

# Naracoorte Regional Livestock Exchange (NRLX) Management Plan 2020 - 2030



## What Council Provides

Council operates the Naracoorte Regional Livestock Exchange (NRLE) located at Carters Road, Naracoorte. The NRLE was established by the then District Council of Naracoorte in 1973.

Many changes have been made since its initial construction. Additional yards have been added, a truck wash installed and expanded, waste water management has changed, selling practices and animal welfare have a stronger focus and work health and safety requirements have greatly increased. Some of these changes are driven by external influences such as legislative requirements, while others are driven by business opportunities and operational requirements.

The land is owned freehold by the Naracoorte Lucindale Council and is excluded from community land.

The land is zoned Industry and consists of the yards themselves and effluent ponds, being; Section 120 & Lot 654 (23.4 Ha) and Lot 653 (2.45 Ha) Hundred Naracoorte respectively. An additional section is zoned primary production; PCES 5 & 6 Hundred: Naracoorte (52.8 Ha) adjacent to the north.

Operations at the site are designated as an Activity of Environmental Significance under Schedule 1 of the Environment Protection Act 1993, which applies to activity within a Water Protection Area (as defined by the Landscape South Australia Act 2019). Conditions of the EPA Licence for the facility include having a Wastewater Irrigation Management Plan (WIMP) together with an Environmental Monitoring Program.

Council's **VISION** for the NRLE is: -

*The Naracoorte Regional Livestock Exchange will be the premier livestock selling centre for South Australia and Victoria. We will work collaboratively with stakeholders to be the industry leader in livestock handling and selling in safe modern facilities. We will have a minimal impact on the environment while deriving financial benefits for the community, stakeholders and Council.*

The Naracoorte Lucindale community derives significant direct economic benefit from the NRLE - local growers with a facility close to their operations, transport operators who move stock and purchase fuel, locals who work at the facility, agents who use the yards and the businesses in Naracoorte who support the NRLE operations and its users. There are also substantive indirect benefits that flow to community through increased business transactions and demand for services due to the additional activity that takes place when people outside of the district attend sales.

Council has recognised the need for the NRLE to operate as a commercial business and operate independent of financial support from Council rate revenue. To achieve this, the Naracoorte Regional Livestock Exchange Board (the Board) will have strategic oversight of the development, construction and general operations and monitor the financial performance of the Naracoorte Regional Livestock Exchange. Their objective is to utilise the Management Plan and monitor the performance of the NRLE.

The Naracoorte Regional Livestock Exchange Management Plan 2017 - 2028 was adopted by Council in December 2017 (*refer resolution 147/18*). The contents of that Plan have been incorporated into this document.

## Objectives

Objectives of the Naracoorte Regional Livestock Exchange include:

- Contribute to the economic prosperity of the Naracoorte Lucindale Council district and Limestone Coast region
- Provide continuing business opportunity for stakeholders
- Manage risks in collaboration with stakeholders
- Manage the NRLE business to ensure its long-term viability
- Minimise impacts of NRLE activities on the environment
- Meet and exceed animal welfare standards
- Provide a safe working environment for all staff, agents and contractors

## Implementation and Reporting

The Naracoorte Regional Livestock Exchange Board will utilise this Management Plan to assist in strategic decision making, and have oversight of all aspects of the operations of the NRLE including future investment, fees and charges, expenditure and levels of service.

The Board reports and performance is reviewed by the Audit Committee which reports to Council. An annual budget and annual report is prepared for endorsement by the Audit Committee prior to adoption by Council.

The Annual report includes an assessment of:

- stock throughput
- final financial position for year ending 30 June
- evaluation of performance
- assets – maintenance, upgrades etc
- stakeholder satisfaction
- identified risks
- key events
- a forward look at animal welfare, industry changes/expectations, economic drivers etc.
- phylloxera shed and its use
- possible revisions to the management plan

## Schedule of Sales

The Board is responsible for establishing an agreed schedule of sales. Maximum livestock numbers have been fixed at a level determined by the Board considering all operational and legislative requirements. These are set at 2,800 for Prime Cattle, 5,000 for Cattle Weaners, 40,000 for Sheep. Additional special sales may be held by agreement with the NRLE Manager.

Sales will be held at dates and times to draw the maximum number of stock and buyers to the NRLE. Sales should be held so they do not conflict with other livestock sales that could impact the success of an NRLE sale.

Sales are held each Tuesday, with store cattle sales every fourth Thursday. Specialty sales bring the total sales to approximately 84 each year. The sales are operated under license with Council by the Naracoorte Combined Agents, currently comprising Pinkerton Palm Hamlyn and Steen (PPHS), Elders, Nutrien (previously Landmark), Southern Australian Livestock (SAL) and Thomas DeGaris and Clarkson (TDC).

## Marketing

Promotion of the NRLE as a marketing facility is the responsibility of Council. Marketing of individual sales is the responsibility of the Agents conducting the sales. A joint marketing approach has been used successfully with the Naracoorte Combined Agents. Market research will be undertaken on a regular basis to determine:

- Opportunities to increase throughput
- Additional business opportunities
- Catchment area of sellers and buyers

## Compliance

The NRLE needs to comply with a number of legislative requirements and adhere to industry best practice guidelines:

- Environmental Protection Authority (EPA) licence conditions for the disposal of waste water

- Department of Health conditions for the reuse of treated waste water
- Department of Environment and Water licence conditions regarding the extraction of water from the aquifer
- National Livestock Quality Assurance
- European Union guidelines for the sale of EU cattle

## Risk Management

The NRLE has a strong risk management approach to its business. Risks have been identified, and are managed and monitored by the Board and considered with management decisions.

Risk	Control
<p>Livestock numbers well below forecast levels leading to serious decline in revenue. Possible causes:</p> <ul style="list-style-type: none"> <li>• Reduction in stock levels Australia wide</li> <li>• Changes in selling methods eg direct marketing to abattoir, online selling</li> <li>• Agents recommending other selling options</li> </ul>	<ul style="list-style-type: none"> <li>• Highlight value of NRLE as a selling forum to agents and vendors.</li> <li>• Review capital investment projects and implement as funds on hand allows, projects broken into manageable portions.</li> <li>• Changes in selling that reduce numbers to saleyards could determine smaller yard sizes are required. This needs to be considered with capital investment, especially with sheep selling facilities</li> <li>• Maintaining positive relationships with Naracoorte Combined Agents</li> </ul>
<p>Operational costs increase above predicted levels</p>	<ul style="list-style-type: none"> <li>• Fees are set annually and can be adjusted in response to a decline in numbers and improvement of facilities</li> <li>• Operate with a balance of full time and casual staff to enable efficient management of staff wages</li> </ul>
<p>Introduction of new compliance requirements. While these are difficult to predict with certainty, most can be anticipated to some degree;</p> <ul style="list-style-type: none"> <li>• Electronic systems including eNVD and sheep EID</li> <li>• Environmental management requirements</li> <li>• WHS requirements and Animal welfare requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement with Victorian Saleyards and membership with relevant Saleyards association</li> <li>• EPA approved management plans in place</li> <li>• Participation in relevant forums, yard design and requirements to at least meet and preferably exceed standards required at time of development</li> </ul>
<p>Loss of experienced staff</p>	<ul style="list-style-type: none"> <li>• Documented procedures for sale day operations</li> <li>• Recruitment strategy</li> <li>• Training of staff</li> </ul>
<p>Poorly targeted capital investment</p>	<ul style="list-style-type: none"> <li>• Approved investment within LTFP and Management Plan</li> <li>• Regular review of LTFP</li> </ul>
<p>NRLE falls behind regional saleyards competitors</p>	<ul style="list-style-type: none"> <li>• Strategic planning and implementation of projects.</li> </ul>



	<ul style="list-style-type: none"> <li>• Exemplary delivery of services</li> <li>• Maintaining relationships with agents and vendors</li> </ul>
Biosecurity	<ul style="list-style-type: none"> <li>• Participation in “Stock Standstill” exercises</li> <li>• Maintaining clean facilities</li> <li>• Engagement with PIRSA</li> </ul>
Closure of Teys Australia abattoir, leading to loss of key buyer	<ul style="list-style-type: none"> <li>• Not a controllable risk for Council, although Council can support Teys through a variety of actions e.g. support for 457 visas</li> </ul>
Infrastructure and safety systems don't adequately protect NRLE users	<ul style="list-style-type: none"> <li>• Workshop held to identify WHS responsibilities for each activity</li> <li>• New infrastructure meets relevant standards</li> <li>• Responsive and preventative maintenance</li> </ul>

## Work Health and Safety (WHS)

The NRLE is a high-risk worksite, but with appropriate mitigation in place, many of these risks can be reduced or even removed altogether.

As owner of the NRLE, Council is responsible for providing a safe worksite to ensure the safety of all people who operate on the facility, regardless of their employer. A workshop was held with NRLE users in 2014 identifying responsibilities for each activity at the facility.

Council is a PCBU (Person Conducting Business or Undertaking) under the WHS Act 2012 as the owner of the NRLE, however various other users such as the agents and transport operators are also PCBUs. As such, safety is a shared responsibility of all users at the NRLE. WHS systems will be reviewed regularly including consultation with the Naracoorte Combined Agents and their contractors. Incidents and hazards are reported through Council's WHS system and included in the annual report.

## Future Direction

In 2010 Council assessed the viability of owning versus leasing and / or selling the NRLE. To assist with this assessment Wayne Phillips & Associates was commissioned to prepare a Business Plan, with the final draft received on 4 April 2011. In compliance with section 48 of the Local Government Act, JAC Comrie Pty Ltd, in partnership with Skilmar Systems Pty Ltd, undertook a Prudential Review of proposed upgrades at the NRLE and determined that the *risks associated with the project are not extraordinary*.

Priorities for upgrades were determined in the Business Plan, with several major projects completed since 2011:

- Roof over cattle selling pens \$2.8M
- Waste water treatment plant \$1.5M
- Weighbridge and associated yards \$750,000
- Loading ramps \$600,000
- Cattle selling pens \$1.75M (to 30/6/20)

### Cattle Selling Facilities

Maintenance requirements were high on the cattle selling pens which are 56 years old. 144 of 162 selling pens have been replaced. The bull pens, remaining 18 pens, loading ramps and receival pens are scheduled to be replaced by 2024. As these are replaced maintenance costs will be reduced. Cattle holding yards become very wet during winter and a roof was proposed when these were constructed. Maintenance of these yards has been increasing and they become unusable for part of winter. The construction of a roof is required to bring the standard to that of the balance of the cattle selling facilities.

The soft floor (woodchips and sawdust) used in the cattle selling pens is labour intensive due to the yard layout, and expensive to transport offsite. Reductions in expenses will be achieved with the upgrade of the cattle selling pens.

This project has been broken into a number of stages:

- Stage 1 across 2018/19 and 2019/20 (March to September)
- Stage 2 across 2019/20 and 2020/21
- Bull Pen Replacement - 2023/24
- 2023/24 – loading ramp replacement. This element of the cattle selling facilities upgrade could possibly attract a safety-related grant so has been defined as a separate project
- 2026/27 – 2028/29 – the replacement of the auctioneer’s walkways has been allowed for over a 3-year period

### Sheep selling facilities

Sheep yards are generally in good condition with gates replaced as part of a preventative maintenance program.

- 2023/24 – 2024/25 – construction of shade over sheep selling pens

### Waste Water

A Waste Water Irrigation Plan, including regular water testing, has been prepared and implemented to meeting EPA requirements.

The waste water treatment plant and its efficient use continues to be a significant cost at the NRLE. An allocation for renewal / replacement associated with this infrastructure will not be included in this Plan until the Board determines the future direction of waste water management at the NRLE and the ongoing use of or decommissioning of the Plant.

## Strategic Context

### By 2026 NLC will be:

The best place in regional South Australia to live, work, do business, raise a family and retire.

Created by having a Prosperous Community with Healthy Landscapes, Liveable Neighbourhoods and a focus on Harmony and Culture.

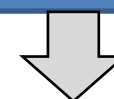
### An organisation known for:

Progressive Leadership with strong community connections, efficiently managing our shared assets, services and natural resources.

The first theme, **Prosperous Community**, focuses on Council *facilitating and supporting sustainable growth to achieve economic prosperity*.

- A sought after visitor destination
- A vibrant and progressive business centre and townships
- **Diverse range of thriving primary industries**
  - Implement the Strategic Plan for the Naracoorte Regional Livestock Exchange, positioning the facility as the premier saleyards in South Australia with a focus on animal welfare, work safety, accreditation and environmental sustainability.

NARACOORTE LUCINDALE COUNCIL STRATEGIC PLAN



Frameworks

Community Land Management Plans

Asset Management Plans

Other Council Plans

Regional Plans  
(1 plan – 7 Councils)

- Community Art Framework
- HR Framework
- Risk Management Framework
- Technology & Communications Framework

Section 196 of the Local Government Act requires Council to develop a community land management plan for all land classified as community land

Council has approximately 47 community land management plans

Summary Infrastructure & Asset Management Plan

- Buildings & Structures
- Lucindale Community Waste Management Scheme (CWMS)
- Naracoorte Aerodrome & Lucindale Airstrip
- **Naracoorte Regional Livestock Exchange (NRLE)**
- Naracoorte Swimming Lake
- Naracoorte Waste Transfer Station
- Open Space
- Plant, Machinery & Vehicles
- Roads & Stormwater Infrastructure
- Technology, Communications & Furniture

- Bike & Walking Master Plan
- Disability Access & Inclusion
- Frances Township Master Plan
- Lucindale Township Master Plan
- Naracoorte Aerodrome Master Plan
- Naracoorte Caves Connection Wayfinding Project Plan
- Naracoorte Caves Trail Plan
- Naracoorte Creek & Creek Walk Master Plan
- Naracoorte Lucindale Community Suicide Prevention Plan
- Naracoorte Regional Sports Centre Master Plan

Regional Health & Wellbeing Plan



LONG TERM FINANCIAL PLAN



Annual Business Plan and Budget

## Assets

Assets at the Naracoorte Regional Livestock Exchange were revalued as at 1 July 2019 by Aaron Armistead, AAPI CPV #18353 of Preston Rowe Paterson based on the principle of written down replacement value. Accordingly, total replacement value, total economic working life and residual economic working life were reliably established for each asset and the financial records of Council were restated in accordance with applicable Australian Accounting Standards.

Infrastructure	Estimated Total Useful Life**	Estimated Remaining Life** at 30.06.20	Estimated Replacement Cost
Infrastructure - Buildings			
- Office, Canteen & Kitchen	60	18	402,500
- Amenities	60	45	130,000
- Workshop & Staff Room	50	14	167,700
- Toilet Building	50	19	15,000
- Vermin Shed	40	12	14,000
- Pump Shed	40	18	2,400
- Chemicals Store	40	3	7,000
- Shed	40	6	8,000
- Carport	40	10	13,650
- Miscellaneous Structures	40	3	80,000
Infrastructure - Yards			
- Roof Structure	50	42	2,930,400
- Yards (sheep)	40	2	525,000
- Yards (cattle)	40	2	867,220
- Yards (cattle – new)	50	50	1,582,780
- Timber & Steel Loading Ramps	40	2	85,000
- Cattle Loading Ramps	40	33	180,000
- Samsung 3-tonne Electric Chain Hoist	40	33	21,000
- Lighting (open yards)	25	14	25,000
Site Improvements			
- Signs	15	6	3,000
- Bitumen Truck Parking Bay	25	7	420,000
- Entrance Gates	20	7	40,000
- Driveway and Car Park	40	11	475,000
- Syphon Drain	60	45	150,000
- Rainwater Tanks (6)	30	20	60,000
- Pipework	60	45	40,000
- Pump	15	4	5,000
- Fencing / Gates	25	16	50,000
- NRLE Sign (over yards)	15	10	7000
Infrastructure			
- Phylloxera Heat Shed	50	30	161,500



Infrastructure	Estimated Total Useful Life**	Estimated Remaining Life** at 30.06.20	Estimated Replacement Cost
Infrastructure – Truck Wash			
- Truck wash Bay	50	37	300,000
- Shed (houses controls)	50	37	2,700
Infrastructure			
- Water Treatment / Reuse Plant	25	16	1,487,500
- Criman Pump, Mixer & Separator	25	21	175,000
- Pond	40	31	87,500
Infrastructure – Weighbridge			
- Weighbridge	25	16	250,000
- Weighbridge Office	50	39	73,500
Major Plant <sup>(a)</sup>			151,764
Minor Plant <sup>(a)</sup>			124,244
Furniture & Equipment <sup>(a)</sup>			94,528
<b>TOTAL</b>			<b>\$10,844,350</b>

\*\* This is the estimated remaining life of the infrastructure; however, individual components of the infrastructure may have a shorter useful life (eg. Services - electrical)

<sup>(a)</sup> Total estimated life and remaining life vary for the assets included in these sub-classes

## What Does It Cost

There are two key indicators of cost to provide the Naracoorte Regional Livestock Exchange. The average cost of existing assets for the term of this plan and the total planned expenditure on existing assets required to deliver current service levels in the next 10 years.

The average cost of existing assets for the term of this plan (maintenance plus depreciation) of the Naracoorte Regional Livestock Exchange is estimated at \$813,019 per annum.

Council's average planned expenditure on existing assets (maintenance plus capital renewal) over the life of this plan is \$770,751 per annum which gives a sustainability index of 94% (this is because the renewal expenditure identified as warranted over the period of this plan is less than the depreciation for the period).

The total forecast expenditure to provide the Naracoorte Regional Livestock Exchange service over the period of this plan is \$17,270,973 (incorporates maintenance, operating, debt servicing costs, internal loan and capital [renewal & new]).

This is an average of \$1,727,097 per annum.

---

## Forecast Income

### Operating

Operating Income includes fees and charges for use of the Naracoorte Regional Livestock Exchange.

The current forecast operating income for the term of the plan is \$18,628,760

### Capital

Capital income includes disposal of assets and grant income. A grant for \$159,181 is anticipated in 2023-24 to offset the Unloading Ramps Project.

The current forecast capital income for the term of the plan is \$194,796.

### Loan Borrowing

There are no new loan borrowings forecast for the term of the plan.

## Forecast Expenditure

### Operating

Operating includes costs associated with operating the Naracoorte Regional Livestock Exchange and includes costs such as administration, advertising, consumables, rates, licences, electricity, telephone, water and refuse collection. This can also include internal costs, such as staff and plant.

The current forecast operating expenditure for the term of the plan is \$6,268,036.

### Maintenance

Maintenance includes costs associated with maintaining the Naracoorte Regional Livestock Exchange and includes costs such as cleaning, land and building maintenance, soft floor and yard washing. This can also include internal costs, such as staff and plant.

The current forecast maintenance expenditure for the term of the plan is \$3,437,221.

### Depreciation

The current forecast depreciation for the term of the plan is \$4,692,974.

### Debt Servicing Costs

The current forecast debt servicing costs for the term of the plan are: -

Principal:	\$1,301,974
Interest:	\$278,032
Internal Loan:	\$172,800

### Capital (Renewal)

Capital (Renewal) are capital costs associated with renewing or replacing current assets.

The Asset Revaluation undertaken by Aaron Armistead, AAPI CPV #18353 of Preston Rowe Paterson, and advice from Director Operations, were used to establish the expected timeframe for renewal of assets.

The current forecast capital (renewal) expenditure for the term of the plan is \$4,270,293.

	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
<b>Furniture &amp; Equipment</b>										
<b>IT &amp; Communications</b>	5.5k	10k	10k	10k	10k	10k	10k	10k	10k	10k
<b>Fleet</b>		36k					40.5k			
<b>Major Plant – Tractor</b>						99k				
<b>Major Plant - Bobcat</b>										
<b>Major Plant – ATV Motorcycle</b>						12k				
<b>Minor Plant – Pumps (1 pump per year)</b>		8.5k	8.7k	8.8k	9k	9.2k	9.4k	9.6k	9.8k	10k
<b>Minor Plant – Nominal Amount</b>		8k	8.1k	8.3k	8.5k	8.7k	8.8k	9k	9.1k	9.3k
<b><u>BUILDINGS</u></b>										
<b>Canteen (lino)</b>	5k									
<b>Office / Canteen - Roof</b>									80.2k	
<b>Office / Canteen - Airconditioner</b>						22.2k				
<b>Office / Canteen – Fitout &amp; Services</b>						102k				
<b>Workshop – Roof</b>										60k
<b>Workshop - Fitout</b>									14.7k	
<b>Workshop - Services</b>						9.2k				
<b>Chemical Store</b>			7.3k							
<b>Shed</b>						8k				
<b>Carport</b>										16.3k
<b>Miscellaneous Structures</b>			83.2k							
<b>Phylloxera Shed</b>								23.2k		
<b><u>INFRASTRUCTURE</u></b>										
<b>Sheep Yards</b>					568k					
<b>Cattle Yards</b>	511k									
<b>Cattle Yards – Bull Pens</b>				318k						
<b>Cattle Yards – Unloading Ramps &amp; Receival Pens</b>				849k						
<b>Cattle Yards – Auctioneers Walkways</b>							338k	345k	352k	

	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
<b>SITE IMPROVEMENTS</b>										
Signs (3)						3.3k				
Bitumen Truck Parking Bay – Reseal							56.8k			
Entrance Gates							45k			
Sign Above Yards										8.4k
<b>TOTAL</b>	<b>\$522k</b>	<b>\$62.5k</b>	<b>\$664k</b>	<b>\$664k</b>	<b>\$27.5k</b>	<b>\$284k</b>	<b>\$508k</b>	<b>\$396k</b>	<b>\$475k</b>	<b>\$114k</b>

### Capital (New)

Capital (New) are capital costs associated with upgrading current assets or adding new assets.

The current forecast capital (new) expenditure for the term of the plan is \$1,542,616.

	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
Solar Panels										
Sheep Selling Pens - Shade						166k	169k			
D Yards - Roof		1,000k								
NLIS Readers & Integration			208k							
<b>TOTAL</b>		<b>\$1,000k</b>	<b>\$208k</b>			<b>\$166k</b>	<b>\$169k</b>			

### Future Financial Sustainability

The following strategy is essential for the NRLE’s future financial sustainability: -

- Maintain throughput of livestock.
- Set realistic revenue targets on an annual basis to ensure expenditure does not exceed revenue generated
- Ensure strong links between the NRLE’s projected capital investment and capacity to service any borrowings.
- Loan borrowings to be used as appropriate to achieve strategic targets, where detailed analysis of cost/benefit has been undertaken.
- Requests for expansion of asset base to be fully assessed for “whole of life” cost & benefit prior to any commitment.
- Grant revenue to be targeted in a strategic manner.
- Depreciation reviewed on an ongoing basis to ensure it is not over or understated

## Summary

Income is indicated by ( ) in the tables below.

NRLE	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
Operating Income	(1,701k)	(1,735k)	(1,770k)	(1,805k)	(1,842k)	(1,879k)	(1,916k)	(1,954k)	(1,994k)	(2,033k)	<b>(\$18,629k)</b>
Operational Expenses	565k	591k	594k	618k	629k	636k	648k	650k	662k	676k	<b>\$6,268k</b>
Maintenance	341k	316k	322k	329k	336k	343k	351k	358k	366k	374k	<b>\$3,437k</b>
Depreciation	377k	384k	442k	461k	471k	480k	498k	516k	526k	537k	<b>\$4,693k</b>
Debt Servicing Costs	254k	254k	195k	195k	195k	195k	195k	97k			<b>\$1,580k</b>
Internal Loan	17.2k	17.2k	17.2k	17.2k	17.2k	17.2k	17.2k	17.2k	17.2k	17.2k	<b>\$172k</b>
Capital Income		(10k)		(159k)		(14k)	(11k)				<b>(\$195k)</b>
Renewal / Replacement	522k	62.5k	117k	1,194k	596k	284k	508k	396k	475k	114k	<b>\$4,270k</b>
New / Upgrade		1,000k	208k			166k	169k				<b>\$1,543k</b>
<b>NET</b>	<b>\$374k</b>	<b>\$879k</b>	<b>\$126k</b>	<b>\$851k</b>	<b>\$403k</b>	<b>\$228k</b>	<b>\$459k</b>	<b>\$81k</b>	<b>\$53k</b>	<b>(\$315k)</b>	<b>\$3,140k</b>

	Cost of Existing Assets for Term of This Plan	Planned Expenditure on Existing Assets	Sustainability Index	Total Forecast Expenditure
Operating Income	-	-		-
Operational Expenses	-	-		\$6,268,036
Maintenance	\$3,437,221	\$3,437,221		\$3,437,221
Depreciation	\$4,692,974	-		
Debt Servicing Costs	-	-		\$1,580,006
Internal Loan	-	-		\$172,800
Capital Income	-	-		-
Renewal / Replacement	-	\$4,270,293		\$4,270,293
New / Upgrade	-	-		\$1,542,616
<b>TOTAL</b>	<b>\$8,130,195</b>	<b>\$7,707,514</b>		<b>\$17,270,972</b>
<b>AVERAGE</b>	<b>\$813,019</b>	<b>\$770,751</b>	<b>94%</b>	<b>\$1,727,097</b>



---

## Long Term Financial Management Plan

Refer Appendix A

### Notes and Assumptions

- Yard fees and expenditure increase by Adelaide Consumer Price index as at 31 December (which incorporates data from the preceding 12 months from 1 January) – forecast is 2% annually for the term of the Plan
- Employee costs increase by 2.5% annually
- Stock throughput determined using a 3 and 5 year rolling average livestock throughput and forecast of external influences
- Financial forecasts are conservative and consider market trends, seasonal factors, external economic drivers, capital investment, maintenance requirements and maintaining the appropriate staffing levels
- Depreciation for new assets is calculated at 5% per annum

### Opportunities for Improvements

Implementation and close monitoring of the Naracoorte Regional Livestock Exchange Management Plan will ensure that the NRLE maintains its position as a market leader in the livestock sales arena.

Increased capacity and throughput of the TEYS Meat Processing facility will have a flow on effect to the NRLE, potentially leading to an increased presentation of high-quality stock for auction.

Improved road infrastructure, leading to improved efficiency in transport by allowing larger transport vehicles to access the NRLE, thus reducing costs to both sellers and buyers.

Solar power to reduce energy costs.

### Revision History

Comments	Date	Minute Reference
2020 - 2030 version 1 Specific Plan for Naracoorte Regional Livestock Developed, incorporating NRLE Management Plan and LTFP 2017-2028.		
2017 – 2027 version Summary document included supporting plans	28 August 2018	Council – Resolution 47/19

**APPENDIX A**  
**NARACOORTE LUCINDALE COUNCIL**  
**NARACOORTE REGIONAL LIVESTOCK EXCHANGE**  
**LONG TERM FINANCIAL PLANNING**

1 2 3 4 5 6 7 8 9

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-29	2029-30
<b>Operational Income</b>										
10324800 Agistment - Land	-3,700	-3,774	-3,849	-3,926	-4,005	-4,085	-4,167	-4,250	-4,335	-4,422
10324801 Canteen Lease	-7,630	-7,783	-7,938	-8,097	-8,259	-8,424	-8,593	-8,764	-8,940	-9,119
10324810 Fees	-1,298,700	-1,324,674	-1,351,167	-1,378,191	-1,405,755	-1,433,870	-1,462,547	-1,491,798	-1,521,634	-1,552,067
10324811 Fees - EU Cattle	-21,000	-21,420	-21,848	-22,285	-22,731	-23,186	-23,649	-24,122	-24,605	-25,097
10324814 Fees - Store Cattle	-150,000	-153,000	-156,060	-159,181	-162,365	-165,612	-168,924	-172,303	-175,749	-179,264
10324815 Fees - Non Sale Day	-500	-510	-520	-531	-541	-552	-563	-574	-586	-598
25324765 Grant Income - Operating										
10324830 Interest Income										
10324839 Licence Fees (Agents)	-11,700	-11,934	-12,173	-12,416	-12,664	-12,918	-13,176	-13,440	-13,708	-13,983
10324843 NLIS Tags	-15,000	-15,300	-15,606	-15,918	-16,236	-16,561	-16,892	-17,230	-17,575	-17,926
10324846 Other Income										
Phylloxera Shed										
10324848 Paddock Charges	-5,000	-5,100	-5,202	-5,306	-5,412	-5,520	-5,631	-5,743	-5,858	-5,975
10324861 Reimbursement Reporting Costs	-3,570	-3,641	-3,714	-3,789	-3,864	-3,942	-4,020	-4,101	-4,183	-4,266
10324885 Stock Disposal Income	-11,000	-11,220	-11,444	-11,673	-11,907	-12,145	-12,388	-12,636	-12,888	-13,146
10324899 Truckwash Fees	-173,500	-176,970	-180,509	-184,120	-187,802	-191,558	-195,389	-199,297	-203,283	-207,349
<b>TOTAL INCOME</b>	<b>-1,701,300</b>	<b>-1,735,326</b>	<b>-1,770,033</b>	<b>-1,805,433</b>	<b>-1,841,542</b>	<b>-1,878,373</b>	<b>-1,915,940</b>	<b>-1,954,259</b>	<b>-1,993,344</b>	<b>-2,033,211</b>
<b>General Expenditure</b>										
Administration	60,936	62,155	63,398	64,666	65,959	67,278	68,624	69,996	71,396	72,824
Advertising	4,000	4,080	4,162	4,245	4,330	4,416	4,505	4,595	4,687	4,780
Annual Audits	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195
Board Expenses	4,000	4,080	4,162	4,245	4,330	4,416	4,505	4,595	4,687	4,780
Consumables	4,500	4,590	4,682	4,775	4,871	4,968	5,068	5,169	5,272	5,378
Council Rates	26,800	27,336	27,883	28,440	29,009	29,589	30,181	30,785	31,400	32,028
Electricity	60,000	61,200	62,424	63,672	64,946	66,245	67,570	68,921	70,300	71,706
Furniture & Office Equip Mtce	500	510	520	531	541	552	563	574	586	598
Insurance	23,600	24,072	24,553	25,045	25,545	26,056	26,577	27,109	27,651	28,204
Legal Fees										
Licence - EPA & Water	9,950	10,149	10,352	10,559	10,770	10,986	11,205	11,429	11,658	11,891
Licences - Safework										
Market Reporting Costs	10,800	11,016	11,236	11,461	11,690	11,924	12,163	12,406	12,654	12,907
Other Expenses	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195
Plant & Equipment Maintenance	8,000	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561
Paddock Costs	500	510	520	531	541	552	563	574	586	598
Printing & Stationery	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988	3,047	3,108
Refuse Collection	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975
Scanning Charges	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988
Security Charges										
Subscriptions	9,800	9,996	10,196	10,400	10,608	10,820	11,036	11,257	11,482	11,712
Telephone/Internet	6,100	6,222	6,346	6,473	6,603	6,735	6,870	7,007	7,147	7,290
Truck Wash (Avdata) Costs	18,000	18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090	21,512

**NARACOORTE LUCINDALE COUNCIL**  
**NARACOORTE REGIONAL LIVESTOCK EXCHANGE**  
**LONG TERM FINANCIAL PLANNING**

1 2 3 4 5 6 7 8 9

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-29	2029-30
<b>Maintenance</b>										
Cleaning & Gardening	15,600	15,990	16,390	16,799	17,219	17,650	18,091	18,543	19,007	19,482
L&B Mtce - General	31,600	32,232	32,877	33,534	34,205	34,889	35,587	36,298	37,024	37,765
L&B Mtce - Compost Pit	11,000	11,220	11,444	11,673	11,907	12,145	12,388	12,636	12,888	13,146
L&B Mtce - Effluent Dams	8,000	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561
L&B Mtce - Truckwash	25,000	25,500	26,010	26,530	27,061	27,602	28,154	28,717	29,291	29,877
L&B Mtce - Water Reuse Plant	50,000	51,000	52,020	53,060	54,122	55,204	56,308	57,434	58,583	59,755
L&B Mtce - Weighbridge	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951
L&B Mtce - Yards	70,000	70,000	71,400	72,828	74,285	75,770	77,286	78,831	80,408	82,016
Soft Flooring	60,000	30,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150
Yard Washing	60,000	61,500	63,038	64,613	66,229	67,884	69,582	71,321	73,104	74,932
<b>Depreciation</b>										
<b>Depreciation Buildings &amp; Infrastructure</b>	<b>341,859</b>	<b>348,696</b>	<b>405,670</b>	<b>424,188</b>	<b>432,671</b>	<b>441,325</b>	<b>458,432</b>	<b>476,047</b>	<b>485,568</b>	<b>495,279</b>
<b>Depreciation Plant &amp; Furniture</b>	<b>35,000</b>	<b>35,700</b>	<b>36,414</b>	<b>37,142</b>	<b>37,885</b>	<b>38,643</b>	<b>39,416</b>	<b>40,204</b>	<b>41,008</b>	<b>41,828</b>
<b>Employee Costs</b>										
FBT Liability	11,910	12,148	12,391	12,639	12,892	13,150	13,413	13,681	13,954	14,234
Income Protection Insurance	7,259	7,440	7,626	7,817	8,013	8,213	8,418	8,629	8,844	9,065
LSL Liability	9,231	9,462	9,698	9,941	10,189	10,444	10,705	10,973	11,247	11,528
Protective Clothing/Uniform	4,000	4,100	4,203	4,308	4,415	4,526	4,639	4,755	4,874	4,995
Salaries	130,145	133,399	136,734	140,152	143,656	147,247	150,928	154,702	158,569	162,533
Sale Day Support	62,000	63,550	65,139	66,767	68,436	70,147	71,901	73,699	75,541	77,430
Superannuation	35,581	36,471	37,382	38,317	39,275	40,257	41,263	42,295	43,352	44,436
Training Costs	5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244
Workers Comp	13,215	13,545	13,884	14,231	14,587	14,952	15,325	15,708	16,101	16,504
<b>Interest</b>										
Interest Payment - Cash Advance (Council)	10,000	23,400	13,860	25,500	23,580	16,260	15,150	2,430		
Interest Payment	61,520	54,355	46,804	38,848	30,465	21,632	12,324	2,516		
Interest Payment (truckwash)	6,633	2,935								
<b>IT Expenditure</b>										
IT Consumables	2,700	2,754	2,809	2,865	2,923	2,981	3,041	3,101	3,163	3,227
IT Recovery	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
<b>Vehicle Expenditure</b>										
Vehicle Expenses	9,000	9,180	9,364	9,551	9,742	9,937	10,135	10,338	10,545	10,756
<b>TOTAL EXPENDITURE</b>	<b>1,351,040</b>	<b>1,348,041</b>	<b>1,405,011</b>	<b>1,447,678</b>	<b>1,466,780</b>	<b>1,480,665</b>	<b>1,509,214</b>	<b>1,526,646</b>	<b>1,554,063</b>	<b>1,587,124</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>350,260</b>	<b>387,285</b>	<b>365,022</b>	<b>357,755</b>	<b>374,762</b>	<b>397,708</b>	<b>406,726</b>	<b>427,613</b>	<b>439,281</b>	<b>446,087</b>
<b>ADJUSTED FOR DEPRECIATION</b>	<b>727,119</b>	<b>771,681</b>	<b>807,106</b>	<b>819,084</b>	<b>845,318</b>	<b>877,675</b>	<b>904,574</b>	<b>943,863</b>	<b>965,857</b>	<b>983,194</b>
<b>Capital Sales &amp; Income</b>										
Diposal of Asset										
Sale of Plant		-10,000				-14,353	-11,262			
Loan Income										
Grant Income				-159,181						

**NARACOORTE LUCINDALE COUNCIL**  
**NARACOORTE REGIONAL LIVESTOCK EXCHANGE**  
**LONG TERM FINANCIAL PLANNING**

1 2 3 4 5 6 7 8 9

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-29	2029-30
<b>Principal Repayments</b>										
Loan Repayment - Council (Internal)	17,280	17,280	17,280	17,280	17,280	17,280	17,280	17,280	17,280	17,280
Loan Repayment - Principal (T/Wash)	52,296	55,994								
Loan Repayment - Principal (roof)	133,433	140,599	148,149	156,105	164,488	173,321	182,629	94,960		
<b>Capital Expenditure</b>										
<b>Capital Renewal &amp; Replacement</b>										
Furniture & Equipment										
IT & Communications	5,500	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Fleet		36,000					40,542			
Major Plant - Tractor						99,367				
Major Plant - Bobcat										
Major Plant - ATV Motorcycle						12,145				
Minor Plant - Pumps (1 pump per year)		8,500	8,670	8,843	9,020	9,201	9,385	9,572	9,764	9,959
Minor Plant - Nominal Amount		8,000	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373
Buildings - Canteen	5,000									
Buildings - Office / Canteen Roof									80,259	
Buildings - Office / Canteen Airconditioner						22,220				
Buildings - Office / Canteen Fitout & Services						102,129				
Buildings - Workshop Roof										60,125
Buildings - Workshop Fitout									14,737	
Buildings - Workshop Services						9,259				
Buildings - Chemical Store			7,283							
Buildings - Shed						8,000				
Buildings - Carport										16,313
Buildings - Miscellaneous Structures			83,232							
Infrastructure - Sheep Yards					568,277					
Infrastructure - Cattle Yards	511,000									
Infrastructure - Cattle Yards - Bull Pens				318,362						
Infrastructure - Cattle Yards Unloading Ramps & Receival Pens				848,966						
Infrastructure - Cattle Auctioneers Walkways							337,849	344,606	351,498	
Infrastructure - Sheep Auctioneers Walkways										
Site Improvement - Signs (3)						3,312				
Site Improvement - Bitumen Truck Parking Bay - Reseal							56,759			
Site Improvement - Entrance Gates							45,046			
Site Improvement - Sign Above Yards										8,366
Phylloxera Shed								23,191		
<b>TOTAL Renewal &amp; Replacement</b>	<b>521,500</b>	<b>62,500</b>	<b>117,345</b>	<b>1,194,495</b>	<b>595,787</b>	<b>284,292</b>	<b>508,413</b>	<b>396,378</b>	<b>475,447</b>	<b>114,136</b>
<b>New/Upgraded Capital</b>										
Infra Addition Solar panels										
Infra Addition sheep selling pens -shade						165,612	168,924			
Infra Addition D Yards roof		1,000,000								
Infra Addition NLIS readers and integration (Sheep)			208,080							
<b>TOTAL New/Upgraded</b>		<b>1,000,000</b>	<b>208,080</b>			<b>165,612</b>	<b>168,924</b>			
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>521,500</b>	<b>1,062,500</b>	<b>325,425</b>	<b>1,194,495</b>	<b>595,787</b>	<b>449,904</b>	<b>677,337</b>	<b>396,378</b>	<b>475,447</b>	<b>114,136</b>

**NARACOORTE LUCINDALE COUNCIL  
 NARACOORTE REGIONAL LIVESTOCK EXCHANGE  
 LONG TERM FINANCIAL PLANNING**

1 2 3 4 5 6 7 8 9

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-29	2029-30
TRANSFER TO RESERVE	2,610	-494,691	316,252	-389,615	67,764	251,523	38,589	435,245	473,130	851,778
NRLE RESERVE	-283,150	-777,841	-461,589	-851,204	-783,440	-531,917	-493,329	-58,084	415,046	1,266,823

30.06.2020 - Reserve Balance **-285,760**