



02.

Resourcing Strategy

Long-Term Financial Plan 2024–2034

Workforce Management Plan 2022–2025

Asset Management Strategy 2022–2025





Long-term Financial Plan

1 July 2024 – 30 June 2034

Bulk water | Retail water
Flood mitigation | Weed biosecurity
Property



Version	Description	Person responsible	Reviewed by	Approved by Council / Date
0.1	Draft.	P Morgan / J Patino	H McNeil	04/04/2022
0.2	Public Exhibition	J. Patino	G. Bezrouchko	11/05/2022
1.0	Endorsed by Council at its meeting 15/06/2022			15/06/2022
1.1	Update of LTFP for 2023-2033	J. Patino	G. Ward	19/04/2023
1.2	Update of LTFP for 2024-2034	J. Patino	H McNeil	19/06/2024

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NOTE: The full version of the Long-Term Financial Plan can be found [here](#).

1. Introduction

1.1. The Long-Term Financial Plan (LTFP)

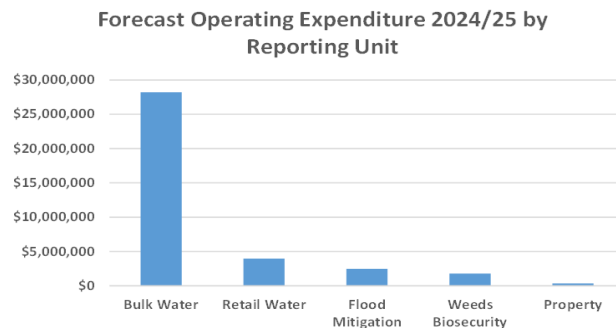
- i. Is a regulatory requirement and forms part of Rous County Council's (Rous) Resourcing Strategy within its Integrated Planning and Reporting (IP&R) Framework.
- ii. Is based on a financial planning period of ten years from 2024/25 to 2033/34. It is relevant to note that Rous also prepare a 30-year financial plan (not presented as part of this document) that provides an intergenerational financial outlook and meets the guidelines of the Integrated Water Cycle Management Strategy (IWCMS) administered by the NSW Department of Planning, Industry and Environment – Water (DPIE).
- iii. Is designed to assist financial decision making. It includes revenue and expenditure forecasts and asset projections, all of which are based on several assumptions.
- iv. Is used to test whether Rous has the financial capacity to satisfy the goals set out in the Business Activity Strategic Plan (part of the IP&R Framework).
- v. Measures short, medium, and long-term sustainability.
- vi. Is expected to identify if there is an unacceptable risk in one or more of these time horizons, with sufficient foresight to enable a remedial strategy to be agreed.
- vii. Is updated annually in conjunction with the Delivery Program and Operational Plan.



2. Rous' financial position

Rous has five distinct reporting units that are combined to form one entity referred to as the consolidated organisation. The 'bulk water reporting unit' is the dominant entity and in a financial sense comprises over 76% of the consolidated organisation.

Graph 1: Forecast operating expenditure 2024/25 shows the forecast operating expenditure of each of the reporting units in the 2024/25 financial year.



The chart illustrates how the bulk water reporting unit dominates the financial landscape of the consolidated organisation. Therefore it is relevant to note that a summary of the financial position of the consolidated organisation tends to primarily reflect this unit.

Main income source: Constituent council contributions for the supply of bulk water

This income source is considered to be reliable and secure. The contributions payable by each constituent council are calculated based on the previous year's water consumption. The actual income to be received by Rous in the forthcoming financial year is known by approximately March of the preceding financial year.

The reliable nature of the income allows Rous to plan for sufficient funds to be raised to meet known expenditures, and to create a cash reserve buffer for unexpected financial events. Given the asset-intensive nature of the bulk water business, financial planning is very important.

Expenditure can vary with the main costs relating to labour, chemicals, electricity and maintenance of an extensive array of assets.

Control and management of assets valued >\$770 million

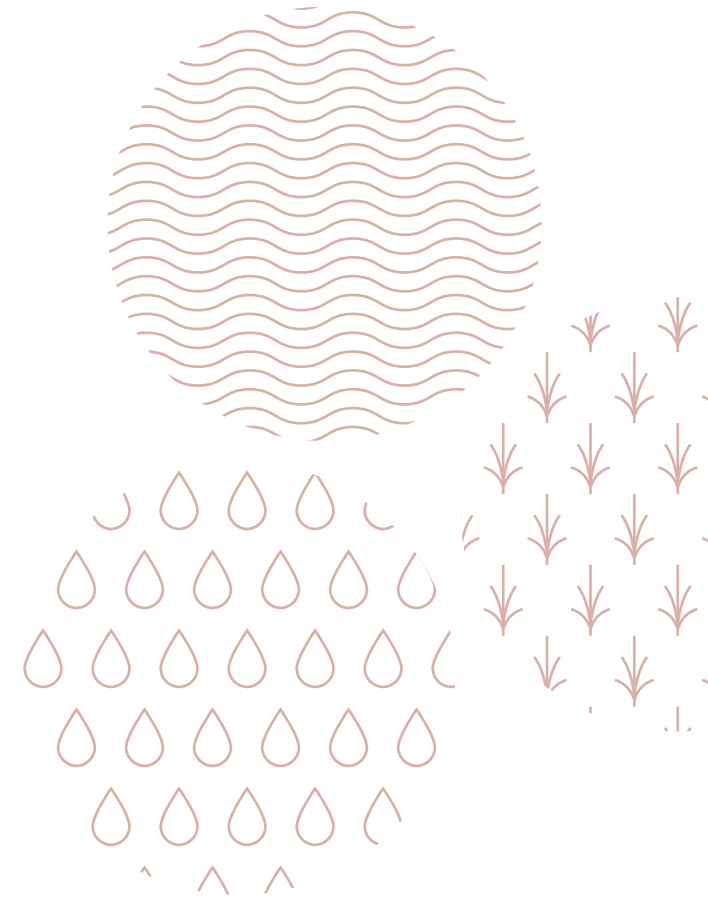
These assets include dams, treatment plants, pipes, land, buildings and plant and equipment. Both financial and operating planning are critical to ensure that essential services are maintained to satisfactory standards.

Main water source is Rocky Creek Dam, but new water sources are needed

Rocky Creek Dam and associated treatment and reticulation infrastructure currently carry no debt. However, due to the regional population growth and climate change, Rous will need to invest in new water sources or demand for water will exceed supply.

The LTFP anticipates significant expenditure on new groundwater sources, referred to as the Future Water Program (FWP). Expenditure is currently estimated at \$103 million over the next ten years. The FWP includes years of investigations into the best water source alternatives, increases to the price of bulk water to accommodate external borrowings and research into possible grant funding from higher government tiers.

In summary, it is a challenging time for the organisation both operationally and financially. In addition to managing all existing operations, alternative water supply options and financial management strategies are ongoing. A focus of financial planning is for Rous to continue to meet its service charter and remain financially sustainable into the future.



2.1. Historical financial data

Table 1: Historical performance provides consolidated historical financial information for the three-year period 2020/21, 2021/2022 and 2022/23. This information is useful to assess Rous's previous performance and financial position.

Table 1: Historical Performance

	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)
Operating Result			
Operating Revenue	30,575	34,562	36,088
Operating Expenditure	26,251	31,199	31,883
Operating Result	4,324	3,363	4,205
Adjusted Operating Result excluding Capital Grants and Contributions	(911)	(2,268)	(971)
Cash and Investments			
Total Cash and Investments	49,380	40,554	37,772
Other Balance Sheet			
Infrastructure, Property, Plant and Equipment	497,086	510,498	569,037
Outstanding Loan Principal	32,358	28,960	25,355
Performance Indicators			
Operating Performance Ratio (Benchmark >0.00%)	-4.92%	-5.58%	-0.88%
Own Source Operating Revenue Ratio (Benchmark >60.00%)	78.85%	73.82%	79.50%
Unrestricted Current Ratio (Benchmark >1.50x)	7.03x	4.26x	4.02x
Debt Service Cover Ratio (Benchmark >2.00x)	1.59x	1.65x	1.71x
Cash Expense Cover Ratio (Benchmark >3.00 months)	25.80 months	19.90 months	15.24 months
Performance Indicators (including Capital Revenue)			
Operating Performance Ratio (Benchmark >0.00%)	14.14%	9.73%	11.65%
Debt Service Cover Ratio (Benchmark >2.00x)	2.80x	2.73x	2.71x

3. Financial modelling

3.1. Methodology

The LTFP forecasts the ten years from 2024/25 to 2033/34, which meets the requirements of the Office of Local Governments Integrated Planning and Reporting.

The plan presented aims to:

- Determine the funding requirements of both the operational and capital works programs.
- Identify funding sources to meet those funding requirements.
- Document other life-cycle costs associated with system assets and business operations.
- Ensure appropriate levels of cash and liquidity are maintained.
- Forecast the long-term pricing structure.
- Forecast the estimated financial position of the organisation.
- Measure financial performance indicators against industry accepted benchmarks.

The development of this LTFP is continually refined and adjusted to reflect the most current information. Therefore, it is important to note that this document presents the LTFP as at the time of development, being the adopted changes in the Quarterly Budget Review Statement for the quarter ended 31 March 2024.

The estimates shown in the LTFP are expressed in 'future dollars'. This means that the figures in the LTFP are inflated to reflect the actual dollar value that will be

received or expended in that year. This is calculated based on the assumed level of inflation based on the Consumer Price Index.

The LTFP is premised on various combinations of historical and current information as well as known and estimated future events.

The accuracy of forecasting contained in the LTFP tends to decline annually as the closer the forecast is to the current day, the more accurate the estimated income or expense. This is because the number of unknown variables reduces annually.

Every effort is made to update the LTFP regularly so that the current base case for each reporting unit and the consolidated organisation is as accurate as reasonably possible at all times.

Due to size and scale, the bulk water supply reporting unit has been selected as the 'host' entity, which accepts all direct costs associated with corporate overheads such as management, finance, information services, human resources, etc. These costs are then apportioned to other reporting units, based on size and scale, existing practice and a sustainable path to full cost recovery.



3.2. How to read the LTFP

This version of the LTFP has been shaped to reflect the primary structure of the organisation on a consolidated basis. A detailed version of the LTFP exists that explores the various functions of the organisation, which are known as reporting units. The detailed version is available [here](#).

The reporting units are:

- Bulk water supply
- Retail water supply
- Flood mitigation
- Weed biosecurity
- Property.

The LTFP can be viewed over three time periods:

1. One-year Operational Plan – 2024/25 budget and is the primary focus (presented in blue in the report tables).
2. Four-year Delivery Program – designated time under the *Local Government Act 1993* that is intended to provide a medium-term financial vision for the organisation (presented in yellow for years two to four in the report tables).
3. Ten-year LTFP – expands on the Delivery Program to provide a broader perspective of where the organisation is heading and what the threats and opportunities may be over ten years (presented in white for the remaining years within this report).

The colour scheme is represented in Table 6: Colour scheme.

Table 2: Colour scheme

LTFP category	Time period	Colour scheme
Operational Plan	2024/25	Blue
Delivery Program	2025/26 – 2027/28	Yellow
LTFP	2028/29 – 2033/34	White

It will be noted that the **net cash movement** (Table 4: Consolidated organisation operating performance) forecasts a zero in all years. This is because the annual cash movement is balanced via a transfer to or from reserve. Therefore, the **net reserve movement** indicates whether the cash reserve has increased or decreased over the period.

It is important that the reserve balance for the organisation is sufficient to meet current operating requirements, forward capital works and debt servicing. Adequate cash reserves ensure the necessary liquidity to meet short-term obligations, i.e., creditor payments, loan servicing costs and payroll expenditure.

Further, it is prudent that the cash reserve is at a level that includes tolerance for unforeseen events (budget shocks) that may impact Council's ability to maintain service levels. Council has adopted a '[Financial Reserves](#)' policy that sets a target for a minimum reserve balance for each reporting unit. This policy assists discussion when considering financial strategies and is referred to in different financial reports.



3.3. Budget assumptions

The budget contains numerous assumptions that are embedded within the figures. This document does not endeavour to summarise them all.

Primary assumption: That Rous will continue to function in 2024/25 and beyond in a similar fashion to the current financial year.

Table 3: Main budget assumptions provides a summary of the budget assumptions and presents the forecast price path of the primary income source for bulk water supply, retail water, flood mitigation and weed biosecurity.

The projected price path will have a significant impact on the customers of Rous, namely, constituent councils.

Table 3: Main budget assumptions

Main Assumptions and Projected Price Paths										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Consumer Price Index	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Rate Pegging	104.60%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%
Depreciation Movement	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%
Salary and Wages	102.00%	103.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%
Bulk Water Cost for Retail	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	101.00%	102.00%
Loan Interest Rate	6.50%	6.00%	5.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	4.95%
Investment Interest Rate	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	2.05%
Flood Council Contributions	108.00%	105.00%	104.00%	104.00%	103.00%	103.00%	102.50%	102.50%	102.50%	102.50%
Weeds Council Contributions	104.60%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%
Bulk Water Council Contributions	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	102.00%	102.00%
Retail Water	108.00%	108.00%	108.00%	108.00%	108.00%	108.00%	108.00%	108.00%	102.00%	102.50%

3.4. Other assumptions

Cost of living: Assumptions around rate pegging and salary and wages are based on different indices published by the Australian Bureau of Statistics and other financial journals. Consumer Price Index increases have been frozen throughout the LTFP in an effort to reduce operating expenditure. The estimates are updated as new information is received.

Depreciation: The assumption of 1.5% is an approximate average for the useful life of an asset, with only basic intervention, of 66 years. Obviously, the actual lifespan varies depending on the asset and the reality is that the depreciation figures included in the LTFP are primarily based on the depreciation figures used in the annual financial statements. The figures in the financial statements represent the culmination of detailed work, per reporting unit, from individual asset registers.

Loan interest rate: Premised on research with different banks and financial institutions.

Investment interest rate: The rates are based on market-based predictions of the future.

Contribution price paths: The proposed price path for each reporting unit is determined by assessing the financial performance and position of each 'business'. The aim is to ensure that each business remains financially sustainable over the long term without any reduction to service levels nor any unnecessary accumulation of cash reserves. It is assumed that the constituent council's will be in a position to service their payments to Rous when they fall due.

Future Water Project 2060 (FWP): Based on Rous's decision in 2021, the current version of the plan includes new groundwater sources at Alstonville, Woodburn and Tyagarah.

Future Water Program

Based on Rous's decision in 2021, the current version of the plan includes new groundwater sources at Alstonville, Woodburn and Tyagarah.

Estimates of capital and operational expense associated with the FWP are continually being refined and modified.

This is due to both the high likelihood of financial adjustments being required and the impact of those changes on the organisations financial plan.

Population growth: Most Rous revenue streams are calculated by methods that are independent of growth. However, growth is very important when forecasting developer contribution income and strategic asset expenditure.

Assessing growth for Rous involves research on each constituent council individually as they all have different projections. The results for each council are amalgamated to provide the Rous forecast.



4. Financial Plan

The tables shown in this section of the LTFP are current as of March 2024. The commentary that accompanies the tables is intended to be very general in nature, giving an overview perspective only. A detailed version of the LTFP is available [here](#) and commentary will be contained in the report that accompanies the LTFP when presented to Council.

Table 4: Consolidated organisation operating performance (shows the forecast operating performance of the consolidated organisation, including capital movements, reserve transfers and the estimated cash reserve balance at year's end)

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Income										
Flood Mitigation	1,910,300	1,224,900	1,270,300	1,315,900	1,353,100	1,389,800	1,421,700	1,456,200	1,492,400	1,526,300
Weeds Biosecurity	1,632,500	1,611,800	1,627,200	1,641,700	1,663,000	1,685,100	1,707,800	1,730,400	1,752,600	1,773,700
Retail Water Supply	3,966,700	4,214,300	4,485,200	4,778,400	5,099,400	5,447,800	5,818,300	6,221,100	6,353,800	6,496,400
Property	162,600	96,900	140,200	166,300	166,100	165,800	165,400	165,000	164,500	164,500
Bulk Water Supply	31,058,300	33,171,200	33,359,300	35,362,700	42,607,200	44,995,700	47,594,000	50,253,600	51,254,900	52,274,800
Fleet Operations	123,500	117,500	115,100	109,500	108,800	110,400	114,200	118,100	122,200	122,200
Total Operating Income	38,853,900	40,436,600	40,997,300	43,374,500	50,997,600	53,794,600	56,821,400	59,944,400	61,140,400	62,357,900
Operating Expense										
Flood Mitigation	2,461,600	1,744,600	1,739,800	1,761,300	1,789,000	1,887,900	1,870,300	1,898,900	1,902,900	1,932,400
Weeds Biosecurity	1,794,400	1,553,300	1,429,400	1,442,900	1,458,600	1,481,000	1,509,500	1,561,300	1,596,600	1,616,200
Retail Water Supply	3,959,000	4,379,300	4,532,300	4,737,300	4,954,600	5,184,900	5,428,600	5,686,900	5,770,500	5,887,300
Property	333,400	230,300	220,500	160,400	153,800	155,300	157,700	159,300	162,100	163,800
Bulk Water Supply	28,211,300	26,904,200	28,904,200	28,969,400	29,684,300	28,905,300	28,857,500	30,837,500	30,893,200	31,040,100
Fleet Operations (*net of internal income)	225,300	234,100	242,100	250,200	258,500	266,900	275,500	284,200	293,000	302,000
Total Operating Expense	36,985,000	35,045,800	37,133,500	37,946,500	38,298,800	37,881,300	38,099,100	40,428,100	40,618,300	40,941,800
Operating Result	1,868,900	5,390,800	3,863,800	5,428,000	12,698,800	15,913,300	18,722,300	19,516,300	20,522,100	21,416,100
Less Depreciation	8,756,500	9,039,400	9,333,300	9,834,800	10,099,500	10,268,300	10,489,800	10,852,500	11,357,700	11,606,200
Operating Result Excluding Non Cash	10,625,400	14,430,200	13,197,100	15,262,800	22,798,300	26,181,600	29,212,100	30,368,800	31,879,800	33,022,300

Table 4: Consolidated organisation operating performance (continued)

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
Name	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Add: Loan Drawdown	30,000,000	0	10,000,000	10,000,000	0	0	0	0	0	0
Less: Loan Repayments	4,256,900	4,661,900	4,350,600	2,605,000	2,255,000	2,369,800	2,491,100	2,619,200	2,754,500	2,897,400
Less: Capital Expense	38,305,600	15,516,400	16,421,800	19,442,500	21,901,900	15,527,000	9,101,200	26,070,500	29,147,600	10,569,600
Add: Reserve Transfers	1,937,100	5,748,100	(2,424,700)	(3,215,300)	1,358,600	(8,284,800)	(17,619,800)	(1,679,100)	22,300	(19,555,300)
Estimated Reserves Whole Organisation										
Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Estimated Reserves Whole Organisation	19,704,900	13,956,800	16,381,500	19,596,800	18,238,200	26,523,000	44,142,800	45,821,900	45,799,600	65,354,900
Net Reserve Movement	(1,937,100)	(5,748,100)	2,424,700	3,215,300	(1,358,600)	8,284,800	17,619,800	1,679,100	(22,300)	19,555,300

Key points on operating performance

An operating loss before capital grants and contributions has occurred in each of the last three years. Capital revenue through Section 64 contributions is Council's second largest source of revenue and with this revenue included, surpluses have occurred.

The Bulk Water price continues to increase to improve Council's financial performance and allow for the additional capital works associated with the Future Water Program.

Rous is currently providing administrative services to the Northern Rivers Joint Organisation under a fee-for-service arrangement.

Ten-year forecast

The forecast is for a continuation of operating deficits (excluding capital revenue) until 2028/29.

There are numerous factors influencing this forecast, but the predominant issue is a need to borrow funds externally to pay for new capital works within Bulk Water. The plan anticipates raising loans of \$50 million over the next ten years. The price of bulk water is increased to raise funds to repay the debt, however there is a lag where recurrent operating losses are anticipated until revenue reaches a satisfactory level. Cash reserves remain reasonably stable despite funds being applied to capital works and then replenished by new borrowings.

It is not preferable to forecast operating deficits on a recurrent basis, however it is sustainable because income from constituent council contributions for bulk water is elevated to match the new operating and capital expense requirements. Some of the pressure is released in 2027/28 when the majority of the existing loans expire, which results in savings of approximately \$4 million per annum in loan repayments. The outlook for the whole organisation tends to be dominated by the bulk water reporting unit and more detailed information is provided in that section of the document.

Forecast ratios

Several ratios do not meet the Office of Local Government benchmarks predominantly due to the increased costs of the FWP, the associated loan borrowings and a focus on constructing new assets rather than renewing existing assets.

The selected ratios below are from those required by the Local Government Code of Accounting Practice. A definition for each ratio is included in the detailed version of the LTFP available [here](#). Rous's forecast performance against the benchmarks are detailed in Table 5: Consolidated organisation forecast ratios.



Table 5: Consolidated organisation forecast ratios

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Performance Ratio Expressed as a Percentage	(12.40)	(5.24)	(5.18)	(1.24)	14.70	20.22	24.24	23.98	24.98	25.72
Operating Income less Operating Expense										
Operating Income										
Benchmark	>0	>0	>0	>0	>0	>0	>0	>0	>0	>0
Result	Fail	Fail	Fail	Fail	Pass	Pass	Pass	Pass	Pass	Pass
Comment This benchmark is met from 2028/29 onwards primarily due to the Bulk Water price path which enables operating revenue to exceed operating expenditure.										
Own Source Operating Revenue Expressed as a Percentage	93.12	97.54	97.67	97.80	87.02	87.73	88.41	89.03	89.22	89.41
Operating Income less Grants and Contributions										
Total Operating Income										
Benchmark	>60	>60	>60	>60	>60	>60	>60	>60	>60	>60
Result	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment This benchmark is met in every year as Rous' revenue is primarily from non-Grant sources.										
Debt Service Cover Ratio	1.07	1.36	1.44	2.18	3.76	4.34	4.85	5.01	5.22	5.37
Operating Result excl Loan Interest and Depreciation	6,549,900	9,859,400	10,346,200	12,477,800	19,682,100	22,737,900	25,426,200	26,226,500	27,365,900	28,121,100
Loan Repayments Principal/Interest	6,131,300	7,227,700	7,193,600	5,713,200	5,238,300	5,238,300	5,238,300	5,238,300	5,238,300	5,238,300
Benchmark	>2	>2	>2	>2	>2	>2	>2	>2	>2	>2
Result	Fail	Fail	Fail	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment This benchmark is met from 2027/28 onwards as existing loans are repaid and operating results improve.										

Table 5: Consolidated organisation forecast ratios (continued)

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Unrestricted Current Ratio	2.22	1.81	2.37	2.78	2.58	3.36	5.01	5.04	4.92	6.55
Current Assets less External Restrictions	25,881,200	20,256,700	22,807,600	26,151,500	24,923,900	33,342,500	51,098,700	52,916,900	53,036,500	72,736,500
Current Liabilities less Specific Purpose Liabilities	11,663,200	11,219,700	9,611,500	9,401,600	9,659,300	9,926,400	10,203,300	10,490,400	10,788,000	11,096,900
Benchmark	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5
Result	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment	This ratio exceeds the benchmark in all years.									
Buildings and Infrastructure Renewals Ratio	67.95	62.01	55.15	78.85	151.60	82.95	22.12	92.05	32.51	20.31
Asset Renewals	5,950,180	5,605,175	5,147,300	7,755,000	15,310,900	8,517,500	2,139,900	9,990,200	3,692,350	2,357,200
Depreciation, Amortisation and Impairment	8,756,500	9,039,400	9,333,300	9,834,800	10,099,500	10,268,300	10,489,800	10,852,500	11,357,700	11,606,200
Benchmark	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
Result	Fail	Fail	Fail	Fail	Pass	Fail	Fail	Fail	Fail	Fail
Comment	The benchmark is generally not met due to a focus on new assets. Renewal expenditure varies depending on the life cycle of existing assets, which are generally long-lived and do not require renewal in the short term.									

Table 5a: Select consolidated organisation forecast ratios (total revenue)

Ratios including Capital Revenue	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Performance Ratio Expressed as a Percentage	4.81	13.33	9.42	12.51	24.90	29.58	32.95	32.56	33.57	34.34
<u>Operating Income less Operating Expense</u>										
Operating Income										
Benchmark	>0	>0	>0	>0	>0	>0	>0	>0	>0	>0
Result	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment This ratio exceeds the benchmark in all years.										
Debt Service Cover Ratio	2.04	2.35	2.23	3.22	4.92	5.55	6.10	6.30	6.56	6.75
<u>Operating Result excl Loan Interest and Depreciation</u>	12,499,800	16,996,000	16,040,100	18,371,000	25,781,600	29,050,100	31,959,300	32,987,900	34,363,600	35,363,200
Loan Repayments Principal/Interest	6,131,300	7,227,700	7,193,600	5,713,200	5,238,300	5,238,300	5,238,300	5,238,300	5,238,300	5,238,300
Benchmark	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5
Result	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment This ratio exceeds the benchmark in all years.										

Forecast balance sheet

That fixed assets, specifically infrastructure assets and borrowings, will increase significantly over the next ten years. This forecast reflects the FWP and the associated groundwater infrastructure that will be constructed.

Council's borrowing capacity has been assessed in developing the plans as infrastructure expansion requires significant investment.

Over time the net equity (surplus of asset values over liabilities) of the organisation grows, which reflects, amongst other things, repayment of outstanding loans.

This information is shown in Table 6: Consolidated organisation forecast balance sheet.

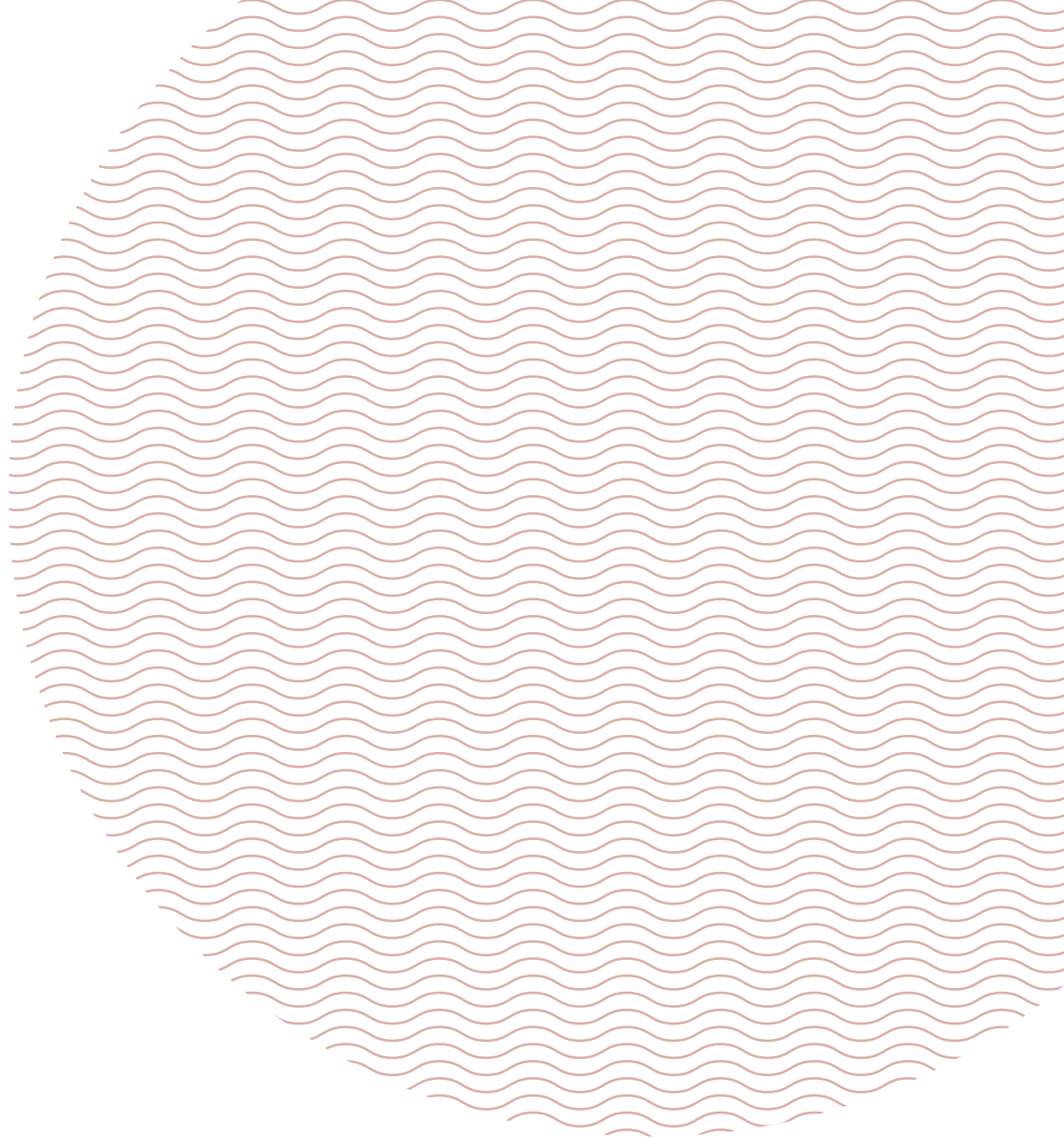


Table 6: Consolidated organisation forecast balance sheet

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
ASSETS										
Current Assets										
Cash and Cash Equivalents	5,215,600	6,230,000	6,539,600	6,326,200	6,378,600	6,266,400	6,862,500	6,378,300	6,506,700	5,763,200
Investments	14,489,300	7,726,800	9,841,900	13,270,600	11,859,600	20,256,600	37,280,300	39,443,600	39,292,900	59,591,700
Receivables	4,424,100	4,512,700	4,603,100	4,695,200	4,789,100	4,885,000	4,982,700	5,082,300	5,184,000	5,287,600
Inventories	413,000	421,200	429,700	438,300	447,000	455,900	465,000	474,300	483,700	493,400
Other	0	0	0	0	0	0	0	0	0	0
Investment Property	0	0	0	0	0	0	0	0	0	0
Non-Current Assets Classified as Held for Sale	1,339,200	1,366,000	1,393,300	1,421,200	1,449,600	1,478,600	1,508,200	1,538,400	1,569,200	1,600,600
Total Current Assets	25,881,200	20,256,700	22,807,600	26,151,500	24,923,900	33,342,500	51,098,700	52,916,900	53,036,500	72,736,500
Non-Current Assets										
Investments	0	0	0	0	0	0	0	0	0	0
Receivables	0	0	0	0	0	0	0	0	0	0
Inventories	1,440,300	1,469,100	1,498,500	1,528,500	1,559,100	1,590,300	1,622,100	1,654,500	1,687,600	1,721,300
Infrastructure	576,779,600	581,827,600	589,246,000	599,076,300	611,122,800	616,797,200	615,831,000	631,478,200	649,704,200	649,110,700
Property, Plant and Equipment	31,058,400	31,514,100	32,089,500	32,762,400	33,426,200	33,955,100	34,490,200	35,031,700	35,579,700	36,134,400
Investments Accounted for Using Equity Method	0	0	0	0	0	0	0	0	0	0
Investment Property	0	0	0	0	0	0	0	0	0	0
Intangible Assets	3,431,400	5,064,300	4,864,000	4,659,700	4,451,300	4,238,700	4,021,900	3,800,700	3,575,100	3,345,000
Other	438,500	447,300	456,200	465,300	474,600	484,100	493,800	503,700	513,800	524,100
Total Non-Current Assets	613,148,200	620,322,400	628,154,200	638,492,200	651,034,000	657,065,400	656,459,000	672,468,800	691,060,400	690,835,500
TOTAL ASSETS	639,029,400	640,579,100	650,961,800	664,643,700	675,957,900	690,407,900	707,557,700	725,385,700	744,096,900	763,572,000

Table 6: Consolidated organisation forecast balance sheet (continued)

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
LIABILITIES										
Current Liabilities										
Payables	3,743,200	3,818,200	3,894,600	3,972,500	4,051,900	4,133,000	4,215,700	4,300,100	4,386,100	4,473,900
Contract Liabilities	528,500	539,100	549,900	560,900	572,100	583,500	595,200	607,100	619,200	631,600
Lease Liabilities	267,100	0	0	0	0	0	0	0	0	0
Borrowings	4,661,900	4,350,600	2,605,000	2,255,000	2,369,800	2,491,100	2,619,200	2,754,500	2,897,400	3,048,400
Provisions	2,462,500	2,511,800	2,562,000	2,613,200	2,665,500	2,718,800	2,773,200	2,828,700	2,885,300	2,943,000
Income Received in Advance	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	11,663,200	11,219,700	9,611,500	9,401,600	9,659,300	9,926,400	10,203,300	10,490,400	10,788,000	11,096,900
Non-Current Liabilities										
Payables	0	0	0	0	0	0	0	0	0	0
Borrowings	42,611,200	38,260,700	45,655,700	53,400,600	51,031,100	48,539,900	45,920,700	43,166,200	40,268,800	37,220,300
Provisions	70,400	71,800	73,200	74,700	76,200	77,700	79,300	80,900	82,500	84,200
Total Non-Current Liabilities	42,681,600	38,332,500	45,728,900	53,475,300	51,107,300	48,617,600	46,000,000	43,247,100	40,351,300	37,304,500
TOTAL LIABILITIES	54,344,800	49,552,200	55,340,400	62,876,900	60,766,600	58,544,000	56,203,300	53,737,500	51,139,300	48,401,400
NET ASSETS	584,684,600	591,026,900	595,621,400	601,766,800	615,191,300	631,863,900	651,354,400	671,648,200	692,957,600	715,170,600

Forecast statement of cash flows

That cash levels are significantly impacted by additional loan borrowings (which are required to fund the FWP) and the impact of repaying these borrowed funds.

The forecast predicts how changes in balance sheet accounts and income effect cash and cash equivalents. It provides information that enables users to evaluate the changes in net assets, financial structure (including liquidity and solvency) and the amounts and timing of cash flows to adapt to changing circumstances and opportunities.

This report is particularly useful in assessing the overall health of the forecasts in the LTFP. Operating activities produce surplus results while investing activities depict a season of significant capital expenditure. The financing activities further highlights the model's reliance on borrowings and the impact of repaying these funds.

This information is shown in Table 7: Consolidated organisation forecast statement of cash flows.



Table 7: Consolidated organisation forecast statement of cash flows

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Consolidated										
Cash Flows from Operating Activities										
Receipts										
User Charges and Fees	27,461,400	29,359,100	31,391,700	33,568,700	35,900,400	38,398,000	41,073,200	43,938,800	44,808,000	45,721,000
Investment and Interest Revenue Received	858,500	801,900	707,000	640,000	666,200	691,800	767,000	738,500	770,200	770,200
Grants and Contributions	10,094,100	9,905,900	8,524,700	8,787,500	14,048,200	14,317,400	14,589,100	14,870,100	15,160,200	15,459,600
Other	1,466,600	1,396,400	1,400,600	1,405,000	1,409,500	1,414,100	1,418,800	1,423,700	1,428,700	1,433,800
Payments										
Employee Benefits and On-Costs	(12,486,600)	(12,547,400)	(12,085,400)	(12,265,300)	(12,435,700)	(12,588,800)	(12,798,300)	(13,041,500)	(13,287,100)	(13,537,800)
Materials and Services	(16,869,700)	(14,033,700)	(16,160,200)	(16,184,900)	(16,396,400)	(15,953,000)	(16,055,000)	(18,113,700)	(17,720,200)	(17,751,500)
Borrowing Costs	(1,874,400)	(2,565,800)	(2,843,000)	(3,108,200)	(2,983,300)	(2,868,500)	(2,868,500)	(2,619,100)	(2,483,800)	(2,340,900)
Other	1,975,500	2,113,800	2,261,700	2,420,000	2,589,400	2,770,600	2,964,500	3,172,000	3,203,800	3,267,900
Net Cash Flows from Operating Activities	10,625,400	14,430,200	13,197,100	15,262,800	22,798,300	26,181,600	29,212,100	30,368,800	31,879,800	33,022,300
Cash Flows from Investing Activities										
Receipts										
Redemption of Term Deposits	15,000,000	8,000,000	10,000,000	13,500,000	12,500,000	20,500,000	37,500,000	39,500,000	39,500,000	60,000,000
Sale of Investment Property	0	0	0	0	0	0	0	0	0	0
Sale of Real Estate Assets	0	0	0	0	0	0	0	0	0	0
Sale of Infrastructure, Property, Plant and Equipment	0	0	0	0	0	0	0	0	0	0
Payments										
Acquisition of Term Deposits	(15,000,000)	(8,000,000)	(10,000,000)	(13,500,000)	(12,500,000)	(20,500,000)	(37,500,000)	(39,500,000)	(39,500,000)	(60,000,000)
Purchase of Infrastructure, Property, Plant and Equipment	(35,704,800)	(13,901,100)	(16,369,800)	(19,389,500)	(21,847,900)	(15,472,000)	(9,045,200)	(26,013,500)	(29,089,600)	(10,510,600)
Purchase of Real Estate Assets	(50,000)	(51,000)	(52,000)	(53,000)	(54,000)	(55,000)	(56,000)	(57,000)	(58,000)	(59,000)
Purchase of Intangible Assets	(2,550,800)	(1,564,300)	0	0	0	0	0	0	0	0
Net Cash Flows from Investing Activities	(38,305,600)	(15,516,400)	(16,421,800)	(19,442,500)	(21,901,900)	(15,527,000)	(9,101,200)	(26,070,500)	(29,147,600)	(10,569,600)

Table 7: Consolidated organisation forecast statement of cash flows (continued)

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Cash Flows from Financing Activities										
<u>Receipts</u>										
Proceeds from Borrowings	30,000,000	0	10,000,000	10,000,000	0	0	0	0	0	0
<u>Payments</u>										
Repayment of Borrowings	(4,256,900)	(4,661,900)	(4,350,600)	(2,605,000)	(2,255,000)	(2,369,800)	(2,491,100)	(2,619,200)	(2,754,500)	(2,897,400)
Net Cash Flows from Financing Activities	25,743,100	(4,661,900)	5,649,400	7,395,000	(2,255,000)	(2,369,800)	(2,491,100)	(2,619,200)	(2,754,500)	(2,897,400)
Net Change in Cash and Cash Equivalents	(1,937,100)	(5,748,100)	2,424,700	3,215,300	(1,358,600)	8,284,800	17,619,800	1,679,100	(22,300)	19,555,300
Cash and Cash Equivalents at Beginning of Year	21,642,000	19,704,900	13,956,800	16,381,500	19,596,800	18,238,200	26,523,000	44,142,800	45,821,900	45,799,600
Cash and Cash Equivalents at End of the Year	19,704,900	13,956,800	16,381,500	19,596,800	18,238,200	26,523,000	44,142,800	45,821,900	45,799,600	65,354,900

5. Capital works program: 10-year forecast

The capital works program is forecast for the current year and the following ten years in Table 8: Capital works program. The current year is taken directly from this year's budget while later years are based on directions from Council and information in Council's asset registers.

As with all aspects of the LTFP, the program is based on the best information available at the time of preparation. The current elected council cannot bind future councils, so it is quite feasible, indeed likely, that the program will change as Council priorities alter and new information is received.



Table 8: Capital works program

	Long-Term Financial Plan									
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Description	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Bulk Water										
Future Water Program	8,590,000	9,000,000	10,500,000	10,000,000	4,000,000	6,520,000	6,734,300	14,239,200	25,157,600	8,681,300
Gallans Road	19,500,000	1,000,000	0	0	0	0	0	0	0	0
Digital Transformation	2,575,800	1,564,300	0	0	0	0	0	0	0	0
ICT	282,000	338,500	266,000	179,000	217,000	668,500	666,500	590,800	233,000	233,000
Other Bulk Water Capital Works	6,774,100	2,948,000	4,463,200	8,258,400	16,665,900	7,034,600	831,500	10,368,600	2,481,100	775,200
Retail Water										
Reticulation Renewal	0	0	400,000	0	0	400,000	0	0	400,000	0
Other Retail Water Capital Works	168,200	90,800	92,600	94,500	96,400	98,300	100,300	102,300	104,300	106,400
Flood Mitigation										
Flood Mitigation Capital Works	219,500	225,800	236,700	332,600	358,600	405,600	367,600	367,600	368,600	369,700
Weed Biosecurity										
Weed Biosecurity Capital Works	21,000	0	22,000	44,000	44,000	20,000	20,000	20,000	20,000	20,000
Property										
Property Capital Works	50,000	51,000	52,000	53,000	54,000	55,000	56,000	57,000	58,000	59,000
Fleet										
Fleet Capital Works	125,000	298,000	389,300	481,000	466,000	325,000	325,000	325,000	325,000	325,000
Total	38,305,600	15,516,400	16,421,800	19,442,500	21,901,900	15,527,000	9,101,200	26,070,500	29,147,600	10,569,600

6.Scenario modelling

A number of scenarios have been modelled to inform how significant changes to the forecast assumptions and projects would impact the LTFP.

6.1. No capital grants scenario

What the model forecasts: The impact of Rous receiving no capital grants for future capital works.

What the model means: Forecast grant revenue could be reduced by \$30 million and the current price path could still be maintained. The price path required is shown in Table 9: Price path – No capital grants scenario.

Table 9: Price path – No capital grants scenario

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Proposed % Increase	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	2.0%	2.0%

No changes would be made to the Bulk Water price path if this scenario eventuated. Rous would produce an operating surplus from 2024/25 onwards with estimated reserves of \$35.4 million at the end of 2033/34.

Refer to Table 10: Consolidated operating performance – No capital grants scenario.

Table 10: Consolidated operating performance – No capital grants scenario

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Income										
Flood Mitigation	1,910,300	1,224,900	1,270,300	1,315,900	1,353,100	1,389,800	1,421,700	1,456,200	1,492,400	1,526,300
Weeds Biosecurity	1,632,500	1,611,800	1,627,200	1,641,700	1,663,000	1,685,100	1,707,800	1,730,400	1,752,600	1,773,700
Retail Water Supply	3,966,700	4,214,300	4,485,200	4,778,400	5,099,400	5,447,800	5,818,300	6,221,100	6,353,800	6,496,400
Property	162,600	96,900	140,200	166,300	166,100	165,800	165,400	165,000	164,500	164,500
Bulk Water Supply	31,058,300	33,171,200	33,359,300	35,362,700	37,607,200	39,995,700	42,594,000	45,253,600	46,254,900	47,274,800
Fleet Operations	123,500	117,500	115,100	109,500	108,800	110,400	114,200	118,100	122,200	122,200
Total Operating Income	38,853,900	40,436,600	40,997,300	43,374,500	45,997,600	48,794,600	51,821,400	54,944,400	56,140,400	57,357,900
Operating Expense										
Flood Mitigation	2,461,600	1,744,600	1,739,800	1,761,300	1,789,000	1,887,900	1,870,300	1,898,900	1,902,900	1,932,400
Weeds Biosecurity	1,794,400	1,553,300	1,429,400	1,442,900	1,458,600	1,481,000	1,509,500	1,561,300	1,596,600	1,616,200
Retail Water Supply	3,959,000	4,379,300	4,532,300	4,737,300	4,954,600	5,184,900	5,428,600	5,686,900	5,770,500	5,887,300
Property	333,400	230,300	220,500	160,400	153,800	155,300	157,700	159,300	162,100	163,800
Bulk Water Supply	28,211,300	26,904,200	28,969,400	29,594,400	29,684,300	28,905,300	28,857,500	30,837,500	30,893,200	31,040,100
Fleet Operations (*net of internal income)	225,300	234,100	242,100	250,200	258,500	266,900	275,500	284,200	293,000	302,000
Total Operating Expense	36,985,000	35,045,800	37,133,500	37,946,500	38,298,800	37,881,300	38,099,100	40,428,100	40,618,300	40,941,800
Operating Result	1,868,900	5,390,800	3,863,800	5,428,000	7,698,800	10,913,300	13,722,300	14,516,300	15,522,100	16,416,100
Less Depreciation	8,756,500	9,039,400	9,333,300	9,834,800	10,099,500	10,268,300	10,489,800	10,852,500	11,357,700	11,606,200
Operating Result Excluding Non Cash	10,625,400	14,430,200	13,197,100	15,262,800	17,798,300	21,181,600	24,212,100	25,368,800	26,879,800	28,022,300
Add: Loan Drawdown	30,000,000	0	10,000,000	10,000,000	0	0	0	0	0	0
Less: Loan Repayments	4,256,900	4,661,900	4,350,600	2,605,000	2,225,000	2,369,800	2,491,100	2,619,200	2,754,500	2,897,400
Less: Capital Expense	38,305,600	15,516,400	16,421,800	19,442,500	21,901,900	15,527,000	9,101,200	26,070,500	29,147,600	10,569,600
Add: Reserve Transfers	1,937,100	5,748,100	(2,424,700)	(3,215,300)	6,358,600	(3,284,800)	(12,619,800)	3,320,900	5,022,300	(14,555,300)
Estimated Reserves Whole Organisation										
Estimated Reserves Whole Organisation	19,704,900	13,956,800	16,381,500	19,596,800	13,238,200	16,523,000	29,142,800	25,821,900	20,799,600	35,354,900
Net Reserve Movement	(1,937,100)	(5,748,100)	2,424,700	3,215,300	(6,358,600)	3,284,800	12,619,800	(3,320,900)	(5,022,300)	14,555,300

6.2. NSW Treasury Corporation loans scenario

What the model forecasts: The impacts of forecast interest rates decreasing to the levels on offer from NSW Treasury Corporation.

What the model means: Savings would be made on finance costs associated with the planned loan borrowings of \$50 million resulting in an improved financial performance. The price path required is shown in Table 11: Price path – NSW Treasury Corporation loans scenario.

Table 11: Price path – NSW Treasury Corporation loans scenario

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Proposed % Increase	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	2.0%	2.0%

No changes would be made to the Bulk Water price path if this scenario eventuated. Rous would produce an operating surplus from 2024/25 onwards with estimated reserves of \$65.9 million at the end of 2033/34.

Refer to Table 12: Consolidated operating performance – NSW Treasury Corporation loans scenario.

Table 12: Consolidated operating performance – NSW Treasury Corporation loans scenario

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Name	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Income										
Flood Mitigation	1,910,300	1,224,900	1,270,300	1,315,900	1,353,100	1,389,800	1,421,700	1,456,200	1,492,400	1,526,300
Weeds Biosecurity	1,632,500	1,611,800	1,627,200	1,641,700	1,663,000	1,685,100	1,707,800	1,730,400	1,752,600	1,773,700
Retail Water Supply	3,966,700	4,214,300	4,485,200	4,778,400	5,099,400	5,447,800	5,818,300	6,221,100	6,353,800	6,496,400
Property	162,600	96,900	140,200	166,300	166,100	165,800	165,400	165,000	164,500	164,500
Bulk Water Supply	31,058,300	33,171,200	33,359,300	35,362,700	42,607,200	44,995,700	47,594,000	50,253,600	51,254,900	52,274,800
Fleet Operations	123,500	117,500	115,100	109,500	108,800	110,400	114,200	118,100	122,200	122,200
Total Operating Income	38,853,900	40,436,600	40,997,300	43,374,500	50,997,600	53,794,600	56,821,400	59,944,400	61,140,400	62,357,900
Operating Expense										
Flood Mitigation	2,461,600	1,744,600	1,739,800	1,761,300	1,789,000	1,887,900	1,870,300	1,898,900	1,902,900	1,932,400
Weeds Biosecurity	1,794,400	1,553,300	1,429,400	1,442,900	1,458,600	1,481,000	1,509,500	1,561,300	1,596,600	1,616,200
Retail Water Supply	3,959,000	4,379,300	4,532,300	4,737,300	4,954,600	5,184,900	5,428,600	5,686,900	5,770,500	5,887,300
Property	333,400	230,300	220,500	160,400	153,800	155,300	157,700	159,300	162,100	163,800
Bulk Water Supply	28,886,300	26,607,100	28,675,900	29,355,100	29,449,600	28,675,700	28,634,000	30,621,000	30,684,800	30,840,900
Fleet Operations (*net of internal income)	225,300	234,100	242,100	250,200	258,500	266,900	275,500	284,200	293,000	302,000
Total Operating Expense	37,660,000	34,748,700	36,840,000	37,707,200	38,064,100	37,651,700	37,875,600	40,211,600	40,409,900	40,742,600
Operating Result	1,193,900	5,687,900	4,157,300	5,667,300	12,933,500	16,142,900	18,945,800	19,732,800	20,730,500	21,615,300
Less Depreciation	8,756,500	9,039,400	9,333,300	9,834,800	10,099,500	10,268,300	10,489,800	10,852,500	11,357,700	11,606,200
Operating Result Excluding Non Cash	9,950,400	14,727,300	13,490,600	15,502,100	23,033,000	26,411,200	29,435,600	30,585,300	32,088,200	33,221,500
Add: Loan Drawdown	30,000,000	0	10,000,000	10,000,000	0	0	0	0	0	0
Less: Loan Repayments	4,730,900	4,746,600	4,431,800	2,666,300	2,311,800	2,421,500	2,536,700	2,657,700	2,785,000	2,918,700
Less: Capital Expense	38,305,600	15,516,400	16,421,800	19,442,500	21,901,900	15,527,000	9,101,200	26,070,500	29,147,600	10,569,600
Add: Reserve Transfers	3,086,100	5,535,700	(2,637,000)	(3,393,300)	1,180,700	(8,462,700)	(17,797,700)	(1,857,100)	(155,600)	(19,733,200)
Estimated Reserves Whole Organisation										
Estimated Reserves Whole Organisation	18,555,900	13,020,200	15,657,200	19,050,500	17,869,800	26,332,500	44,130,200	45,987,300	46,142,900	65,876,100
Net Reserve Movement	(3,086,100)	(5,535,700)	2,637,000	3,393,300	(1,180,700)	8,462,700	17,797,700	1,857,100	155,600	19,733,200

6.3. Return to cyclical interest rates scenario

What the model forecasts: The impacts of forecast interest rates decreasing to the cyclical levels on offer in previous years.

What the model means: No changes to the planned price path as long-term cost savings on borrowings are balanced out by a reduction in short-term investment revenue. The price path required is shown in Table 13: Price path – Return to cyclical interest rates scenario.

Table 13: Price path – Return to cyclical interest rates scenario

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Proposed % Increase	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	2.0%	2.0%

No changes would be made to the Bulk Water price path if this scenario eventuated. Rous would produce an operating surplus from 2024/25 onwards with estimated reserves of \$70.4 million at the end of 2033/34.

Refer to Table 14: Consolidated operating performance – Return to cyclical interest rates scenario.

Table 14: Consolidated operating performance – Return to cyclical interest rates scenario

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Name	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Income										
Flood Mitigation	1,910,300	1,224,900	1,270,300	1,315,900	1,353,100	1,389,800	1,421,700	1,456,200	1,492,400	1,526,300
Weeds Biosecurity	1,632,500	1,611,800	1,627,200	1,641,700	1,663,000	1,685,100	1,707,800	1,730,400	1,752,600	1,773,700
Retail Water Supply	3,966,700	4,214,300	4,485,200	4,778,400	5,099,400	5,447,800	5,818,300	6,221,100	6,353,800	6,496,400
Property	162,600	96,900	140,200	166,300	166,100	165,800	165,400	165,000	164,500	164,500
Bulk Water Supply	31,058,300	33,171,200	33,359,300	35,362,700	42,607,200	44,995,700	47,594,000	50,253,600	51,254,900	52,274,800
Fleet Operations	123,500	117,500	115,100	109,500	108,800	110,400	114,200	118,100	122,200	122,200
Total Operating Income	38,853,900	40,436,600	40,997,300	43,374,500	50,997,600	53,794,600	56,821,400	59,944,400	61,140,400	62,357,900
Operating Expense										
Flood Mitigation	2,461,600	1,744,600	1,739,800	1,761,300	1,789,000	1,887,900	1,870,300	1,898,900	1,902,900	1,932,400
Weeds Biosecurity	1,794,400	1,553,300	1,429,400	1,442,900	1,458,600	1,481,000	1,509,500	1,561,300	1,596,600	1,616,200
Retail Water Supply	3,959,000	4,379,300	4,532,300	4,737,300	4,954,600	5,184,900	5,428,600	5,686,900	5,770,500	5,887,300
Property	333,400	230,300	220,500	160,400	153,800	155,300	157,700	159,300	162,100	163,800
Bulk Water Supply	28,436,300	26,164,100	28,090,900	28,631,600	28,741,300	27,984,600	27,962,100	29,970,700	30,058,300	30,240,900
Fleet Operations (*net of internal income)	225,300	234,100	242,100	250,200	258,500	266,900	275,500	284,200	293,000	302,000
Total Operating Expense	37,210,000	34,305,700	36,255,000	36,983,700	37,355,800	36,960,600	37,203,700	39,561,300	39,783,400	40,142,600
Operating Result	1,643,900	6,130,900	4,742,300	6,390,800	13,641,800	16,834,000	19,617,700	20,383,100	21,357,000	22,215,300
Less Depreciation	8,756,500	9,039,400	9,333,300	9,834,800	10,099,500	10,268,300	10,489,800	10,852,500	11,357,700	11,606,200
Operating Result Excluding Non Cash	10,400,400	15,170,300	14,075,600	16,225,600	23,741,300	27,102,300	30,107,500	31,235,600	32,714,700	33,821,500
Add: Loan Drawdown	30,000,000	0	10,000,000	10,000,000	0	0	0	0	0	0
Less: Loan Repayments	4,878,000	4,886,700	4,612,900	2,885,000	2,515,200	2,607,700	2,703,600	2,803,200	2,906,500	3,013,800
Less: Capital Expense	38,305,600	15,516,400	16,421,800	19,442,500	21,901,900	15,527,000	9,101,200	26,070,500	29,147,600	10,569,600
Add: Reserve Transfers	2,783,200	5,232,800	(3,040,900)	(3,898,100)	675,800	(8,967,600)	(18,302,700)	(2,361,900)	(660,600)	(20,238,100)
Estimated Reserves Whole Organisation										
Estimated Reserves Whole Organisation	18,858,800	13,626,000	16,666,900	20,565,000	19,889,200	28,856,800	47,159,500	49,521,400	50,182,000	70,420,100
Net Reserve Movement	(2,783,200)	(5,232,800)	3,040,900	3,898,100	(675,800)	8,967,600	18,302,700	2,361,900	660,600	20,238,100



Workforce Management Plan

2022–2025



Version	Description	Person responsible	Reviewed by	Approved by / Date
0.1	Draft.	Alison Montgomery	H McNeil	
0.2	Draft Workforce Management Plan 2022-2025 endorsed at 11 May 2022 Council meeting for public consultation.			11/05/2022 Resolution: 17/22
1.0	Endorsed by Council at its meeting 15/06/2022.			15/06/2022 Resolution: 28/22

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1. Executive summary

Our Workforce Management Plan (WFMP) was created with the active participation of many people in our organisation. It reflects the knowledge, experience and observations of what we need to do in the future to be successful and thrive and evolve as a valued regional service provider. To do this we will need to provide quality services that support a sustainable and productive region. Our role as primary provider of the services of bulk water, weed biosecurity and flood mitigation is critical for the ongoing success of our region.

The WFMP was developed over several months, with staff consultation and data analysis of our organisational structure, workforce data, capabilities and reference to Local Government New South Wales (LGNSW) metrics and analytics reports.

The WFMP development process identified that we require the right people, in the right place, at the right time, and with the right skills and attributes to achieve Rous's business priorities and services.

Our workforce strategies need to be flexible and adaptable to overcome the challenges we face. These challenges include knowledge loss due to an aging workforce, sourcing skilled employees from and across our region, re-skilling and up-skilling our employees (while maintaining business continuity), thriving and evolving in an environment where expected levels and standards of service may vary, and finally, being able to respond to legislative change (e.g., biosecurity and coastal protection).

Our WFMP aims to ensure we have:

- the workforce capability for a productive, sustainable and inclusive future
- the capacity to develop and use the skills of our workforce to meet the needs and aspirations of our constituent councils.

Over the next three years, our WFMP objectives will set out to achieve this vision and address the challenges, we will focus on the following.

- Continued emphasis on developing our leaders and future leaders.
- Continued development and implementation of our capability framework.
- Continued development of a succession planning framework.
- Continued investment in employee skill development.
- Review our remuneration system to ensure it is agile to attract and retain key staff.
- Continued effort in building and attracting a diverse workforce.
- Establishing and embedding a consistent and integrated approach to workforce planning.
- Measuring and improving our employee engagement.
- Managing well any workplace change, including site relocations.

Implementing our WFMP will result in an organisation that provides an exemplar of best practice having regard to our size and scale as a County Council, is highly regarded and is an employer of choice for the local region.

Implementation of our WFMP is the next critical stage. This responsibility rests with our Leadership Team (LT) and Leadership Group (LG) working collaboratively to ensure objectives and timeframes are achieved, with progress to be reviewed regularly with reporting at least every six months.

In our WFMP we will document and detail the initiatives and measures that support our WFMP objectives and the timeframes for defining, designing and planning, developing and implementing and monitoring of those initiatives.

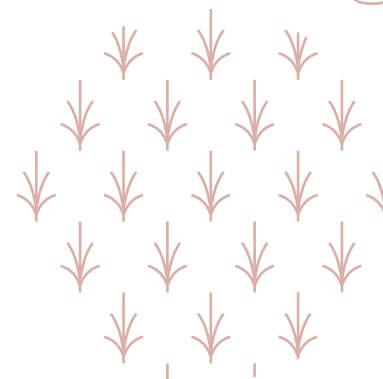
Our WFMP is a dynamic document that is sensitive to our changing environment, both internal and external, to ensure it remains relevant for our business needs. Therefore, the initiatives may also be varied over the three years.

2. What is a Workforce Management Plan?

A WFMP is a key planning document that enables organisations to be appropriately resourced to manage challenges they may face in the future.

An effective WFMP analyses the internal and external environment and identifies future labour needs, including head count, timeframes for key deliverables and skills required to maximise delivery and ensure sustainability.

The primary purpose of our WFMP is to ensure we achieve our mission, vision and goals, through our most valuable resource – our people. With our employees' knowledge, skills commitment and ongoing development, we will achieve our goals and tackle our challenges front on.





Our Mission

Partner with our constituent councils to provide quality services that support a sustainable and productive region.

Our Vision

Thrive and evolve as a valued regional service provider.

Our Values

Staff developed and adopted a set of values that we use as a guide for how we act and behave:

- **Safety** – safety first 24/7
- **Teamwork** – one team, one purpose
- **Accountability** – own it, solve it, achieve it
- **Respect** – be honest, be fair.

Our preferred culture

We are focused on building a culture of achievement and collaboration.

We want:

- a focus on achievement through working together
- clear purpose and goals
- clear roles and priorities
- innovative thinking to achieve our goals
- awareness of the needs of others
- support and coaching of each other
- a focus on growth and development – individually and collectively
- adaptability and an openness to change.



Our organisation

We are organised to best deliver our core functions and services to our customers.

Our workgroups are currently organised in the following way.

General Manager

Planning and Delivery

Strategic Planning
Catchment and Cultural Awareness
Asset Management
Planning and Development
Water Sustainability

People and Performance

Governance and Risk
Customer and Communications
Health Safety and Environment
People and Culture

Corporate and Commercial

Richmond Water Laboratories
Finance
IT
Stores

Operations

Water Operations and Trades
Weed Biosecurity and Bush Regeneration
Flood Mitigation
Dams and Treatment



6. Snapshot of our workforce



Number of employees in each group





Workforce statistics

Number of staff aged 15-25	3
Number of staff aged 26-35	19
Number of staff aged 36-45	26
Number of staff aged 46-55	24
Number of staff aged 56-65	19
Number of staff aged 65+	0

The average age of a Rous employee is 45 years old.

Number of male staff	53
Number of female staff	38
Number of staff – gender unspecified	0
Number of Aboriginal and Torres Strait Islander staff	2

Tenure - Number of staff with 0-5 years	42
Tenure - Number of staff with 6-10 years	15
Tenure - Number of staff with 11-15 years	19
Tenure - Number of staff with 16-20 years	10
Tenure - Number of staff with 21-25 years	2
Tenure - Number of staff with 26+ years	3

The average length of service is 8.5 years, with a turnover rate of 9.89.% – which is slightly lower than the NSW Local Government median (LGNSW Analytics Metrics Survey 2021).

7. Our current environment

As a county council we face many of the same challenges as other councils across NSW in developing our workforce for the future.

Key challenges include:

- shortages of qualified staff
- an ageing workforce
- attracting and retaining the right people, who are the best fit for critical roles
- achieving diversity within the workforce
- leadership capability and capacity
- legislative changes
- increased demands for flexibility by our staff.

Objective	What workshops identified
Objective 1 Leadership development	We will develop leaders that inspire, lead and motivate employees to realise their potential and respond to opportunities and challenges.
Objective 2 Invest in our workplace	We will attract and retain great people who understand the important part they play in the organisation and are focused on making a positive contribution to the way we do things.
Objective 3 Improving our employee experience	We will encourage a culture of continuous improvement, personal growth and development to enhance individual and collective performance.
Objective 4 Workplace change	We will embrace a constructive workplace culture and environment that supports the development of our people to be our best and to create an environment that supports the development of our people to be our best and to create an environment where we understand the need for change and embrace the challenges and opportunities change brings.

Objectives will be assigned to relevant stakeholders within leadership and supervisory groups via their Performance Appraisals in consultation with the People and Culture Manager and Leadership Team.

Objective 1: Leadership development

We will develop leaders that inspire, lead and motivate employees to realise their potential and respond to opportunities and challenges.



Action for the year.



Not an action for the year, or action completed.



















Objective 2: Invest in our workplace

We will attract and retain great people who understand the important part they play in the organisation and are focused on making a positive contribution to the way we do things around here.

Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
1. Continued emphasis on developing our leaders and future leaders.	1.1 Ongoing implementation of a leadership program.	To ensure leaders have the necessary skills and capabilities to manage the workforce.		LT (PCM support)	
	1.2 Develop and implement a supervisory program for supervisors and emerging leaders.	To ensure we invest in our supervisors and emerging leaders and provide them with the capabilities to effectively manage their staff.			















Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
2. Continued development and implementation of our capability framework.	2.1 Review and refine our capability framework.	Ensure our capabilities are current with regard to LGNSW capability framework.			
	2.2 Continue to embed the capability framework in position descriptions, performance appraisals, job evaluations and salary structure skill steps.	A clearly understood capability system that underpins all HR practices will provide role clarity and performance expectations across the organisation.			

Objective 2: Invest in our workplace (continued)
















Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
3. Succession planning.	3.1 Continued development of a succession planning framework.	Harness the knowledge from those leaving the organisation and embrace transition to retirement practices.			
		Identify emerging talent and provide training opportunities for future known vacancies so that existing staff can compete for vacancies with those in the marketplace.			
4. Continued investment in employee skill development.	4.1 Enhance the existing orientation and induction programs for new employees, including additional online learning modules.	A programmed approach to inducting new employees ensures a consistent message to all.			
	4.2 Review and refine onboarding modules to ensure the program remains current and relevant.				
5. Review of salary system.	5.1 Review the provisions of the salary system.	Ensure the salary system is flexible enough to pay labour market premiums required to attract staff, and retention payments where required to retain staff.			
6. Maximise the full potential of our workforce.	6.1 Continued emphasis on Rous's culture and values.	Ensure culture and values statements are included in internal communications, measured in performance appraisals and consider implementing within the salary steps.			

Objective 3: Improving our employee experience










We will encourage a culture of continuous improvement, personal growth and development to enhance individual and collective performance.

Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
7. Continued effort in building and attracting a diverse workforce.	7.1 Create alternative employment pathways: scholarships, cadetships, graduate or trainee/ apprentice programs.	Ensure attraction of diverse people to work for Rous via TAFE, university, and employment agencies servicing minor groups (incl. First Nations People and people with a disability).			
	7.2 Review, update and expand the visibility of the Employee Value Proposition.	Employee Value Proposition publicly available and promoted.			
	7.3 Ensure Council's recruitment and selection techniques and policy is best practice.	Review the recruitment policy and guidelines to ensure it reflects best practice techniques and agility in recruiting our staff.			
8. Establish and embed a consistent and integrated approach to workforce planning.	8.1 Review the succession plan for business-critical roles.	Promote succession planning as a standard expectation of manager's workforce planning responsibilities.			
	8.2 Commence a biennial facilitation and review session of the contents of the Workforce Management Plan.	Ensure the Workforce Management Plan becomes an integrated part of the management of employees at Council.			
	8.3 Establish a suite of workforce reporting metrics.	Metrics are meaningful and easily able to be measured.			

Objective 3: Improving our employee experience (continued)

























Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
9. Measure and improve employee engagement.	9.1 Undertake employee 'pulse' surveys.	Meaningful surveys of current issues and themes.			
	9.2 Conduct an employee engagement survey on a biennial basis.	To allow analysis of trend data, ensure a biennial engagement survey is undertaken.			
		Facilitate workshops to disseminate the results of the survey and workshop solutions to any areas for improvement identified within the survey.			
10. Review the Flexible Working Arrangements policy.	10.1 Continually evolve flexible working practices that have evolved during the short-term pandemic. Council will be open to exploring flexible working arrangements where they are operationally feasible and desirable for employees and Council.	Embrace a flexible workforce that is agile and able to respond and work well in some positions with a mix of office and working from home arrangements.			
11. Reward and recognition.	11.1 Develop a reward and recognition program.	Workshop with managers and employees for ideas and concepts that will lead to the development of a formal reward and recognition program, which may be monetary but can also be additional access to learning opportunities, secondment opportunities and the like.			

Objective 3: Improving our employee experience (continued)

Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
12. Learning and Development program.	12.1 Review existing training expenditure to ensure Council are maximising the return in training that is both relevant to employees and Council.	Review training with the view to redirect the funding for training that is not meeting objectives to be redirected to new and unique learning and development opportunities.			
	12.2 Planning sessions conducted on new plant and equipment required in the coming term, and the skill sets required to operate them.	Structured operational planning and training of staff.			
13. Knowledge transfer.	13.1 Develop a formalised knowledge transfer process.	For those who are known well in advance that they are exiting, commence a buddy system with a coworker to ensure all skills and local knowledge is shared and therefore retained within the organisation.			
14. Transition to retirement.	14.1 Embrace the concept of staff transitioning to retirement where possible.	Upon application, consideration to be given to transition arrangements, e.g. being able to move to working in a part time capacity for a stated period of time.			

Objective 4: Embrace workplace change

We will embrace a constructive workplace culture and environment that supports the development of our people to be our best and to create an environment where we understand the need for change and embrace the challenges and opportunities that change brings.

Action	What we will do	Why will we do it	2022-23	2023-24	2024-25
15. Relocation of Council operations to a new facility in Ballina.	15.1 Consult and address any factors mitigating the success of the move.	Effective and meaningful consultation by various methods.			
		Decisions made are evidence-based and factual.			
		Greater staff involvement in the early stages.			
		Ensuring relevance and availability of flexible work practices to support the relocation.			
16. Review of organisation structure and resourcing.	16.1 Review of Council's establishment and 'right-size' the organisation where required.	Clear and open communication with staff on the need to review Council structure.			
		Retrain and redeploy in the first instance where necessary, identifying skills gaps and training opportunities.			
17. Acknowledge change fatigue.	17.1 Manage the ongoing change process, mapping potential change and ensuring the rate of change is able to be accepted by staff.	Effective and meaningful consultation on workplace change.			
18. Digitise business processes.	18.1 Continue to digitise business processes and refine those already in place.	To enable our people to work effectively and to improve and achieve business outcomes.			



Asset Management Strategy

2022–2035

Asset Management Strategy

Asset Management Plan (Water)

Asset Management Plan (Flood)

