



Long-Term Financial Plan

1 July 2024 – 30 June 2034

Bulk water | Retail water
Flood mitigation | Weed biosecurity
Property

23 May 2024

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1. Introduction

1.1. The Long-Term Financial Plan

- i. Is a regulatory requirement under the *Local Government Act 1993* and the Local Government (General) Regulation 2021 and forms part of Rous County Council's (Rous) Resourcing Strategy within its Integrated Planning and Reporting (IP&R) Framework. A key aspect of this framework is the preparation of a ten-year Resourcing Strategy to identify what is needed to implement the Business Activity Strategic Plan (BASP), Delivery Program (DP) and Operational Plan (OP). The Resourcing Strategy consists of the Asset Management Plan (AMP), Workforce Management Plan (WMP) and Long-Term Financial Plan (LTFFP). This document provides an overview of Council's LTFFP.
- 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 BASP (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 DP and OP.

1.2. About Rous County Council

Rous County Council (Rous) was formed on 1 July 2016 with the amalgamation of the former entities: Rous Water, Far North Coast Weeds and Richmond River County Council.

Rous performs three major functions:

- Bulk water supply
- Weed biosecurity
- Flood mitigation.

These functions are accounted for within six reporting units:

Bulk water supply: Regional water supply authority providing water in bulk to the local government areas of Ballina, Byron, Lismore and Richmond Valley.

Retail water supply: Water supply to retail customers directly from the bulk water supply mains.

Weed biosecurity: Weed biosecurity services are undertaken across the four constituent council areas and provided to the councils of Kyogle and Tweed Shire under service level agreement arrangements.

Flood mitigation: Flood mitigation services are provided across the non-urban areas of Ballina, Lismore and Richmond Valley councils. Rous is responsible for construction, maintenance, and replacement of flood mitigation infrastructure.

Property: Includes property management of the Perradenya Residential Estate, rural properties, commercial properties and sub-leasing of the Rous administration building.

Two councillors are elected to Rous from each constituent council. They take up a position as a Rous councillor for the same term as they have been elected to represent their constituent council.

1.3. Mission, Vision, Values and Priorities

The following corporate objectives have been developed to enable Rous to achieve its IP&R goals.

Mission

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

Vision

Thrive and evolve as a valued regional service provider.

Values

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

Priorities

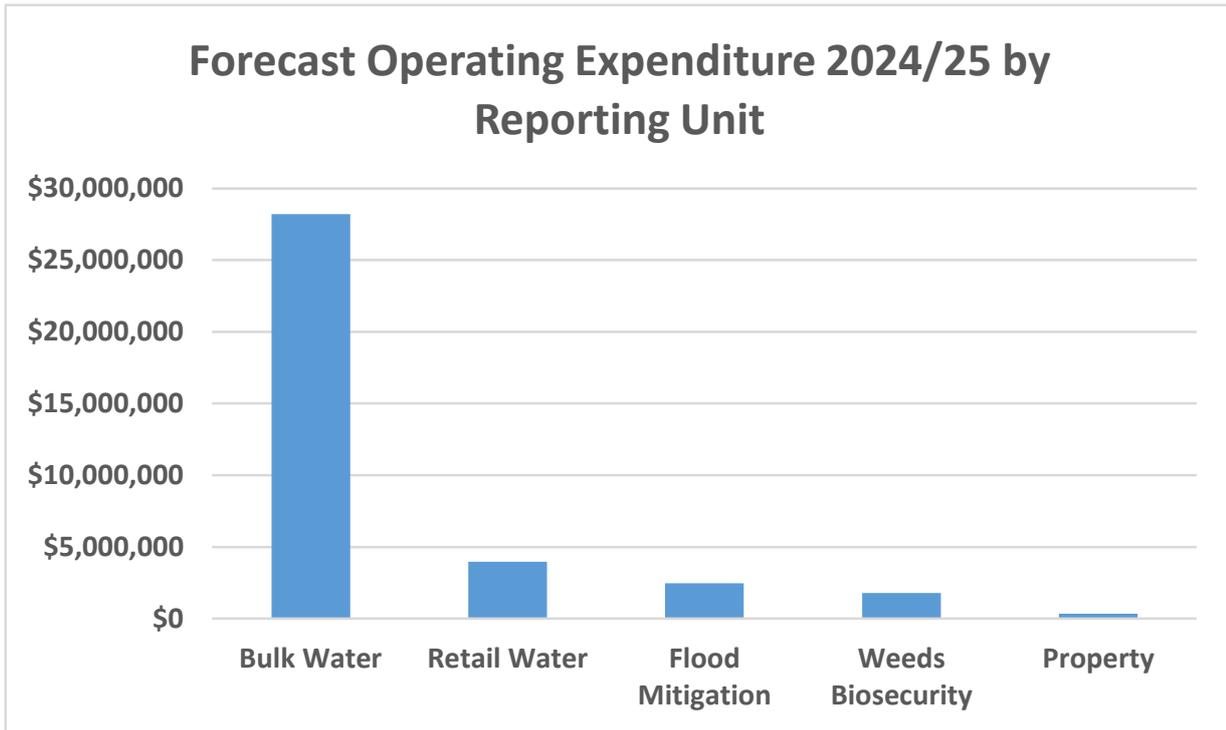
- Sustainable delivery.
- External relationships.
- Our people.
- Leadership and innovation.

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.

Graph 1: Forecast operating expenditure 2024/25



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, 2021/22 and 2022/23. This information is useful to assess Rous' previous performance and financial position.

Table 1: Historical performance

	Actuals		
	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 program.
- 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 to measure 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

The LTFP has been shaped to reflect the primary structure, known as the ‘consolidated organisation’ (the organisation as a whole), and the various functions which are known as reporting units.

The reporting units are:

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

It is intended that each reporting unit operates on a stand-alone basis. The following pages summarise the shape of the information. The basic format is replicated for each reporting unit to show important financial information, including financial terms and ratios while the capital works program and balance sheet are shown for the consolidated organisation.

Table 2: Financial terms

Financial term	Definition
Operating income	<i>Gross income that flows into the reporting unit typically on a recurrent basis. Includes items such as water sales, contributions, and interest on investments.</i>
Operating expense	<i>Recurrent expenses such as salaries and wages, electricity, maintenance, and depreciation. (Note that in respect to maintenance expenditure on assets there can be a fine line as to whether this expense is operating or capital in nature. Where the expense is to allow the asset to continue to provide normal service, it would be ‘operating’. Where the expense looks to extend the useful life of an asset it would typically be classified as capital.)</i>
Operating result	<i>Operating income less operating expense. Each reporting unit looks to achieve a surplus of income over expense to be sustainable. It is acceptable to have a loss from time to time, however ideally, each reporting unit aims to achieve a surplus on a recurrent basis.</i>
Operating result excluding non-cash	<i>Equals the operating result excluding non-cash items such as depreciation. It is common to achieve an operating loss but a cash surplus. This is because, while cash income has exceeded expense, it has not been sufficient to meet the estimated reduction to the useful life in assets (depreciation). A cash surplus indicates the amount of discretionary funds that Council has available to apply.</i>
Capital income	<i>Often a one-off type of event such as loan borrowings or a grant / contribution that will be applied to capital expenditure. This category also includes developer contributions that are received annually.</i>
Capital expense	<i>Application of funds to acquire or improve an asset. For example, the initial purchase of a building and then expense to expand the building would be classified as capital.</i>

Financial term	Definition
Transfer to reserve	<i>Excess funds placed into an agreed cash reserve.</i> Reserve transfers (to or from reserve) in the financial plan are the net movement of operating/capital income and operating/capital expense. Transfers to or from reserve remain within the same reporting unit.
Transfer from reserve	<i>Extraction of cash funds from a reserve to enable approved expenditure.</i>
Estimated reserve balance	<i>Estimated cash balance of funds on hand.</i> Accumulated funds held for approved purposes. (Council's 'Financial Reserves' policy.)

Table 3: Ratio definitions

* Benchmark: Office of Local Government / NSW TCorp.

Ratio name	Ratio calculation	Ratio purpose	*Benchmark
Operating performance ratio (Medium-term outlook)	<i>Net operating result from continuing operations (excluding capital items) as a percentage of operating revenue (excluding capital items).</i>	<i>Measures whether the Council is sustainable in terms of its operating result. It is an indication of continued capacity to meet on-going expenditure requirements. Recurrent operating deficits are unsustainable.</i>	>0%
Own source operating revenue (Medium-term outlook)	<i>Shows the percentage of operating income from own sources. Indicates the degree of reliance on external funding sources (e.g., grants and contributions).</i>	<i>Measures fiscal flexibility. Financial flexibility increases as the level of own source revenue increases. Provides greater ability to manage external shocks or challenges and maintain sustainability.</i>	> 60%
Unrestricted current ratio (Short to medium-term outlook)	<i>Unrestricted current assets divided by unrestricted current liabilities.</i>	<i>Provides an indication of the liquidity of the entity or its ability to meet commitments in the short to medium term.</i>	>1.50x
Debt service cover ratio (Short to medium-term outlook)	<i>Operating result excluding loan interest and depreciation divided by loan repayments (principal and interest).</i>	<i>Measure of whether Council has excessive debt servicing costs relative to the adjusted operating result.</i>	>2.00x
Building and infrastructure renewals ratio (Medium to long-term outlook)	<i>Asset renewals divided by depreciation, amortisation and impairment.</i>	<i>Provides an indication of the rate at which assets are being renewed to an equivalent capacity/performance.</i>	>100.00%

Table 4: Capital works program definition

Capital works program	<p><i>Presents the proposed capital works expenditure over ten years.</i></p> <p>The table includes columns titled 'New asset' and 'Asset renewal' that are expressed as a percentage. This indicates whether the expenditure will be to extend the life of an existing asset or to create/acquire a new asset. In some instances, the project may be a combination of the two.</p> <p>It is common for a proposed capital works program to be partially completed at the end of a financial year. In this instance, the unexpended budget is carried forward to the next year to enable the work to be completed.</p>
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Table 5: Balance sheet definition

Balance sheet	<p><i>Shows the forecast financial position for the next ten years.</i></p> <p>The forecast balance sheet incorporates numerous assumptions, and it must be accepted that they provide an indication of where the organisation is heading at best.</p>
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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).

Table 6: Colour scheme

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

It will be noted that the **net cash movement** (*Table 8: 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 7: Main budget assumptions below 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 7: 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 Program (FWP): 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: Consolidated and for individual reporting units

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 general in nature for the consolidated organisation, while providing more specific details for each reporting unit.

4.1. Consolidated organisation

Table 8: 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.

Table 8: Consolidated organisation operating performance

Rous County Council - Whole of Organisation

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 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	28,969,400	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	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
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 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 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

Recent history

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 2027/2028 when the majority of the existing loans expire, which results in saving 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 are from those required by the Local Government Code of Accounting Practice and are defined above in *Table 3: Ratio definitions*. Rous's forecast performance against the benchmarks is detailed in *Table 9: Consolidated organisation forecast ratios*.

Table 9: Consolidated organisation forecast ratios (excluding capital grants and contributions)

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
Rous County Council - Whole of Organsiation	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Financial Ratios	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Performance Ratio Expressed as a Percentage <u>Operating Income less Operating Expense</u> Operating Income	(12.40)	(5.24)	(5.18)	(1.24)	14.70	20.22	24.24	23.98	24.98	25.72
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 <u>Operating Income less Grants and Contributions</u> Total Operating Income	93.12	97.54	97.67	97.80	87.02	87.73	88.41	89.03	89.22	89.41
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 <u>Operating Result excluding Loan Interest and Depreciation</u> Loan Repayments Principal/Interest	1.07 6,549,900 6,131,300	1.36 9,859,400 7,227,700	1.44 10,346,200 7,193,600	2.18 12,477,800 5,713,200	3.76 19,682,100 5,238,300	4.34 22,737,300 5,238,300	4.85 25,426,200 5,238,300	5.01 26,226,500 5,238,300	5.22 27,365,900 5,238,300	5.37 28,121,100 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.									
Unrestricted Current Ratio <u>Current Assets less External Restrictions</u> Current Liabilities Less Specific Purpose Liabilities	2.22 25,881,200 11,663,200	1.81 20,256,700 11,219,700	2.37 22,807,600 9,611,500	2.78 26,151,500 9,401,600	2.58 24,923,900 9,659,300	3.36 33,342,500 9,926,400	5.01 51,098,700 10,203,300	5.04 52,916,900 10,490,400	4.92 53,036,500 10,788,000	6.55 72,736,500 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 <u>Asset Renewals</u> Depreciation, Amortisation and Impairment	67.95 5,950,180 8,756,500	62.01 5,605,175 9,039,400	55.15 5,147,300 9,333,300	78.85 7,755,000 9,834,800	151.60 15,310,900 10,099,500	82.95 8,517,500 10,268,300	22.12 2,319,900 10,489,800	92.05 9,990,200 10,852,500	32.51 3,692,350 11,357,700	20.31 2,357,200 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 9a: Select consolidated organisation forecast ratios (total revenue)

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
Rous County Council - Whole of Organisation	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Financial Ratios (including Capital Revenue)	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 excluding Loan Interest and Depreciation</u>										
Operating Result	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 10: Consolidated organisation forecast balance sheet*.

Table 10: Consolidated organisation forecast balance sheet

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 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
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 LTFFP. 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 the *Table 11: Consolidated organisation forecast statement of cash flows*.

Table 11: 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										
<u>Receipts</u>										
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
<u>Payments</u>										
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)	(2,747,200)	(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										
<u>Receipts</u>										
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
<u>Payments</u>										
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)
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

4.2. Bulk water reporting unit

Overview

- The LTFP sees significant additional spending due to the future water program to secure our regions water.
- Over the next ten years the FWP will focus on building bores at Woodburn, a groundwater treatment plant at Alstonville, the Marom Creek water treatment plant, land acquisitions for groundwater and Tyagarah groundwater.
- The focus of the LTFP is to grow the operating surplus over the forward load, whilst carefully balancing the amount of borrowings Council takes and the impact of servicing those loans.
- Council has sought to contain operating costs across the forward load, the main variability arises from salary and wage costs, chemical and electricity prices and work on projects.

Revenue

- The majority of bulk water revenue comes directly from the Constituent Councils. Council has sought to provide surety to its constituents by adhering to the previously advised price path as below.

Table 12: Forecast % increase to constituent councils' contributions for bulk water

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Cumulative Total
Proposed % Increase	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	2.0%	2.0%	78.8%

- Council's charging methodology means the allocation to each council is based on the prior year's usage.
- Water consumption increased over the calculation period with Byron and Richmond Valley's proportion of the weighted average charge increasing beyond the 7.0% increase.

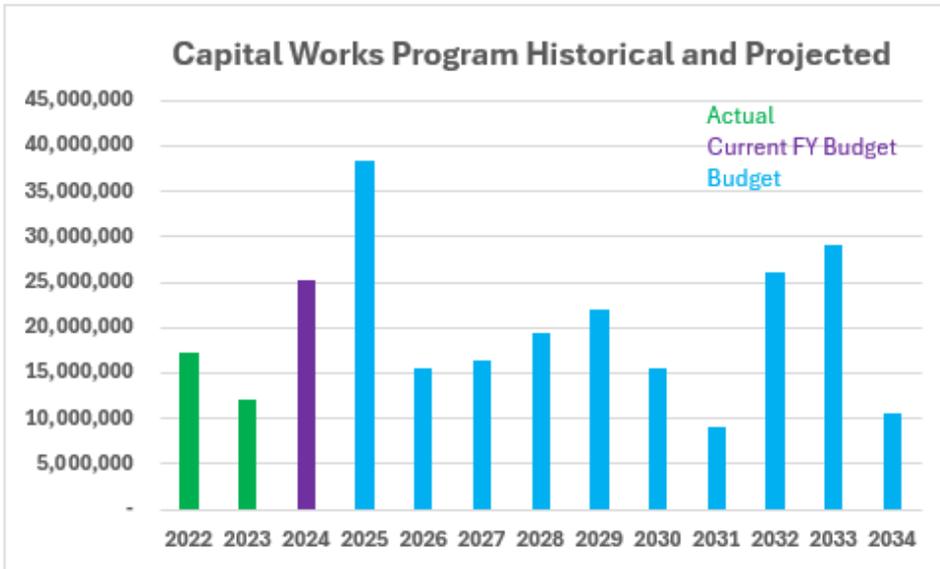
Table 13: Proposed bulk water contributions constituent councils and retail water

	2023/24	2024/25	Movement	Movement
	\$	\$	%	\$
Lismore City Council	6,542,200	6,873,500	5.06	331,300
Byron Council	5,571,300	6,374,300	14.41	803,000
Richmond Valley Council	1,348,700	1,483,900	10.02	135,200
Ballina Council	8,334,500	8,799,100	5.57	464,600
Rous Retail	2,041,000	1,975,500	(3.21)	(65,500)
Total	23,837,700	25,506,300	7.00	1,668,600

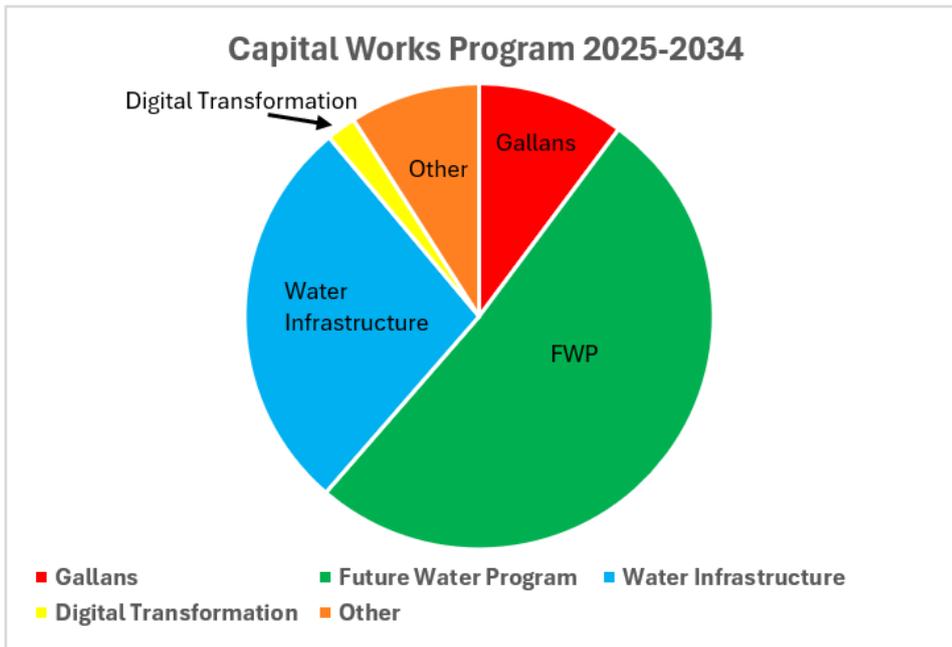
Capital Works

- FY25 capex is significantly higher than other years and includes one-off projects for our new consolidated workplace premise and digital transformation as well as investment in the future water program.
- Over the next ten years the future water program capex results in a significant cost increase representing \$103.4M or 51.2% of total capital works.

Graph 2: Capital works program historical and projected



Graph 3: Capital works program 2025-2034



Funding

- The scale of the capital works to be undertaken will result in additional borrowings being required over the forward load.
- A balance is required between what Council can borrow to fund works and the additional costs required to repay these funds, particularly with current interest rates resulting in financing costs being more expensive than in recent years.

Table 14: Estimated borrowings 2025 – 2034

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
Amount \$	30,000,000	-	10,000,000	10,000,000	-	-	-	-	-	-	50,000,000
Estimated Rate	6.50%		5.50%	5.00%							5.67%

- Interest rates are predicted to decrease over time however it is difficult to predict exactly just what will occur and when.
- All loans have been calculated based on a standard principal and interest repayment over 20.

Table 15: Bulk water operating performance shows the forecast operating performance, capital movements, reserve transfers and the estimated cash reserve balances for the reporting unit.

Table 125: Bulk water operating performance

Rous County Council - Bulk Water Supply

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
BULK										
Operating Income										
User Charges and Fees	23,530,800	25,178,000	26,940,500	28,826,300	30,844,100	33,003,200	35,313,400	37,785,300	38,541,000	39,311,800
Other Revenue	178,500	182,000	185,500	189,100	192,800	196,600	200,500	204,500	208,600	212,800
Grants and Contributions	757,100	0	0	0	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Interest and Investment Income	718,100	665,700	530,100	444,300	460,500	472,300	535,700	490,500	495,100	495,100
Other Income	23,800	24,500	25,200	26,000	26,800	27,600	28,400	29,300	30,200	31,100
Capital Income	5,850,000	7,121,000	5,678,000	5,877,000	6,083,000	6,296,000	6,516,000	6,744,000	6,980,000	7,224,000
Total Operating Income	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
Operating Expense										
Employee Benefits and On-Costs	9,960,200	10,127,600	9,811,500	9,944,800	10,067,600	10,172,100	10,332,200	10,524,300	10,720,600	10,920,900
Internal Overheads	(780,600)	(751,100)	(760,600)	(773,100)	(798,500)	(862,800)	(897,300)	(959,700)	(1,009,600)	(1,042,700)
Internal Distributions	(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)
Materials and Services - Materials and Consumables	2,348,200	2,108,200	2,258,200	2,108,200	2,108,200	2,108,200	2,108,200	2,108,200	2,108,200	2,108,200
Materials and Services - Contractors and Consultancy Fees	3,386,700	1,557,200	3,401,000	3,473,400	3,528,400	2,863,800	2,811,900	4,663,200	4,263,000	4,230,200
Materials and Services - Chemicals	1,841,800	1,841,800	1,841,800	1,841,800	1,841,800	1,841,800	1,841,800	1,841,800	1,841,800	1,841,800
Materials and Services - Electricity	2,288,200	2,288,200	2,288,200	2,288,200	2,285,700	2,285,700	2,285,700	2,285,700	2,285,700	2,285,700
Materials and Services - Insurance	353,900	353,900	353,900	353,900	353,900	353,900	353,900	353,900	353,900	353,900
Materials and Services - IT Expenses	1,026,000	1,026,000	1,026,000	1,026,000	1,026,000	1,026,000	1,026,000	1,026,000	1,026,000	1,026,000
Materials and Services - Other	851,400	606,700	606,700	606,700	603,300	603,300	603,300	603,300	603,300	603,300
Borrowing Costs	1,874,400	2,565,800	2,843,000	3,108,200	2,983,300	2,868,500	2,747,200	2,619,100	2,483,300	2,340,900
Depreciation and Amortisation	7,036,600	7,293,700	7,561,400	8,036,300	8,274,000	8,415,400	8,609,100	8,943,700	9,420,300	9,639,800
Other Expenses	0	0	0	0	0	0	0	0	0	0
Gains or Losses	0	0	0	0	0	0	0	0	0	0
Total Operating Expense	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
Operating Result	2,847,000	6,267,000	4,389,900	5,768,300	12,922,900	16,090,400	18,736,500	19,416,100	20,361,700	21,234,700
Less Depreciation	7,036,600	7,293,700	7,561,400	8,036,300	8,274,000	8,415,400	8,609,100	8,943,700	9,420,300	9,639,800
Operating Result Excluding Non Cash	9,883,600	13,560,700	11,951,300	13,804,600	21,196,900	24,505,800	27,345,600	28,359,800	29,782,000	30,874,500
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	37,721,900	14,850,800	15,229,200	18,437,400	20,882,900	14,223,100	8,232,300	25,198,600	27,871,700	9,689,500
Add: Reserve Transfers	2,095,200	5,952,000	(2,371,500)	(3,762,200)	1,941,000	(8,912,900)	(16,622,200)	(542,000)	844,200	(18,287,600)
Estimated Bulk Water Reserves										
Description	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
Bulk Water Reserve	16,589,900	10,637,900	13,009,400	16,771,600	14,830,600	23,743,500	40,365,700	40,907,700	40,063,500	58,351,100

Ratios

The selected ratios are from those required by the Local Government Code of Accounting Practice and specific comments on the reporting units result in comparison to the benchmark are included in *Table 16: Bulk water forecast ratios*.

Table 136: Bulk water forecast ratios (excluding capital grants and contributions)

Rous County Council - Bulk Water Supply	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Financial Ratios	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Performance Ratio Expressed as a Percentage	(11.91)	(3.28)	(4.65)	(0.37)	18.73	25.31	29.75	29.12	30.22	31.10
<u>Operating Income less Operating Expense</u>										
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	The benchmark is not being achieved until 2028/29 when operating revenue exceeds operating expenditure mainly through the increase to bulk water charges.									
Own Source Operating Revenue Expressed as a Percentage	97.00	100.00	100.00	100.00	86.31	87.08	87.83	88.51	88.71	88.90
<u>Operating Income less Grants and Contributions</u>										
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	The benchmark is being achieved in all years.									
Debt Service Cover Ratio	0.96	1.25	1.27	1.93	3.45	4.02	4.50	4.63	4.83	4.96
<u>Operating Result excluding Loan Interest and Depreciation</u>										
Loan Repayments Principal/Interest										
Benchmark	>2	>2	>2	>2	>2	>2	>2	>2	>2	>2
Result	Fail	Fail	Fail	Fail	Pass	Pass	Pass	Pass	Pass	Pass
Comment	The ratio indicates that operating result is weak compared the level of debt being repaid. It suggests that the Reporting Unit has limited discretionary funds because funds are committed to repaying debt. The ratio improves to a satisfactory level from 2028/29 onwards as existing loans for the Wilson's River loans are paid out.									
Unrestricted Current Ratio	2.08	1.60	2.20	2.72	2.44	3.39	5.15	5.07	4.85	6.58
<u>Current Assets less External Restrictions</u>										
Current Liabilities Less Specific Purpose Liabilities										
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	The benchmark is being achieved in all years.									
Buildings and Infrastructure Renewals ratio	77.70%	67.72%	52.59%	84.54%	173.26%	85.96%	17.09%	102.18%	25.86%	15.53%
<u>Asset Renewals</u>	5,467,480	4,939,575	3,976,700	6,793,900	14,335,900	7,233,600	1,471,000	9,138,300	2,436,450	1,497,100
Depreciation, Amortisation and Impairment	7,036,600	7,293,700	7,561,400	8,036,300	8,274,000	8,415,400	8,609,100	8,943,700	9,420,300	9,639,800
Benchmark	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
Result	Fail	Fail	Fail	Fail	Pass	Fail	Fail	Pass	Fail	Fail
Comment	The benchmark is only met in two years of the ten-year program as significant capital expenditure is planned for new assets.									

Table 16a: Bulk water forecast ratios (total revenue)

Rous County Council - Bulk Water Supply	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Financial Ratios (including Capital Revenue)	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Performance Ratio Expressed as a Percentage	9.17	18.89	13.16	16.31	30.33	35.76	39.37	38.64	39.73	40.62
<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 benchmark is achieved in all years when capital revenue is included.									
Debt Service Cover Ratio	1.92	2.23	2.06	2.96	4.62	5.23	5.74	5.91	6.16	6.34
<u>Operating Result excluding Loan Interest and Depreciation</u>										
Loan Repayments Principal/Interest										
Benchmark	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5
Result	Fail	Pass								
Comment	This benchmark is achieved in all years from 2025/26 onwards when capital revenue is included.									

4.3. Retail water reporting unit

Overview

- Significant investment has occurred in the retail water business over the last year as Smart Metering and Backflow devices have been rolled out.
- Costs are flat other than additional costs associated with the larger projects for Smart Metering and Backflow Devices that will be recouped through the additional charges

Revenue

- Water pricing will increase by 8.0%, largely due to the increased cost of bulk water increasing by 7.0%.

Table 17: Forecast price path for charges to Rous retail customers

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Proposed % Increase	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	2.00%	2.50%

Table 18: Retail water operating performance shows the forecast operating performance, capital movements, reserve transfers and the estimated cash reserve balances for the reporting unit.

Table 148: Retail water operating performance

Rous County Council - Retail Water Supply

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
RETAIL										
Operating Income										
User Charges and Fees	3,930,600	4,181,100	4,451,200	4,742,400	5,056,300	5,394,800	5,759,800	6,153,500	6,267,000	6,409,200
Other Revenue	0	0	0	0	0	0	0	0	0	0
Grants and Contributions	0	0	0	0	0	0	0	0	0	0
Interest and Investment Income	20,800	17,600	18,100	19,800	26,600	36,200	41,400	50,200	69,100	69,100
Other Income	0	0	0	0	0	0	0	0	0	0
Capital Income	15,300	15,600	15,900	16,200	16,500	16,800	17,100	17,400	17,700	18,100
Total Income	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
Operating Expense										
Employee Benefits and On-Costs	673,700	728,800	701,500	715,200	729,400	744,200	759,100	774,300	789,800	805,500
Internal Overheads	197,600	221,600	246,000	270,900	296,300	322,200	348,600	375,600	403,100	431,200
Materials and Services - Materials and Consumables	164,200	164,200	164,200	164,200	164,200	164,200	164,200	164,200	164,200	164,200
Materials and Services - Contractors and Consultancy Fees	220,200	415,200	415,200	415,200	415,200	415,200	415,200	415,200	415,200	415,200
Materials and Services - Electricity	0	0	0	0	0	0	0	0	0	0
Materials and Services - Insurance	0	0	0	0	0	0	0	0	0	0
Materials and Services - IT Expenses	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000	114,000
Materials and Services - Other	2,062,800	2,201,100	2,349,000	2,507,300	2,676,700	2,857,900	3,051,800	3,259,300	3,291,100	3,355,200
Borrowing Costs	0	0	0	0	0	0	0	0	0	0
Depreciation and Amortisation	526,500	534,400	542,400	550,500	558,800	567,200	575,700	584,300	593,100	602,000
Other Expenses	0	0	0	0	0	0	0	0	0	0
Gains or Losses	0	0	0	0	0	0	0	0	0	0
Total Expense	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
Operating Result	7,700	(165,000)	(47,100)	41,100	144,800	262,900	389,700	534,200	583,300	609,100
Less Depreciation	526,500	534,400	542,400	550,500	558,800	567,200	575,700	584,300	593,100	602,000
Operating Result Excluding Non Cash	534,200	369,400	495,300	591,600	703,600	830,100	965,400	1,118,500	1,176,400	1,211,100
Less: Capital Expense	168,200	90,800	492,600	94,500	96,400	498,300	100,300	102,300	504,300	106,400
Add: Reserve Transfers	(366,000)	(278,600)	(2,700)	502,900	(607,200)	668,200	(865,100)	(1,016,200)	(672,100)	(1,104,700)
Estimated Retail Water Reserves										
Description	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
Retail Water Reserve	641,000	919,600	922,300	419,400	1,026,600	358,400	1,223,500	2,239,700	2,911,800	4,016,500

Ratios

The selected ratios are from those required by the Local Government Code of Accounting Practice and specific comments on the reporting units result in comparison to the benchmark are included in *Table 19: Retail water forecast ratios*.

Table 19: Retail water forecast ratios (excluding capital grants and contributions)

Rous County Council - Retail Water Supply	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Financial Ratios	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Performance Ratio Expressed as a Percentage <u>Operating Income less Operating Expense</u> Operating Income	(0.19)	(4.30)	(1.41)	0.52	2.52	4.53	6.42	8.33	8.93	9.12
Benchmark	>0	>0	>0	>0	>0	>0	>0	>0	>0	>0
Result	Fail	Fail	Fail	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment	The benchmark is not achieved until 2027/28 due to the rising price of bulk water plus the introduction of smart meters and backflow devices.									
Own Source Operating Revenue Expressed as a Percentage <u>Operating Income less Grants and Contributions</u> Total Operating Income	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Benchmark	>60	>60	>60	>60	>60	>60	>60	>60	>60	>60
Result	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment	The benchmark is forecast to be achieved annually.									
Unrestricted Current Ratio <u>Current Assets less External Restrictions</u> Current Liabilities less Specific Purpose Liabilities	20.84	25.65	25.38	16.29	26.55	14.98	29.09	45.10	55.05	71.24
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	The benchmark is achieved as the Reporting Unit maintains a cash reserve and no external debt.									
Buildings and Infrastructure Renewals Ratio <u>Asset Renewals</u> Depreciation, Amortisation and Impairment	16.75% 88,200 526,500	16.99% 90,800 534,400	17.07% 92,600 542,400	17.17% 94,500 550,500	17.25% 96,400 558,800	17.33% 98,300 567,200	17.42% 100,300 575,700	17.51% 102,300 584,300	17.59% 104,300 593,100	17.67% 106,400 602,000
Benchmark	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
Result	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail
Comment	The benchmark is not met from 2024/25 onwards as depreciation increases significantly with smart metering and backflow device installation.									

Table 19a: Retail water forecast ratios (total revenue)

Rous County Council - Retail Water Supply	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Financial Ratios (including Capital Revenue)	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Performance Ratio Expressed as a Percentage <u>Operating Income less Operating Expense</u> Operating Income	0.19	(3.92)	(1.05)	0.86	2.84	4.83	6.70	8.59	9.18	9.38
Benchmark	>0	>0	>0	>0	>0	>0	>0	>0	>0	>0
Result	Pass	Fail	Fail	Pass						
Comment	The adjusted benchmark is achieved in 2024/25 and then from 2027/28 onwards as per the standard benchmark.									

4.4. Flood mitigation reporting unit

Overview

- Council's Flood Mitigation function operates on a very tight budget, meaning that the team must do a lot of work with little resources.
- There have been no real increases to costs, however, additionally grant funding has been sought to complete additional works.
- The Lismore Levee continues to be owned by Council with the depreciation of the asset not being funded.

Revenue

- Contributions will increase by 8.0% as previously agreed with Constituent Councils to make Flood Mitigation more financial sustainable.
- These cost increases are not significant in dollar terms and are vital for this function to *continue its core operations*.

Table 20: Forecast price path for constituent council flood mitigation contributions

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Cumulative Total
Proposed % Increase	4.6%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	25.0%

Table 21: Proposed flood mitigation council contributions

Service Area	2023/24	2024/25	Increase
Ballina Shire Council	302,700	326,900	24,200
Lismore City Council	302,700	326,900	24,200
Richmond Valley Council	302,700	326,900	24,200
	908,100	980,700	72,600

Table 22: Proposed Ex-Drainage Union council contributions

Service Area	2023/24	2024/25	Increase
Ballina Shire Council	41,800	43,700	1,900
Lismore City Council	41,800	43,700	1,900
Richmond Valley Council	4,000	4,200	200
	87,600	91,600	4,000

Table 23: Flood mitigation operating performance shows the forecast operating performance, capital movements, reserve transfers and the estimated cash reserve balances for the reporting unit.

Table 23: Flood mitigation operating performance

Rous County Council - Flood Mitigation

Name	Operational Plan	Delivery Program			2029	2030	2031	2032	2033	2034
	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate						
FLOOD										
Operating Income										
User Charges and Fees	0	0	0	0	0	0	0	0	0	0
Other Revenue	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
Grants and Contributions	1,808,500	1,207,700	1,250,800	1,295,500	1,330,800	1,367,200	1,398,700	1,431,100	1,464,200	1,498,100
Interest and Investment Income	11,000	11,000	13,300	14,200	16,100	16,400	16,800	18,900	22,000	22,000
Other Income	0	0	0	0	0	0	0	0	0	0
Capital Income	84,600	0	0	0	0	0	0	0	0	0
Total Operating Income	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
Operating Expense										
Employee Benefits and On-Costs	538,400	559,100	553,600	565,000	576,500	588,200	599,800	611,700	623,800	636,200
Internal Overheads	216,100	221,100	226,100	231,100	236,100	271,900	271,100	276,100	281,100	286,100
Materials and Services - Materials and Consumables	116,500	106,500	106,500	106,500	106,500	106,500	106,500	106,500	106,500	106,500
Materials and Services - Contractors and Consultancy Fees	857,300	113,900	98,700	92,700	92,700	132,700	92,700	92,700	67,700	67,700
Materials and Services - Electricity	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Materials and Services - Insurance	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200
Materials and Services - Other	9,100	9,100	9,100	9,100	9,100	9,100	9,100	9,100	9,100	9,100
Borrowing Costs	0	0	0	0	0	0	0	0	0	0
Depreciation and Amortisation	716,300	727,000	737,900	749,000	760,200	771,600	783,200	794,900	806,800	818,900
Other Expenses	0	0	0	0	0	0	0	0	0	0
Gains or Losses	0	0	0	0	0	0	0	0	0	0
Total Operating Expense	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
Operating Result	(551,300)	(519,700)	(469,500)	(445,400)	(435,900)	(498,100)	(448,600)	(442,700)	(410,500)	(406,100)
Less Depreciation	716,300	727,000	737,900	749,000	760,200	771,600	783,200	794,900	806,800	818,900
Operating Result Excluding Non Cash	165,000	207,300	268,400	303,600	324,300	273,500	334,600	352,200	396,300	412,800
Less: Capital Expense	219,500	225,800	236,700	332,600	358,600	405,600	367,600	367,600	368,600	369,700
Add: Reserve Transfers	54,500	18,500	(31,700)	29,000	34,300	132,100	33,000	15,400	(27,700)	(43,100)
Estimated Flood Mitigation Reserves										
Description	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
Flood Mitigation Reserve	577,500	559,000	590,700	561,700	527,400	395,300	362,300	346,900	374,600	417,700

Ratios

The selected ratios are from those required by the Local Government Code of Accounting Practice and specific comments on the reporting units result in comparison to the benchmark are included in *Table 24: Flood mitigation forecast ratios*.

Table 24: Flood mitigation forecast ratios (excluding capital grants and contributions)

Rous County Council - Flood Mitigation	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Financial Ratios	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Performance Ratio Expressed as a Percentage	(34.83)	(42.43)	(36.96)	(33.85)	(32.21)	(35.84)	(31.55)	(30.40)	(27.51)	(26.61)
<u>Operating Income less Operating Expense</u>										
Operating Income										
Benchmark	>0	>0	>0	>0	>0	>0	>0	>0	>0	>0
Result	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail
Comment	The benchmark is not being achieved however the proposed increases to contributions from 2022-2025 improves the forecast ratio. It is relevant to note that depreciation expense includes the Lismore Levee. This asset is funded by Lismore City Council hence the operating deficit shown in the model is arguably overstated. Taking this adjustment into account a regular surplus (favourable adjusted ratio result) is achieved by 2031/32.									
Own Source Operating Revenue Expressed as a Percentage	54.66	85.47	85.84	86.18	86.42	86.64	86.80	86.97	87.14	87.29
<u>Operating Income less Grants and Contributions</u>										
Total Operating Income										
Benchmark	>60	>60	>60	>60	>60	>60	>60	>60	>60	>60
Result	Fail	Pass								
Comment	The benchmark is achieved in every year from 2025/26 onwards as Constituent Council contributions are classed as 'own source revenue'.									
Unrestricted Current Ratio	5.96	5.69	5.87	5.52	5.13	3.93	3.59	3.41	3.58	3.85
<u>Current Assets less External Restrictions</u>										
Current Liabilities less Specific Purpose Liabilities										
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	The ratio meets the benchmark comfortably. The Reporting Unit has no debt which drives the strong result.									
Buildings and Infrastructure Renewals Ratio	30.64%	31.06%	32.08%	44.41%	47.17%	52.57%	46.94%	46.24%	45.69%	45.15%
<u>Asset Renewals</u>	219,500	225,800	236,700	332,600	358,600	405,600	367,600	367,600	368,600	369,700
Depreciation, Amortisation and Impairment	716,300	727,000	737,900	749,000	760,200	771,600	783,200	794,900	806,800	818,900
Benchmark	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
Result	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail
Comment	The ratio fails to meet the benchmark comfortably. The Reporting Unit has no debt however the depreciation on the Lismore Levee is an issue as it is an asset that is funded by Lismore City Council. When this depreciation is eliminated an improved ratio is achieved over the ten-year period.									

4.5. Weed biosecurity reporting unit

Overview

- Council continues to perform Weed & Biosecurity works throughout the region, to our Constituent Councils and to Kyogle and Tweed on service level agreements.

Revenue

Council contributions increase annually with the rate peg %. Since each Council has received an individual rate peg, the lowest increase of 4.6% has been applied.

Table 25: Forecast price path for constituent council weed biosecurity contributions

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Cumulative Total
Proposed % Increase	4.60%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	25.0%

Table 26: Proposed weed biosecurity council contributions

Service Area	2023/24	2024/25	Increase
	\$	\$	\$
Ballina Shire Council	123,000	128,700	5,700
Byron Shire Council	123,000	128,700	5,700
Lismore City Council	161,700	169,100	7,400
Richmond Valley Council	133,800	140,000	6,200
Total Contributions	541,500	566,500	
Kyogle Shire Council *	134,900	141,100	6,200
Tweed Shire Council *	185,200	193,700	8,500
Total Fees	320,100	334,800	
Total Contributions and Fees	861,600	901,300	39,700
Total % Increase			4.6%

* Under service level agreement

* Indicates local government areas under a fee-for-service arrangement.

Table 27: Weed biosecurity operating performance shows the forecast operating performance, capital movements, reserve transfers and the estimated cash reserve balances for the reporting unit.

Table 27: Weed biosecurity operating performance

Rous County Council - Weeds Biosecurity

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
WEEDS										
Operating Income										
User Charges and Fees	-	-	-	-	0	0	0	0	0	0
Other Revenue	-	-	-	-	0	0	0	0	0	0
Grants and Contributions	1,578,600	1,561,600	1,580,000	1,598,800	1,617,900	1,637,400	1,657,300	1,677,600	1,698,300	1,719,400
Interest and Investment Income	53,900	50,200	47,200	42,900	45,100	47,700	50,500	52,800	54,300	54,300
Other Income	-	-	-	-	0	0	0	0	0	0
Total Operating Income	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
Operating Expense										
Employee Benefits and On-Costs	1,143,900	950,000	842,500	861,200	880,200	899,400	919,200	940,100	958,700	977,800
Internal Overheads	311,000	267,500	250,600	244,900	241,100	243,800	252,000	282,400	298,600	298,600
Materials and Services - Materials and Consumables	258,300	254,100	254,100	254,100	254,100	254,100	254,100	254,100	254,100	254,100
Materials and Services - Contractors and Consultancy Fees	30,600	30,600	30,600	30,600	30,600	30,600	30,600	30,600	30,600	30,600
Materials and Services - Electricity	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Materials and Services - Insurance	-	-	-	-	0	0	0	0	0	0
Materials and Services - IT Expenses	-	-	-	-	0	0	0	0	0	0
Materials and Services - Other	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600
Borrowing Costs	-	-	-	-	0	0	0	0	0	0
Depreciation and Amortisation	31,500	32,000	32,500	33,000	33,500	34,000	34,500	35,000	35,500	36,000
Other Expenses	-	-	-	-	0	0	0	0	0	0
Gains or Losses	-	-	-	-	0	0	0	0	0	0
Total Operating Expense	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
Operating Result	(161,900)	58,500	197,800	198,800	204,400	204,100	198,300	169,100	156,000	157,500
Less Depreciation	31,500	32,000	32,500	33,000	33,500	34,000	34,500	35,000	35,500	36,000
Operating Result Excluding Non Cash	(130,400)	90,500	230,300	231,800	237,900	238,100	232,800	204,100	191,500	193,500
Less: Capital Expense	21,000	0	22,000	44,000	44,000	20,000	20,000	20,000	20,000	20,000
Add: Reserve Transfers	151,400	(90,500)	(208,300)	(187,800)	(193,900)	(218,100)	(212,800)	(184,100)	(171,500)	(173,500)
Estimated Weed Bio Reserves										
Description	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
Weed Bio Reserve	665,900	756,400	964,700	1,152,500	1,346,400	1,564,500	1,777,300	1,961,400	2,132,900	2,306,400

Ratios

The selected ratios are from those required by the Local Government Code of Accounting Practice and specific comments on the reporting units result in comparison to the benchmark are included in *Table 28: Weed biosecurity forecast ratios*.

Table 28: Weed biosecurity forecast ratios (excluding capital grants and contributions)

Rous County Council - Weeds Biosecurity	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Financial Ratios	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Performance Ratio Expressed as a Percentage	(9.92)	3.63	12.16	12.11	12.29	12.11	11.61	9.77	8.90	8.88
Operating Income less Operating Expense										
Operating Income										
Benchmark	>0	>0	>0	>0	>0	>0	>0	>0	>0	>0
Result	Fail	Pass								
Comment	The result falls slightly short of the benchmark in the first year before achieving the benchmark from 2025/26 onwards.									
Own Source Operating Revenue expressed as a percentage	58.50	60.14	60.51	60.86	61.37	61.87	62.38	62.87	63.34	63.78
Operating Income less Grants and Contributions										
Total Operating Income										
Benchmark	>60	>60	>60	>60	>60	>60	>60	>60	>60	>60
Result	Fail	Pass								
Comment	The Reporting Unit falls slightly short of the benchmark until 2025/26 . The ratio highlights the fact that the Reporting Unit is more reliant on external grants than may be preferred because service levels would be affected if grant funding reduced or ceased.									
Unrestricted Current Ratio	1.42	1.15	1.27	1.56	1.81	2.06	2.33	2.58	2.79	2.96
Current Assets less External Restrictions										
Current Liabilities less Specific Purpose Liabilities										
Benchmark	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5
Result	Fail	Fail	Fail	Pass						
Comment	The ratio meets the benchmark from 2027/28 onwards. The Reporting Unit has no debt which is a critical factor for the ratio.									

4.6. Property reporting unit

Overview

- Council sub-leases the Molesworth Street administration building, operates rural residential rental properties and the Perradenya estate.

Table 29: Property operating performance shows the forecast operating performance, capital movements, reserve transfers and the estimated cash reserve balances for the reporting unit.

Table 159: Property operating performance

Rous County Council - Property

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
PROPERTY										
Operating Income										
User Charges and Fees	0	0	0	0	0	0	0	0	0	0
Other Revenue	0	0	0	0	0	0	0	0	0	0
Grants and Contributions	0	0	0	0	0	0	0	0	0	0
Interest and Investment Income	7,500	16,200	59,500	85,600	85,400	85,100	84,700	84,300	83,800	83,800
Other Income	155,100	80,700	80,700	80,700	80,700	80,700	80,700	80,700	80,700	80,700
Capital Income	0	0	0	0	0	0	0	0	0	0
Total Operating Income	162,600	96,900	140,200	166,300	166,100	165,800	165,400	165,000	164,500	164,500
Operating Expense										
Employee Benefits and On-Costs	44,200	52,900	45,400	46,300	47,200	48,100	49,100	50,100	51,100	52,100
Internal Overheads	55,900	40,900	37,900	26,200	25,000	24,900	25,600	25,600	26,800	26,800
Materials and Services - Materials and Consumables	0	0	0	0	0	0	0	0	0	0
Materials and Services - Contractors and Consultancy Fees	40,000	40,000	40,000	0	0	0	0	0	0	0
Materials and Services - Electricity	13,700	2,700	2,700	1,000	0	0	0	0	0	0
Materials and Services - Insurance	0	0	0	0	0	0	0	0	0	0
Materials and Services - IT Expenses	0	0	0	0	0	0	0	0	0	0
Materials and Services - Other	135,800	49,300	49,300	41,000	35,000	35,000	35,000	34,900	34,800	34,800
Borrowing Costs	0	0	0	0	0	0	0	0	0	0
Depreciation and Amortisation	43,800	44,500	45,200	45,900	46,600	47,300	48,000	48,700	49,400	50,100
Other Expenses	0	0	0	0	0	0	0	0	0	0
Gains or Losses	0	0	0	0	0	0	0	0	0	0
Total Operating Expense	333,400	230,300	220,500	160,400	153,800	155,300	157,700	159,300	162,100	163,800
Operating Result	(170,800)	(133,400)	(80,300)	5,900	12,300	10,500	7,700	5,700	2,400	700
Less Depreciation	43,800	44,500	45,200	45,900	46,600	47,300	48,000	48,700	49,400	50,100
Operating Result Excluding Non Cash	(127,000)	(88,900)	(35,100)	51,800	58,900	57,800	55,700	54,400	51,800	50,800
Less: Capital Expense	50,000	51,000	52,000	53,000	54,000	55,000	56,000	57,000	58,000	59,000
Add: Reserve Transfers	177,000	139,900	87,100	1,200	(4,900)	(2,800)	300	2,600	6,200	8,200
Estimated Property Reserves										
Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Property Reserve	469,500	329,600	242,500	241,300	246,200	249,000	248,700	246,100	239,900	231,700

Ratios

The selected ratios are from those required by the Local Government Code of Accounting Practice and specific comments on the reporting units result in comparison to the benchmark are included in *Table 30: Property forecast ratios*.

Table 30: Property forecast ratios (excluding capital grants and contributions)

Rous County Council - Property	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Financial Ratios	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Performance Ratio Expressed as a Percentage	(105.04)	(137.67)	(57.28)	3.55	7.41	6.33	4.66	3.45	1.46	0.43
<u>Operating Income less Operating Expense</u>										
Operating Income										
Benchmark	>0	>0	>0	>0	>0	>0	>0	>0	>0	>0
Result	Fail	Fail	Fail	Pass						
Comment	The benchmark is not achieved until 2027/28. The operating result is influenced by cost of Perradenya operational expenses									
Own Source Operating Revenue Expressed as a Percentage	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
<u>Operating Income less Grants and Contributions</u>										
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	All income is classed as 'Own Source' so the benchmark will be achieved annually.									
Unrestricted Current Ratio	82.18	58.31	40.06	28.88	28.09	28.02	27.73	27.11	26.27	25.10
<u>Current Assets less External Restrictions</u>										
Current liabilities less Specific Purpose Liabilities										
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	The Reporting Unit achieves the benchmark.									

5. Capital works program – 10-year forecast

The capital works program is forecast in *Table 31*.

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 31: Capital works program

Capital Works Program	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
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 32: Price path – No capital grants scenario*.

Table 32: 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 33: Consolidated operating performance – No capital grants scenario*.

Table 33: Consolidated operating performance – No capital grants scenario

Rous County Council - Whole of Organisation

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 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	2,255,000	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)	6,358,600	(3,284,800)	(12,619,800)	3,320,900	5,022,300	(14,555,300)
Estimated Reserves Whole Organisation										
Description	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
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 34: Price path – NSW Treasury Corporation loans scenario*.

Table 34: 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 35: Consolidated operating performance – NSW Treasury Corporation loans scenario*.

Table 165: Consolidated operating performance – NSW Treasury Corporation loans scenario

Rous County Council - Whole of Organisation

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 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										
Description	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
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 36: Price path – Return to cyclical interest rates scenario*.

Table 176: 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 37: Consolidated operating performance – Return to cyclical interest rates scenario*.

Table 187: Consolidated operating performance – Return to cyclical interest rates scenario

Rous County Council - Whole of Organisation

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 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										
Description	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate
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