate Revenue - Council is proposing to raise \$11.11M in general rate revenue, representing an average 2% increase from 2021-2022

Of Total Assessments

- 6.4% will experience general rate variations of greater than 2% to 5%
- 13% will experience general rate variations of 0% to 2%
- 42.3% will experience a decrease in rate variations



| Key Financial Indicators | Target | 2017-18 Actual \$'000 | 2018-19 Actual \$'000 | 2019-20 Actual \$'000 | 2020-21 Actual \$'000 | 2021-2022 Current Budget \$'000 | 2022-2023 Budget \$'000 |
|--------------------------|--------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------------------|-------------------------------|
|--------------------------|--------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------------------|-------------------------------|

Operating Surplus/(Deficit) Ratio - %

Expresses the operating surplus(deficit) as a percentage of operating revenue.

Where an operating deficit exists, this percentage indicates the percentage increase needed in revenue to achieve a break-even operating result. Equally a break even operating result could be targeted by decreasing operating expenses.

| | | | | | | | |
|---------------------------------------|-------|---|------|------|------|-----|-----|
| Operating Surplus/(Deficit) Ratio - % | 0-15% | 4 | 19.2 | 13.5 | 12.7 | 2.6 | 4.5 |
|---------------------------------------|-------|---|------|------|------|-----|-----|

Net Financial Liabilities Ratio

Expresses net financial liabilities as a percentage of Total Operating Revenue.

This measure indicates the capacity of Council to meet its financial obligations from revenue streams. Where the ratio is falling, it indicates that a Council's capacity to meet its financial obligations from revenue streams is strengthening. Conversely, where this ratio is increasing, it indicates that a Council's capacity to meet its financial obligations is deteriorating.

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|-------------------------------------|----------|------|------|------|------|------|-----|
| Net Financial Liabilities Ratio - % | >0 < 100 | (23) | (28) | (19) | (37) | (24) | (0) |
|-------------------------------------|----------|------|------|------|------|------|-----|

Asset Renewal Funding Ratio

The asset renewal funding ratio is calculated on the sum of the proposed expenditure as indicated in the Infrastructure & Asset Management Plan, and depreciation levels.

| | | | | | | | |
|---------------------------------|-------------|-----|-----|------|------|-------|------|
| Asset Renewal Funding Ratio - % | > 90 < 110% | 68 | 81 | 95.6 | 100 | 112 | 72 |
| 3 Year Average | | 100 | 80 | 81.5 | 92.2 | 102.4 | 94.4 |
| Depreciation Funding Ratio - % | | 83 | 122 | 152 | 67 | 122 | 131 |
| 3 Year Average | | 100 | 80 | 119 | 114 | 113 | 106 |



Naracoorte Lucindale Council
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