



Naracoorte Lucindale Council  
*Better by Nature*

# *DRAFT Annual Business Plan 2018-2019*



*Naracoorte Swimming Lake*



*Harmony Day – Floating Lanterns at the Naracoorte Swimming Lake*

## ***CONTENTS***

<b>The Naracoorte Lucindale Story</b>	<b>2</b>
<b>Strategic Plan</b>	<b>2</b>
<b>Community Vision</b>	<b>3</b>
<b>Structure of the Plan</b>	<b>3</b>
<b>Significant Influences and Priorities</b>	<b>4</b>
<b>Continuing Services</b>	<b>4</b>
<b>Project Priorities for the Year</b>	<b>6</b>
<b>Budget 2018-19</b>	<b>11</b>
<b>Measuring Performance and Objectives for the Year</b>	<b>11</b>
<b>Funding the Business Plan</b>	<b>14</b>
<b>What it Means for Rates</b>	<b>20</b>
General Rate	
Payment of Rates	
Basis for Raising Rates	
Minimum Rate	
Differentiating Factor for Rates	
Minimum Rate	
Adoption of Valuations	
Fines for Late Payment	
Pensioner Concession and Self-Funded Concessions	
Hardship	
Council Rebates	
Postponement of Rates – Seniors	
Rating Policy – General Rates	
Service Charge – CWMS Levy	
Service Charge – Waste and Recycling Levy	
Natural Resource Management Levy	
<b>Public Submissions</b>	<b>26</b>

## **The Naracoorte Lucindale Story**

*The Naracoorte Lucindale Council is located at the heart of the Limestone Coast region. The Council is approximately 300 kilometres from Adelaide and 450 kilometres from Melbourne. Naracoorte is the main service centre for the Council district, which also contains the smaller communities of Lucindale, Hynam, Kybybolite and Frances.*

*Settlement began in the 1840s. The Naracoorte town layout is a result of its beginning as two separate towns. Prior to European settlement, several groups of Indigenous peoples occupied the region, with the Meintangk most closely aligned to our district.*

*The district is characterised by reliable rainfall and contains prime agricultural land and accessible underground water. It is home to a thriving and vibrant rural economy; featuring beef and dairy cattle, sheep for both wool and meat, and cereal growing.*



*Two large enterprises; Teys Australia Meat Processing Facility and Mini Jumbuk wool manufacturing centre value add to the primary produce with large grain storage facilities supporting the cereal growing industry. Naracoorte Lucindale Council is central to some of Australia's best wine producing areas with parts of both the Wrattenbully and Padthaway wine regions within the district.*

*There is a strong tourism industry in the Council area supported by the Visitor Information Centre in Naracoorte. South Australia's only World Heritage site, Naracoorte Caves and Bool Lagoon Game Reserve, a wetland of international importance, are the district's two best known natural features. Several more conservation parks and reserves are home to abundant wildlife. Other attractions in the area include the Sheep's Back Museum, Mini Jumbuk Centre, Cockatoo Lake, Limestone Coast Cheese Factory, Naracoorte Golf Club, Lucindale Country Club and the Naracoorte Swimming Lake.*

## **Strategic Plan 2016 - 2026**

*The Strategic Plan is the key document guiding the direction of Council. It is structured so that Council's decision making can be informed by the outcomes and actions set in the Strategic Plan.*

*Council reviewed its Strategic Management Plan in 2016. The review of the Strategic Plan was a welcome opportunity to reflect on what makes the Naracoorte Lucindale Council area great: our land and water resources, the diversity of primary industries, the vibrancy of the Naracoorte main street precinct, the remarkable visitor attractions and, most importantly, the committed and innovative community who choose to live here. These qualities were echoed many times during the discussions with community members in the preparation of the Plan.*

*Accordingly, the direction of this Strategic Plan continues to build on these strengths, with a renewed focus on growing the visitor economy, supporting our primary industries and keeping the main streets busy. A consistent*

message through our consultation was the opportunity to capitalise on our position as the geographic centre of the Limestone Coast. This recognises that the Naracoorte Lucindale district can serve as a regional hub for industry, for business and for the tourism market.

Alongside this, the consultation also confirmed that the local community value inclusivity, opportunities for learning, a healthy lifestyle, open spaces and the adaptation of our townships in response to community trends, such as an aging population. These elements also form important parts of the Strategic Plan.

## Community Vision – What do we want to look like in ten years?

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.*

Council's responsibility is to deliver the Community Vision by being a progressive leader and creating an organisation that promotes continuous improvement.

## Structure of the Plan

The strategic plan has four themes which contribute to achieving the community vision

1. Prosperous Community	2. Healthy Landscapes	3. Harmony & Culture	4. Liveable Neighbourhoods
A sought after visitor destination	Contribute to sustainable land management practices	An inclusive community	A well planned district that meets the current and future needs of the community
A vibrant & progressive business centre and townships	Water resources & ecosystems are protected & restored	A creative and artistic Community	A safe and integrated transport network
Diverse range of thriving primary industries		A learning community	Preserve the built heritage & character of the district
		A healthy & resilient community	

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

5. Progressive Leadership
Progressive and representative Elected Member leadership
Organisational excellence
Sustainable community finances and assets
Effective delivery of projects and services
Effective community communication and engagement
Engage external stakeholders to leverage local opportunities
Council is a preferred employer

## ***Significant Influences and Priorities***

A number of significant factors have influenced the preparation of the Council's Annual Business Plan. These include:

- The Australian economic climate;
- The need to comply with ever increasing financial, regulatory, transparency and accountability requirements from the State Government.
- Funding constraints which affect the delivery of the range of services offered;
- Enterprise Bargaining agreements which provide for working terms & conditions, and wages and salaries;
- Requirements to maintain and improve infrastructure assets to acceptable standards including roads, footpaths, lighting, storm water drainage, street trees and plantings, open space and Council properties;
- Challenges created by the change to China's Waste Policy

The annual business plan has been prepared within the following guidelines:

- An increase in general rate revenue (gross of rebates) of 2.3%
- An increase of 2.3% on Naracoorte Regional Livestock Exchange Fees
- Kerbside waste collection charge to remain at \$320 per annum
- Grants Commission allocation to increase by 1.5%
- Early Grants Commission payment to be received in June 2018 and June 2019

The Council's priorities continue to be:

- Actively pursuing State and Commonwealth government grants;
- Attracting and retaining quality employees at all levels of the Council structure;
- Enhancing Council's profile within the Community, through improved consultation and transparent decision making;
- Continuing to maintain Council's assets and infrastructure to the desired standard within Council's financial capacity
- Exploring opportunities for improvements in efficiencies and service delivery.

## ***Continuing Services***

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

- Regulatory activities e.g. supporting the elected Council
- Setting rates, preparing an annual budget and determining longer-term strategic management plans for the area
- Management of basic infrastructure including roads, footpaths, parks, public open space
- Storm-water drainage
- Development planning and control, including building safety assessment
- Various environmental health services

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

- Maintenance and operation of the Naracoorte Swimming Lake during summer
- Libraries
- Economic development
- Street cleaning and rubbish collection
- Environmental programs



- On-street parking management to maximise use of kerbside space
- Community amenities and programs
- Visitor Information Centre

The Council also operates a number of facilities on a fee for service basis. These provide important community benefits while also generating revenue for services of benefit to the district such as:

- Town Halls
- Cemeteries
- Aerodrome

The fees recovered by these facilities do not fully offset their annual operating costs.

Council operates the Naracoorte Regional Livestock Exchange as a standalone business with fees and charges set to cover operational costs and capital investment.



*Naracoorte Community Garden*

## Project Priorities 2018-19

The following table includes the project priorities for the 2018-19 financial year with regard to the community objectives and outcomes as identified in the Strategic Management Plan 2016-2026.

<i>Theme 1 – Prosperous Community</i>	<i>Planned Projects</i>	<i>Budget Implication</i>
<p><b>Facilitating and supporting sustainable growth to achieve economic prosperity</b></p> <ul style="list-style-type: none"> <li>➤ <i>A sought after visitor destination</i></li> <li>➤ <i>A vibrant and progressive business centre and townships</i></li> <li>➤ <i>Diverse range of thriving primary industries</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Economic Development Strategy</li> <li>▪ NLBTA – contribution to TV Commercial promoting the district</li> <li>▪ Create street banners and produce local directional map</li> <li>▪ Upgrade to the NRLE cattle selling pens (Stage 1)</li> <li>▪ Partner with Adelaide University to commence the ARC Linkage Project</li> <li>▪ Caves Connection Project</li> <li>▪ Continue to facilitate the Red Meat Cluster Project (includes in-kind)</li> <li>▪ Encourage new ideas &amp; ways of doing business by continuing the Innovation Fund (introduced in 2015-16)</li> <li>▪ Upgrade electricity supply at the Naracoorte Aerodrome to encourage the establishment of additional hangars and other infrastructure</li> <li>▪ Extend the taxiway at the Naracoorte Aerodrome to allow access from new hangars</li> <li>▪ Wayfinding Project (Stage 1) – signage in and around Naracoorte</li> <li>▪ Installation of an electric car charging site</li> </ul>	<p>20,000</p> <p>10,000</p> <p>20,000</p> <p>300,000</p> <p>74,000</p> <p>40,000</p> <p>10,000</p> <p>20,000</p> <p>20,000</p> <p>35,000</p> <p>25,000</p> <p>2,000</p>

<i>Theme 2 – Healthy Landscapes</i>	<i>Planned Projects</i>	<i>Budget Implication</i>
<p><i>Working together to protect and enhance our natural environment for the future.</i></p> <ul style="list-style-type: none"> <li>➤ <i>Contribute to sustainable land management practices</i></li> <li>➤ <i>Water resources and ecosystems are protected and restored</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Continued emphasis on waste management and the reduction of waste to landfill</li> <li>▪ Hard waste disposal (two free disposal days to be held)</li> <li>▪ Management of asbestos in Council owned buildings</li> <li>▪ Bushfire Mitigation &amp; Corella Management</li> <li>▪ Naracoorte Creek Erosion Control</li> <li>▪ Improved stormwater management on Bibury Avenue, Naracoorte Rail Lands &amp; Schinckel Road</li> </ul>	<p>50,000</p> <p>25,000</p> <p>68,000</p> <p>20,000</p> <p>830,000</p>



<i>Theme 3 – Harmony &amp; Culture</i>	<i>Planned Projects</i>	<i>Budget Implication</i>
<i>A safe, healthy and diverse community celebrating our similarities and differences</i>		
➤ <i>An inclusive community</i>	▪ Extension of hosting of the Regional Volunteer Management Program to 30 June 2021 (grant funded)	
➤ <i>A creative and artistic community</i>	▪ Purchase & installation of a new Christmas Tree for Naracoorte	25,000
➤ <i>Learning community</i>	▪ Continued implementation of Community Art Program	10,000
➤ <i>A healthy and resilient community</i>	▪ Sponsorship and support provided to annual programs, community events, festivals and Community Facilities: -	
	○ Harmony Day	2,500
	○ South East Field Days	5,000
	○ Frances Folk Festival	15,000
	○ TASTE the Limestone Coast	5,000
	○ Christmas in the Square, Lucindale Christmas Party & Special Kids Christmas Party (Adelaide)	2,900
	○ Continued support of Naracoorte Art Gallery (including provision for maintenance)	26,900
	○ Senior Super Bowls Series (new Event – 3-year commitment)	8,000
		2,000
	▪ Events at the Library (one per month)	3,000
	▪ Support for community wellbeing	150,000
	▪ Develop a cycling & walking trail from Naracoorte to the Caves (subject to grant funding)	
	▪ Extension of season at the Naracoorte Swimming Lake (open mid-November)	

<b>Theme 4 – Liveable Neighbourhoods</b>	<b>Planned Projects</b>	<b>Budget Implication</b>
<p><i>A range of well-planned neighbourhoods and public space, designed with a strong sense of identity and place</i></p> <ul style="list-style-type: none"> <li>➤ <i>A well planned district that meets the current and future needs of the community</i></li> <li>➤ <i>A safe and integrated transport network</i></li> <li>➤ <i>Preserve the built heritage and character of the district</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Contribution to the State Government Planning Portal (legislated contribution)</li> <li>▪ Memorial Parklands Natural Play Area (Stage 2)</li> <li>▪ Improved maintenance at Cockatoo Lake (slashing, new fire pits &amp; improved signage)</li> <li>▪ Continuation of the Heritage Assistance Fund to assist with maintenance of sites listed on the ‘Local Heritage Register’</li> <li>▪ Develop a master plan for the Naracoorte CBD and Pioneer Park</li> <li>▪ Masterplans for Lucindale (refer resolution 204/18) and Frances</li> <li>▪ Installation of Storyboard Signs, introducing the heritage of the town (Stage 1)</li> <li>▪ Trails Project – installation of Signs purchased in 2017-18</li> <li>▪ Develop a master plan for the Naracoorte &amp; District Sports Centre Precinct</li> </ul>	<p>20,000</p> <p>70,000</p> <p>10,000</p> <p>15,000</p> <p>40,000</p> <p>30,000</p> <p>10,000</p> <p>6,000</p> <p>20,000</p>

<b>Theme 5 – Progressive Leadership</b>	<b>Planned Projects</b>	<b>Budget Implication</b>
<p><i>A well led and managed district supported by a professional approach to managing infrastructure and the delivery of projects and services to the community</i></p> <ul style="list-style-type: none"> <li>➤ <i>Progressive and representative Elected Member leadership</i></li> <li>➤ <i>Organisational excellence</i></li> <li>➤ <i>Sustainable community finances and assets</i></li> <li>➤ <i>Effective delivery of projects and services</i></li> <li>➤ <i>Effective community communication and engagement</i></li> <li>➤ <i>Engage external stakeholders to leverage local opportunities</i></li> <li>➤ <i>Council is a preferred employer</i></li> </ul>	<ul style="list-style-type: none"> <li>• 2018 Council election and effective induction of new Council</li> </ul>	40,000
	<ul style="list-style-type: none"> <li>• Continued renewal &amp; replacement of infrastructure (refer budget and major projects report for full details) including: -               <ul style="list-style-type: none"> <li>○ Lucindale Town Hall – fire safety improvements</li> <li>○ Naracoorte Town Hall – paint auditorium &amp; replace blinds/curtains</li> <li>○ Naracoorte Town Hall – replace retractable seating (notional costing)</li> <li>○ Naracoorte Cemetery – extend burial area</li> <li>○ Bridges &amp; Culverts</li> <li>○ Sealed road construction</li> <li>○ Footpath construction</li> <li>○ Intersections</li> <li>○ Unsealed road reconstruction</li> <li>○ Reseals</li> <li>○ Resheeting</li> </ul> </li> </ul>	58,000 71,000 120,000 100,000 190,000 5,240,000 157,500 220,000 470,000 932,350 952,900
	<p><i>Some of these projects are subject to grant funding and may be delayed if grant applications are not successful</i></p>	
	<ul style="list-style-type: none"> <li>• Continuation of “Bang the Table”, as an effective on-line consultation &amp; engagement tool</li> </ul>	7,700
	<ul style="list-style-type: none"> <li>• Participation in the Australasian LG Performance Excellence Program, which will allow Council to benchmark its performance over a number of years and potentially against other similar Councils.</li> </ul>	3,950

## Budget 2018-19

This Annual Business Plan is complemented by Council's Budget.

Council's Budget includes further details in relation to the provision of services, maintenance of infrastructure, replacement of assets, acquisition of new assets and estimated income and expenditure broken down by department for the year ending 30 June 2019.

The following formal documents form part of the budget documentation: -

- Budgeted Statement of Comprehensive Income
- Budgeted Balance Sheet
- Budgeted Statement of Changes in Equity
- Budgeted Cash Flow Statement
- Key Financial Indicators
- Uniform Presentation of Finances

The Formal documents are accompanied by informal departmental summaries and notes in relation to operational budgets which are provided for information purposes only, capital budget expenditure, grant income and loan borrowings.

## Measuring Performance and Objectives for the Year

The Annual Business Plan has been prepared to deliver the continuing services and project priorities outlined in this document.

The performance of the organisation will be reviewed regularly and will be reported to Council. The performance is principally measured by the achievement of project priorities and compliance with the adopted budget.

Status of projects is reported to Council on a monthly basis through the provision of a "Major Projects" report which includes status (eg. on target), brief commentary and year to date expenditure.

### Indicator 1: Operating Surplus ('000)

*Measures the extent to which operating revenue is or is not sufficient to meet all of the costs of providing Council services, which include depreciation.*

*Where an operating deficit exists, some costs being incurred in the current year are not being met by today's ratepayer.*

#### Target

*To achieve an operating breakeven position, or better, over any five-year period.*

Target	2014-2015 Actual '000	2015-2016 Actual '000	2016-2017 Actual '000	2017-2018 Forecast '000	2018-2019 Budget '000
=>0	\$2,122	\$737	\$1,246	\$371	\$35

The Naracoorte Regional Livestock Exchange is also forecasting a small operating surplus of \$54,047 for the year.

**Indicator 2: Operating Surplus 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 costs.

**Target**

To achieve an operating surplus ratio of between 0% and 15% over any five-year period.

Target	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Forecast	2018-2019 Budget
0-15%	11%	4%	6%	2%	0%

**Indicator 3: Net Financial Liabilities ('000)**

Equals total liabilities less financial assets, where financial assets for this purpose include cash, investments, loans to community groups, receivables and prepayments, but excludes equity held in Council businesses and land held for resale.

**Target**

Council's level of net financial liabilities is no greater than its annual operating revenue and not less than zero.

Target	2014-2015 Actual '000	2015-2016 Actual '000	2016-2017 Actual '000	2017-2018 Forecast '000	2018-2019 Budget '000
>0 < \$17,943	-\$3,608	-\$848	-\$3,279	-\$1,784	\$958

The increase in Net Financial Liabilities is due to planned utilisation of internal cash reserves for the renewal and upgrade of Council infrastructure. Council's budget includes expenditure of approximately \$10.7 million to be invested in infrastructure and assets.

**Indicator 4: 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 its operating revenue for the period. Where the ratio is falling, it indicates that a Council's capacity to meet its financial obligations from revenue streams is strengthening. Where this ratio is increasing, it may indicate that a Council is using its cash reserves or borrowing to undertake capital works. An increase in the ratio should not be interpreted as the Council having cash flow pressures, unless the ratio is above Council's upper limit of 100%.

**Target**

Net financial liabilities ratio is greater than zero but less than 100% of total operating revenue.

Target	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Forecast	2018-2019 Budget
>0 < 100%	-19%	-5%	-16%	10%	5%



**Indicator 5: Interest Cover Ratio**

*Net interest Expense as a percentage of Total Operating Revenue*

**Target**

*Interest is greater than 0% and less than 10% of operating revenue.*

<b>Target</b>	<b>2014-2015 Actual</b>	<b>2015-2016 Actual</b>	<b>2016-2017 Actual</b>	<b>2017-2018 Forecast</b>	<b>2018-2019 Budget</b>
<b>&gt;0 &lt; 10%</b>	-0.1%	0.1%	0.4%	0.1%	0.2%

**Indicator 6: Asset Renewal Funding Ratio**

*Indicates whether the Council is renewing or replacing existing non-financial assets at the same rate as its overall stock of assets is wearing out. The ratio is calculated by measuring capital expenditure on renewal and replacement of assets relative to the level of depreciation.*

**Target**

*Capital outlays on renewing/replacing assets net of proceeds from sale of replaced assets is greater than 90% but less than 110% of depreciation over a rolling 3-year period.*

<b>Target</b>	<b>2014-2015 Actual</b>	<b>2015-2016 Actual</b>	<b>2016-2017 Actual</b>	<b>2017-2018 Forecast</b>	<b>2018-2019 Budget</b>
<b>&gt;90 &lt; 110%</b>	95%	141%	92%	120%	134%

The assessment of whether capital works is “renewal” or “new” works can be subjective. Improvements in the correct identification is continuing to happen. Council continues to focus on asset renewal as a priority. A significant portion of this work will be carried out by contractors.

## Funding the Business Plan

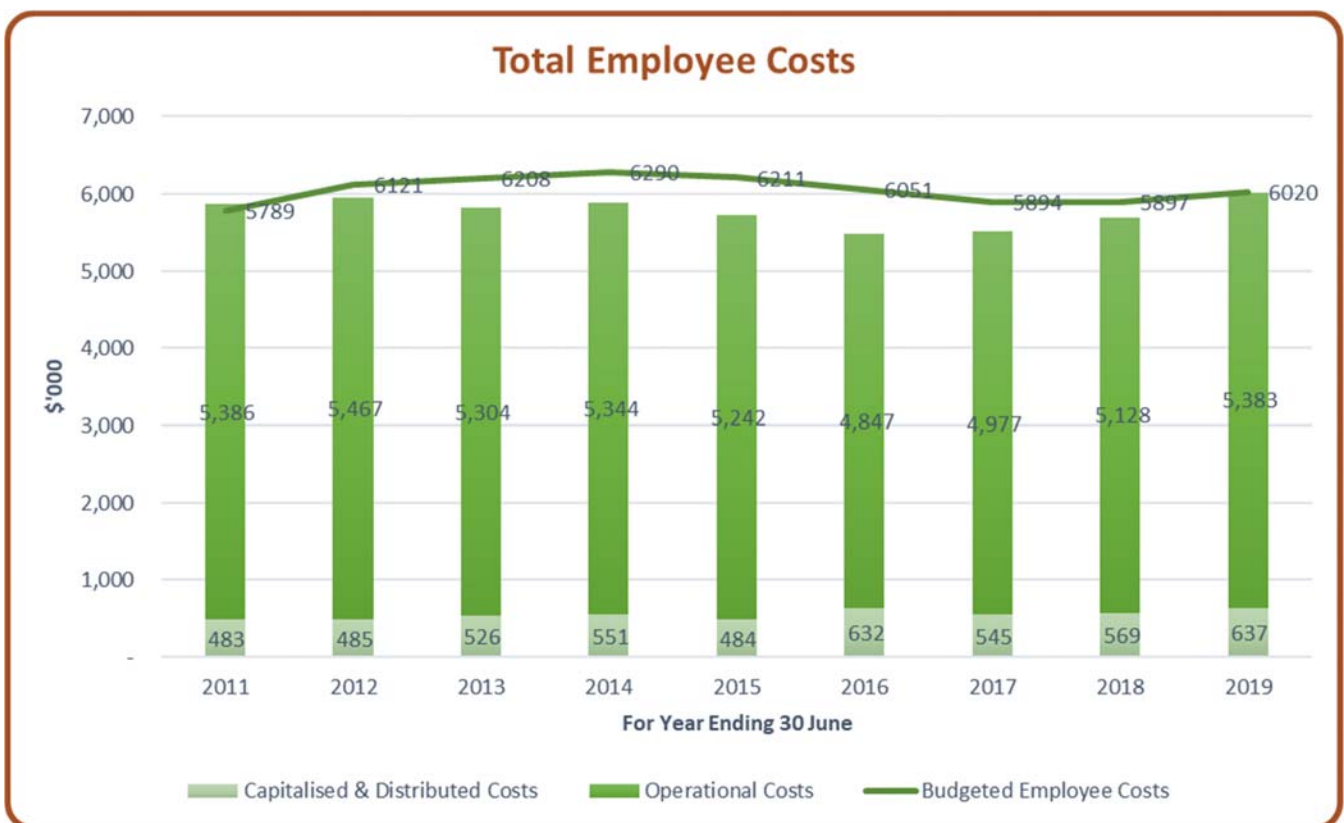
The Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue.

In delivering the services and projects included in this Annual Business Plan and Budget Council is planning to complete the year with an operating surplus of \$35,078, before capital revenue.

### Expenditure

Salary and Wages and associated expenditure (insurance, leave liability, superannuation, etc) of \$6.020 million is budgeted for. Capital expenditure accounts for \$0.637 million, with the balance of \$5.383 million being operating expenditure. Council has budgeted for 69 FTE (full time equivalent) positions.

The graph below provides employee costs (operational & capital) for the period 2010-11 to 2018-19. An estimate for final position has been used for 30 June 2018 and budget figures for 30 June 2019.



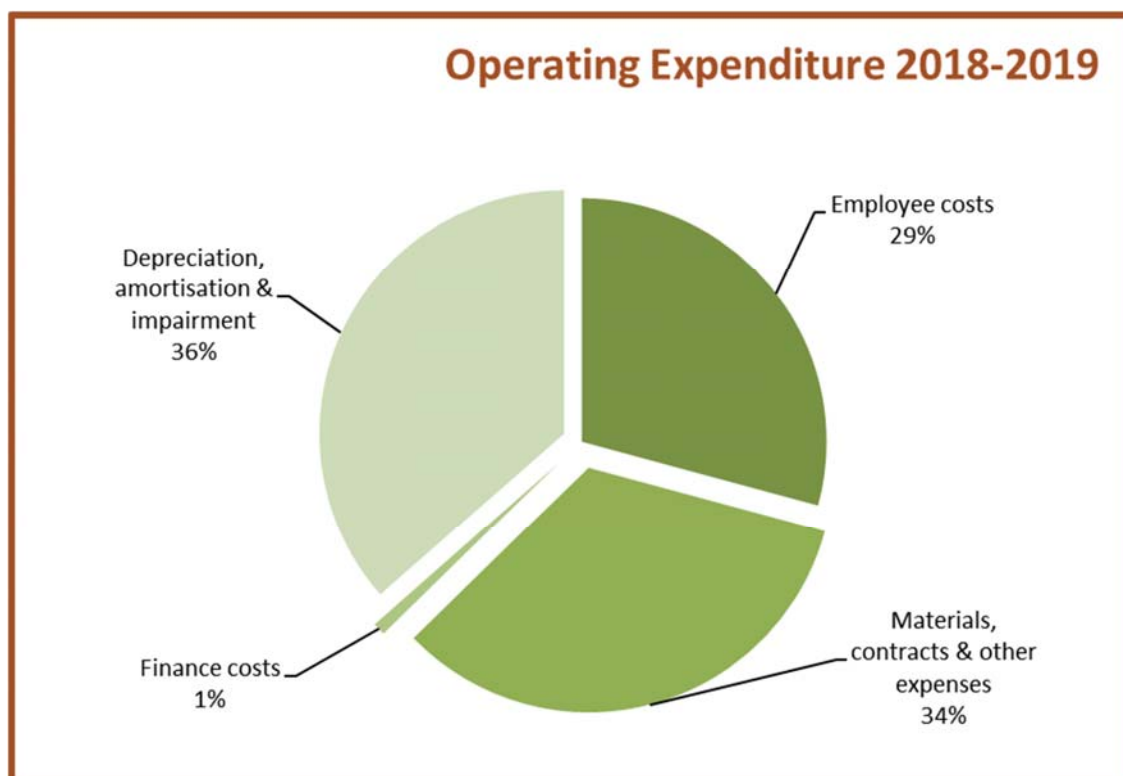
Depreciation of \$6.721 million is included with \$152,000 allowed for finance costs and \$6.171 million for materials, contracts and other expenses.

Council's capital program is partially funded from the cash raised to cover the annual depreciation expense.

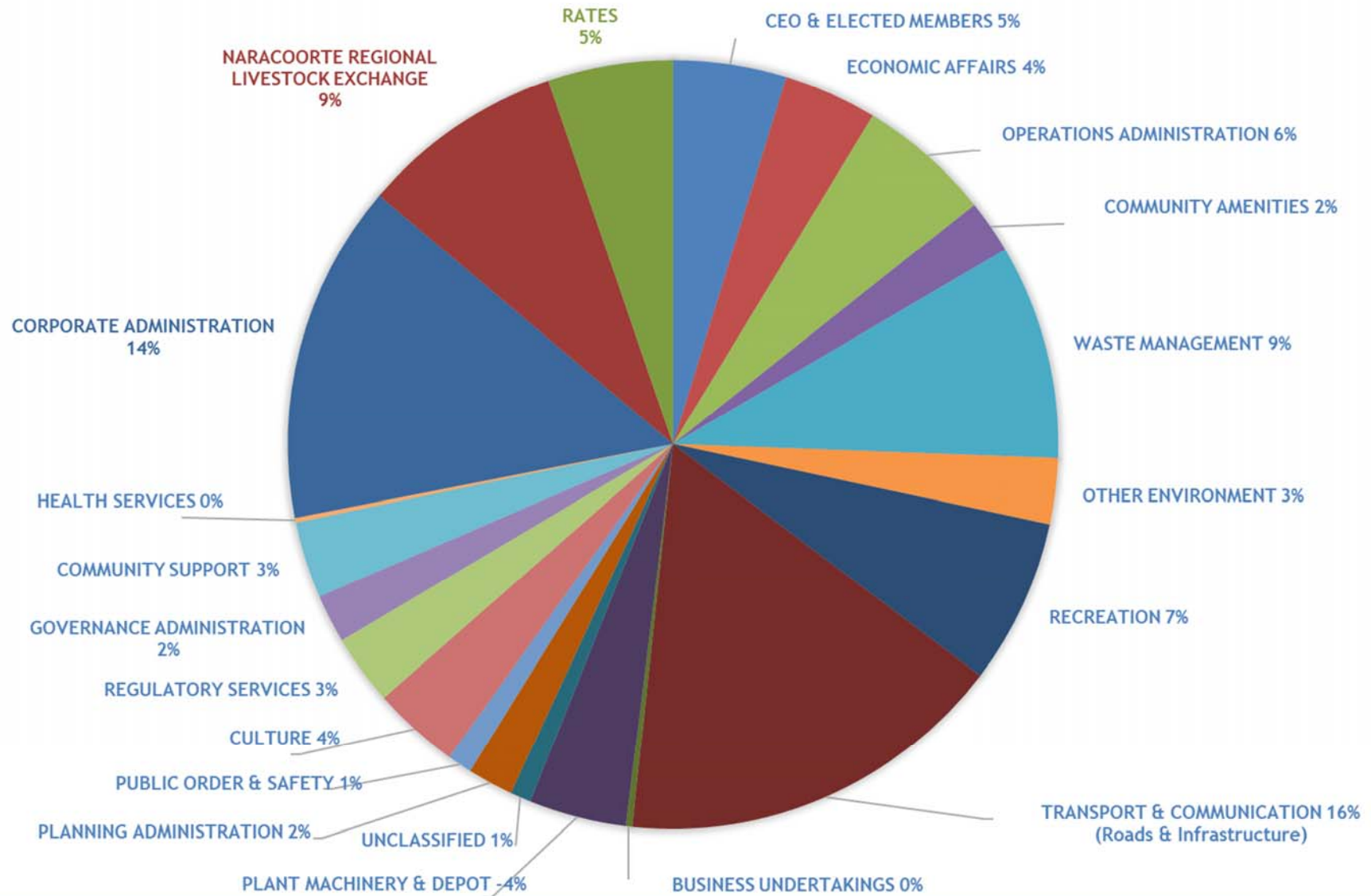
**Budget**  
**30/06/2019**  
**\$'000**

**OPERATING EXPENDITURE**

Employee Costs	5,383
Materials, contracts & other expenses	6,171
Finance costs	152
Depreciation, amortisation & impairment	6,721
<b>TOTAL EXPENDITURE</b>	<b>\$18,428</b>



## OPERATING EXPENDITURE BY FUNCTION (EXCLUDING DEPRECIATION & RESERVE TRANSFERS)



### Capital

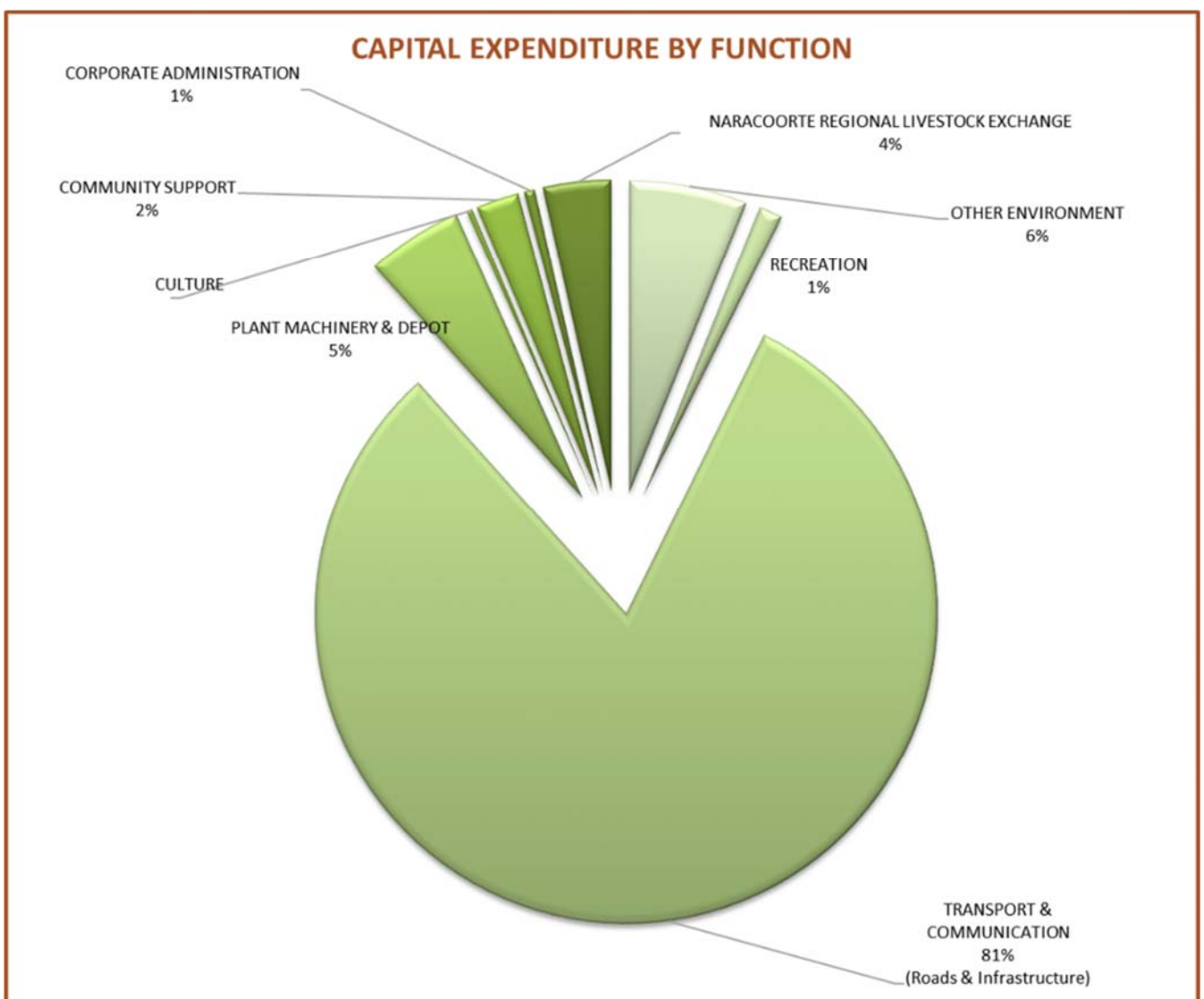
It is anticipated that Council will receive \$1.114 million from State and Federal Government Grants specifically for capital expenditure. These Grants are unlikely to be confirmed prior to adoption of the Annual Business Plan and Budget, with nominated projects unlikely to proceed if funding applications are not successful.

Expenditure on non-current assets is projected to be \$10.7 million, with \$9 million to be expended on the replacement and renewal of assets and \$1.7 million allocated for new assets.

Loan principal payments of \$396,321 are scheduled for payment. Community Organisations and individuals will repay Council \$36,000 in loan principal repayments.

Council's capital program is partially funded from the cash raised to cover the annual depreciation expense and Council's cash reserves, with no loan borrowings predicted for 2018-19.

Loan borrowings require formal approval from Council prior to establishment.





## **Income**

### **General Rates**

To continue the level of service that our community currently enjoys, Council is proposing to raise \$10.633 million in general rate revenue (before rate rebates), representing an increase of 2.3% from 2017-18

Rate income included in the table on the following page includes fines and interest and has been adjusted for rate rebates and remittances.

### **Rates – Service Charges & Levies**

These charges relate to the waste, recycling and green waste kerbside collection, natural resource management levy and Lucindale Community Wastewater Management Scheme.

### **Statutory Charges**

Statutory Charges are set by State Government. These are fees and charges set by regulation and collected by the Council for regulatory functions such as assessment of development applications, dog registrations etc.

### **User Pay Charges & Commercial Income**

These charges are for Council's fee based facilities such as halls, cemeteries and property leases.

Commercial income relates to the Naracoorte Regional Livestock Exchange.

### **Grants, Subsidies & Contributions**

The Council seeks to attract as much grant funding as possible from other levels of government. Major projects of wider State benefit are usually jointly funded in partnership with the State government and other relevant parties.

It is the Council's intention to actively seek grant money for projects outlined in the strategic plan. To be able to apply for some grants it is necessary to match or make contributions to funding the project. To enable this to happen Council may take out loans to enable these grant funded projects to be instigated. It is only intended to borrow for projects which assist with achieving objectives included in Council's Strategic Plan.

### **Investment Income**

Income relates to interest received from investments with the Local Government Finance Authority, Council's banking partner and loans granted to community organisations.

### **Reimbursements**

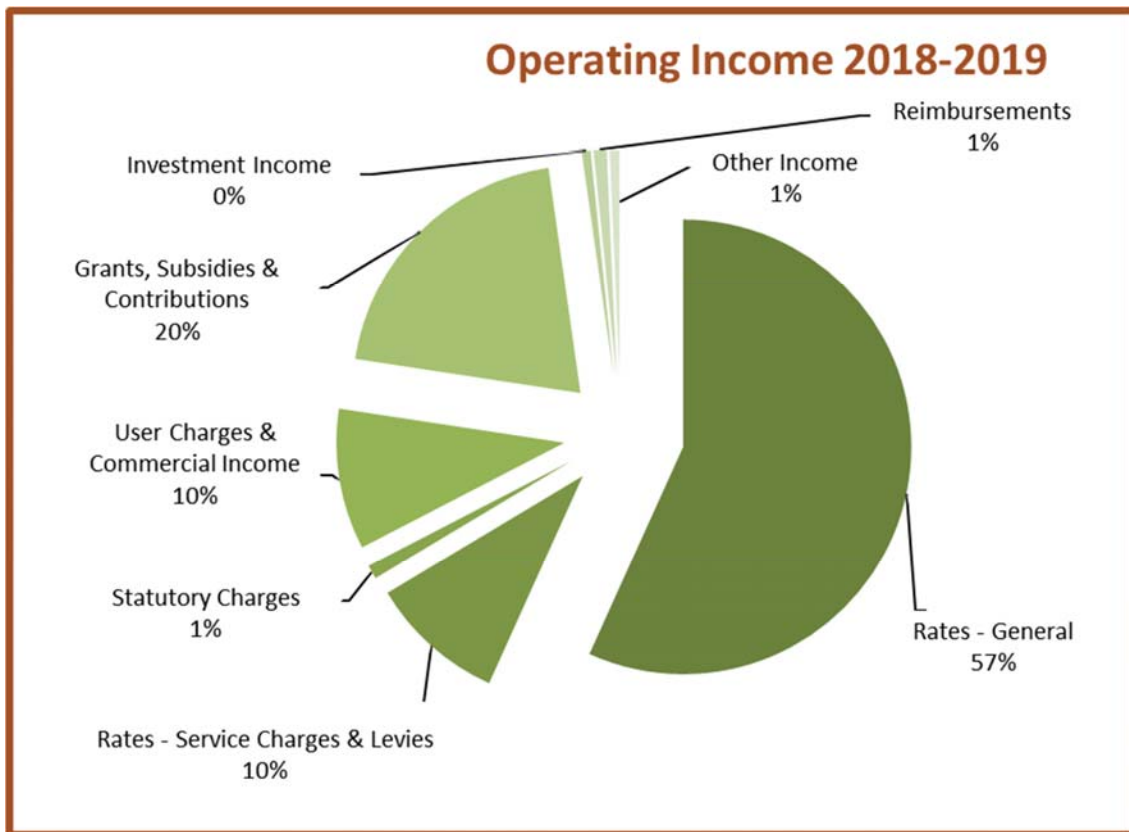
Income relates to private work reimbursements, recoveries for insurance claims and rebates.

\$  
Budget  
30/06/2019  
\$'000

**INCOME**

Rates - General	10,476
Rates - Service Charges & Levies	1,779
Statutory Charges	184
User Charges & Commercial Income	1,851
Grants, Subsidies & Contributions	3,756
Investment Income	116
Reimbursements	172
Other Income	128

<b>TOTAL INCOME</b>	<b>\$18,463</b>
---------------------	-----------------



## What it means for Rates

### General Rate

In setting its rates each year Council considers the following:

- (a) The specific issues faced by our community, which are:
  - (i) The need to continue to maintain and upgrade the district's infrastructure which includes roads, buildings, drainage and parks
  - (ii) Increased costs associated with the collection and disposal of waste
  - (iii) EPA compliance and other legislative compliance
  - (iv) The benefit ratepayers receive from the services provided by the Council
  - (v) The expectations of the Community to have access to a particular level of service
- (b) The budget for the relevant financial year
- (c) The increase in costs and charges to be paid by Council
- (d) The impact of rates on the community

### Payment of Rates

Rates are payable in four approximately equal instalments. You may elect to pay any instalment in advance. We will send you further notices for each quarter. If the amount due remains unpaid after the due date, it may be recovered in a court of competent jurisdiction.

### Basis for Raising Rates

The Council continues to use capital value (the value of the land and all of the improvements on the land) as the basis for calculating annual rates within the Council area. The Council considers that this method of valuation provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth
- Property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property, provides the best indicator of overall property value

The Land against which rates may be assessed will include:

- Any piece or section of land subject to separate ownership or occupation; or
- Any aggregation of contiguous land subject to the same ownership or occupation.

Unlike the State and Federal spheres of Government which have the power to impose a number of different taxes which are used to "top-up" annual budgets. By comparison the only tax that Local Government can impose to "top-up" its annual budget is rates.

### Differentiating Factor for Rates

Council uses locality as its differentiating factor when determining rates. This factor is reflected in the rate code description.

### Minimum Rate

Council is proposing a minimum rate of \$385 on all properties. The minimum rate is levied against the whole of an allotment and only one minimum rate 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 or a single farming enterprise. Rate modelling indicates 273 assessments will be charged the minimum rate. This represents 4.43% of Council's rateable properties, a maximum of 35% of assessments is allowed by legislation.

### Adoption of Valuations

The Council will adopt the valuations made by the Valuer-General. Anyone who is dissatisfied with the valuation made by the Valuer-General may object to the Valuer-General in writing, within 60 days of receiving this notice of the valuation, explaining the basis for the objection - provided you have not:

- Previously received a notice of this valuation under the Local Government Act, in which case the objection period is 60 days from the receipt of the first notice; or
- Previously had an objection to the valuation considered by the Valuer-General.

The address of the State Valuation Office is:

State Valuation Office  
GPO Box 1354  
ADELAIDE SA 5001

and the telephone number is **1300 653 345**. Objections may also be lodged by email at [LSGObjections@sa.gov.au](mailto:LSGObjections@sa.gov.au). The Council has no role in this process. It is important to note that the lodgement of an objection does not change the due date for payment of rates.

### Fines for Late Payment

The amount of rates due will be overdue if they have not been paid by the “due date” shown on the front of the rate notice. After this date, additional charges will apply. A fine of 2% of the amount due will be added immediately and at the end of each month thereafter, interest, at the rate prescribed in the Local Government Act 1999, will be added on any balance, including interest, not then paid.

### Pensioner Concession and Self-Funded Concessions

Until 2015, the State Government funded concessions on Council rates. These concessions were formerly available to the holders of pensioner concession cards, veterans, low-income earners, unemployed, students and self-funded retirees. These concessions were all abolished by the State Government with effect from 30 June 2015. From 1 July 2015, the State Government has elected to replace these concessions with a single “cost-of-living payment” provided directly to those entitled. This payment may be used to offset Council rates. Note that not all former recipients of rates concessions will be entitled to the new payment. To check eligibility, contact the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or at [www.sa.gov.au/concessions](http://www.sa.gov.au/concessions).

From 1 July 2017 the separate concession entitlements for Council Community Waste Water Schemes (CWMS) are also paid directly to the concession holder by the State Government.

### Hardship

Section 182 of the Local Government Act permits the Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates he/she is invited to contact the Rates Officer, on 8760 1100 to discuss the matter. Council treats such inquiries confidentially.

### Council Rebates

Certain persons/and or organisations may be eligible for a rebate, eg community groups, health and education organisations etc. Phone 08 8760 1100 or email [council@nlc.sa.gov.au](mailto:council@nlc.sa.gov.au) for further information.

### Postponement of Rates – Seniors

Ratepayers who hold a State seniors card (or who are eligible to hold a State seniors card and have applied for one) are able to apply to Council to postpone payment of rates on their principal place of residence. Postponed rates remain as a charge on the land and are not required to be repaid until the property is sold or disposed of. Phone 08 8760 1100 or email [council@nlc.sa.gov.au](mailto:council@nlc.sa.gov.au) for further information.

### Rating Policy – General Rates

Locality is used as the factor to levy differential rates. Council is committed to minimizing the difference between rating zones as a result of amalgamations. Over time it is the Council's intention to move to four general differential rates: Urban – all townships; Rural Living – to reflect a lower level of service, eg. no street lighting, Commercial/Industry – ability to generate an income from property; and Rural – reduced services and generally larger capital values apply.

A review of Council's rating policy was undertaken during 2012-13. Council explored various options for raising its rates revenue and resolved to continue with its current policy in relation to differential rates:

- That Council's Commercial/Industrial (Naracoorte Township) rate in the \$ is set at approximately 4 - 4.5% above the urban rate in the \$.
- That Council's Primary Production rate in the \$ is set at approximately 60% of the urban rate in the \$.

Council is proposing to increase its general rate revenue (before rate rebates), by 2.3%.

Across the district there will be properties which will have rate increases above and below the overall increase of 2.3%. Changes in valuations also impact on the actual change in rates experienced across individual properties.

Council's capital valuation (excluding non-rateable properties) has increased from \$2,108,039,091 in June 2017 to \$2,178,101,372 in May 2018 or by approximately 3.3%.

Approximately 4436 (71.9%) properties can expect a general rate increase of less than 2.3%. Of these, 1254 (20.3%) properties will experience a decrease in general rates. 4958 (80.4%) properties will have a general rate increase of less than \$52 for the year, with another 321 (5.2%) properties having a general rate increase of less than \$100 for the year. 207 or 3.4% of rateable properties receive a rate rebate.

Those properties that have incurred a high increase in rates have generally undertaken capital development (eg. new dwelling) or have resulted as a division of land.

Rate in the dollar for localities are identified below:

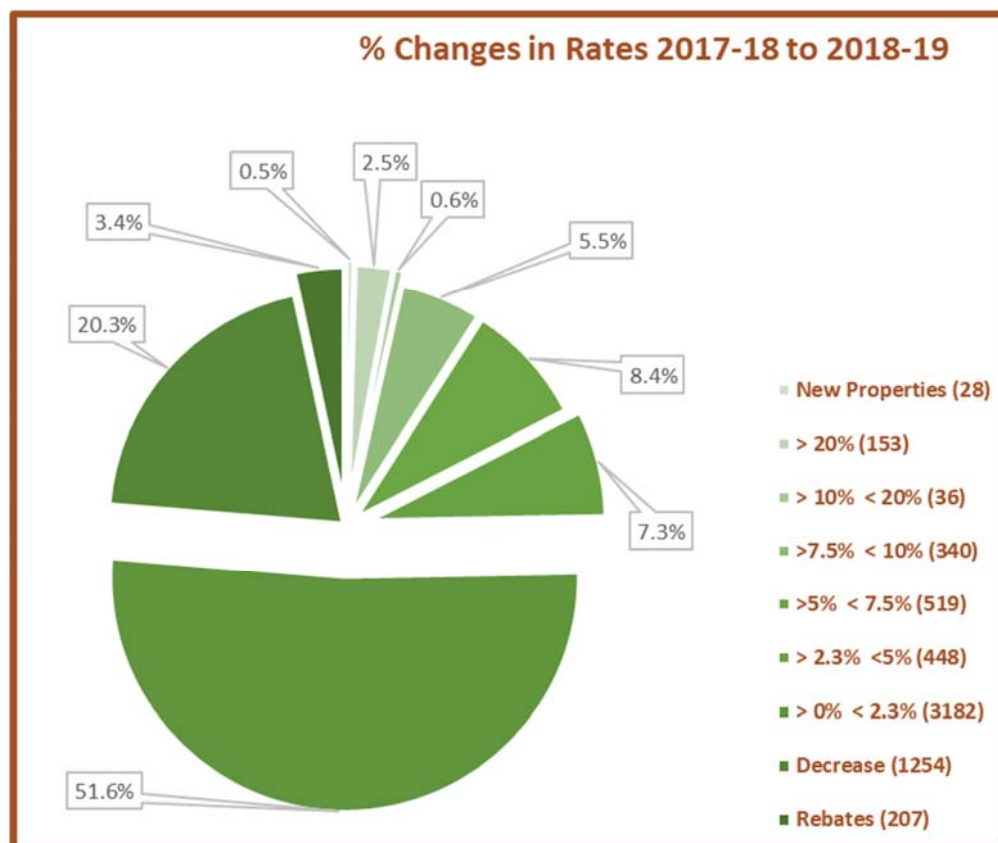
<u>Rate in Dollar</u> <u>2017-18</u>		<u>Rate in Dollar</u> <u>2018-19</u>
	<b><u>Rural Living</u></b>	
0.486	Rural Living Zone	0.490
0.486	Deferred Urban Zone	0.490
	<b><u>Urban</u></b>	
0.664	Residential (Naracoorte) Zone	0.670
0.664	Recreation (Naracoorte) Zone	0.670
0.664	Conservation (Naracoorte) Zone	0.670
0.664	Caravan & Tourist Park (Naracoorte) Zone	0.670
0.664	Mixed Use (Naracoorte) Zone	0.670
	<b><u>Commercial</u></b>	
0.690	Commercial (Naracoorte) Zone	0.695
0.690	Light Industry (Naracoorte) Zone	0.695
0.690	Industry (Naracoorte) Zone	0.695
0.690	Town Centre (Naracoorte) Zone	0.695
0.690	Infrastructure (Naracoorte) Zone	0.695
	<b><u>Industrial</u></b>	
0.680	Industry Zone	0.695
	<b><u>Rural</u></b>	
0.411	Primary Production Zone	0.404

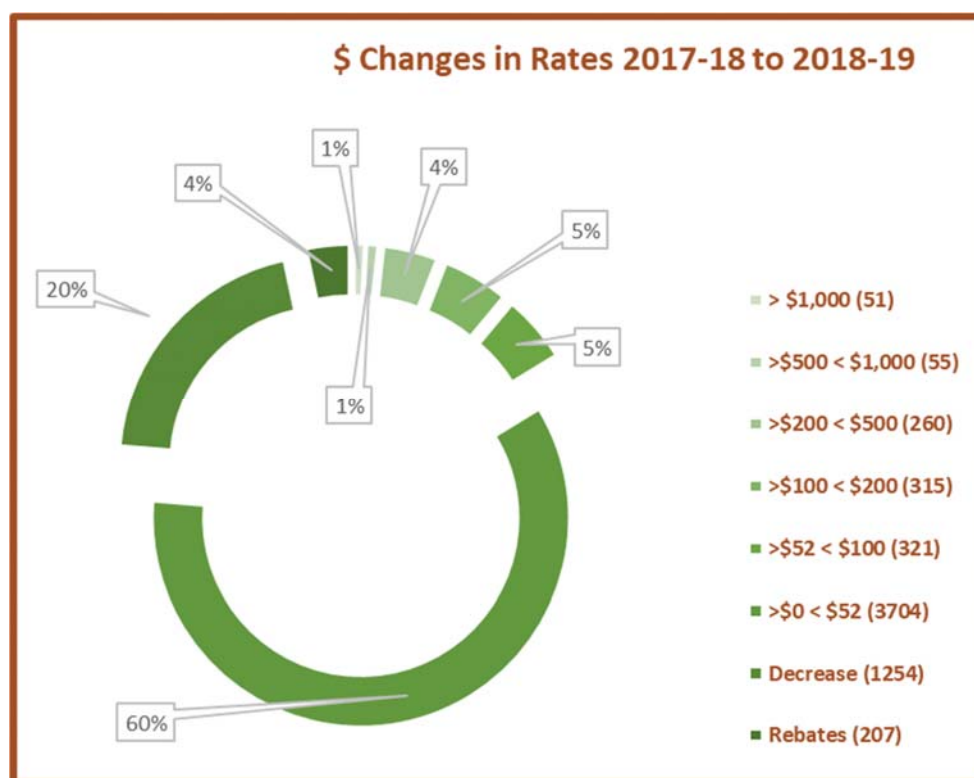


0.411	Airfield Zone	0.404
<b><u>Townships</u></b>		
0.664	Town Centre (Lucindale) Zone	0.670
0.664	Commercial (Lucindale) Zone	0.670
0.664	Township Zone	0.670
0.664	Residential (Lucindale) Zone	0.670
0.664	Recreation (Lucindale) Zone	0.670

The expected impact on properties is shown below:

Percentage Rate Increase	No of Assessments	% of Total Assessments
New Properties	28	0.5%
Greater than 20%	153	2.5%
Greater than 10% but less than 20%	36	0.6%
Greater than 7.5% but less than 10%	340	5.5%
Greater than 5% but less than 7.5%	519	8.4%
Greater than 2.3% but less than 5%	448	7.3%
Greater than 0% but less than 2.3%	3182	51.6%
Decrease	1254	20.3%
Rebate	207	3.3%





### Service Charge - CWMS Levy

The Council provides a Community Wastewater Management System (CWMS) in Lucindale. The full cost of operation and maintaining this service for this financial year is budgeted to be \$70,530 (including depreciation). Following an investigation and a report by the Local Government Association into CWMS's across the state, Council has recognized that it needs to put away increased funds into a reserve to fund future maintenance and future replacement of aging infrastructure such as pumps, pits, pipes and ponds. It is planned to increase the charge from \$568 for occupied properties and \$205 for vacant land to \$580 for occupied properties and \$210 for vacant land.

### Service Charge - Waste and Recycling Levy

Council provides kerbside collection, recycling services and green waste collection in defined areas of the Council, consistent with Council's long term strategy to reduce the volume of waste going to landfill and reducing the overall environmental impact of waste collection and disposal services.

A three bin kerbside collection service for putrescible waste, recycling and green waste is available in defined areas in the Townships of Naracoorte, Lucindale, Hynam, Kybybolite and Frances, and rural living zones. Council provides a two bin kerbside collection service for putrescible waste and recycling in defined areas within the township of Naracoorte, including the Town Centre, Industrial and Commercial zones.

The three bin kerbside collection consists of one 140 litre bin putrescible waste (red lid) and two 240 litre bins, recycling (yellow lid) and green waste (green lid) collection. The two bin kerbside collection consists of two 240 litre bins, recycling (yellow lid) and putrescible waste (green lid) collection.

The service charge will remain at \$320 per annum per occupied rateable property. The last increase to this charge was 1 July 2017.

### Natural Resource Management Levy

The Natural Resource Management levy is a State tax. Councils are required to collect it under the Natural Resource Management Act. For more information, please contact the SE NRM Board on **8735 1177**.

Council does not retain this revenue or determine how the revenue is spent.

From 1 July 2016 a tiered approach to the NRM Levy was introduced, which is based on land use codes as established by the Valuer-General. The levy continues to be charged per rateable property and indicative values for 2018-19 are:

○ Residential, Vacant & Other	\$72.75
○ Commercial	\$109.35
○ Industrial	\$173.90
○ Primary Production	\$335.65

## Public Submissions

The community was invited to provide suggestions and great ideas for Council to consider during budget deliberations by 23 March 2018. The following community requests were received during this period (items highlighted green have been included in the draft budget; red items are undergoing investigation or will be taken into consideration in future plans for the area):-

- ✓ Lucindale Xmas Street Party (LINC) – annual request
- ✓ Naracoorte Regional Art Gallery – annual contribution
- ✓ Taste the Limestone Coast Festival – annual contribution
- ✓ Frances Folk Festival – increase of annual contribution for 20 Year Anniversary Celebration (included subject to providing additional information to Council, including formal program for 2019 Event)
- ✓ Xmas Party for Special Children – annual contribution
- ✓ Naracoorte Lucindale Business & Tourism Association – contribution to TV Commercial promoting district, street banners and maps
- ✓ Naracoorte Big4 – extension to the Naracoorte Swimming Lake season
- ✓ Naracoorte Interchurch – increase of annual contribution for Carols in the Square
- ✓ Danielle Moore – Frances Town Plan
- ✓ Bowls SA – Super Senior Series (3-year commitment)
- X Lucindale CFS Group – assistance with installation of water point at Stewarts Range CFS Shed – Council staff are in discussions with the Lucindale CFS in relation to the extent of works required for this project.
- X Peter Grieve – sealing of Fern Street (Moore Street to Robert Street).
- X Naracoorte Lucindale Business & Tourism Association – contribution to district brochure
- X Naracoorte Lions Club - \$50,000 allocation for Pioneer Park – budget includes commitment to develop a Master Plan for Pioneer Park. It is advisable to develop the Plan prior to committing to capital expenditure at the Park.

Community feedback is being sought by the Naracoorte Lucindale Council on its draft Annual Business Plan and Budget for 2018-19. This is an opportunity to have input into Council's priorities for the Naracoorte Lucindale area for the coming year.

- In writing (including email or facsimile), to be received by Council by 5pm on 8 June 2018
- By using Council's new online engagement tool and leaving a comment by 5pm on 8 June 2018 (you will need to register on the site to leave a comment)  
<http://yoursay.naracoortelucindale.sa.gov.au>
- In Person, at a Special Council meeting held in the Naracoorte Council Chambers on Tuesday, 12 June 2018 from 7.00 – 8.00 pm.

**The ongoing development of the Naracoorte Lucindale district is a priority of Council,  
with all Councillors committed to a progressive and vibrant community.**

**Council welcomes community involvement in its many and varied projects.**