

Long-Term Financial Plan 1 July 2025 – 30 June 2035

Bulk water | Retail water
Flood mitigation | Weed biosecurity
Property

Detailed version

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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 2025/26 to 2034/35. It is relevant to note that Rous also prepares 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. Vision, Mission, Values and Priorities

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

Vision

To be the best guide and partner to our region for its water, biosecurity and rural flood mitigation needs.

Mission

By leveraging our assets, specialist experience and collaborative approach, we aim to take care of what matters in everything that we do.

Values

Our values inform the way we operate, collaborate and make decisions. We use four values as a guide to ensure our team excels with integrity:

- Respect always
- Safety first
- Together as one
- Accountability

Priorities

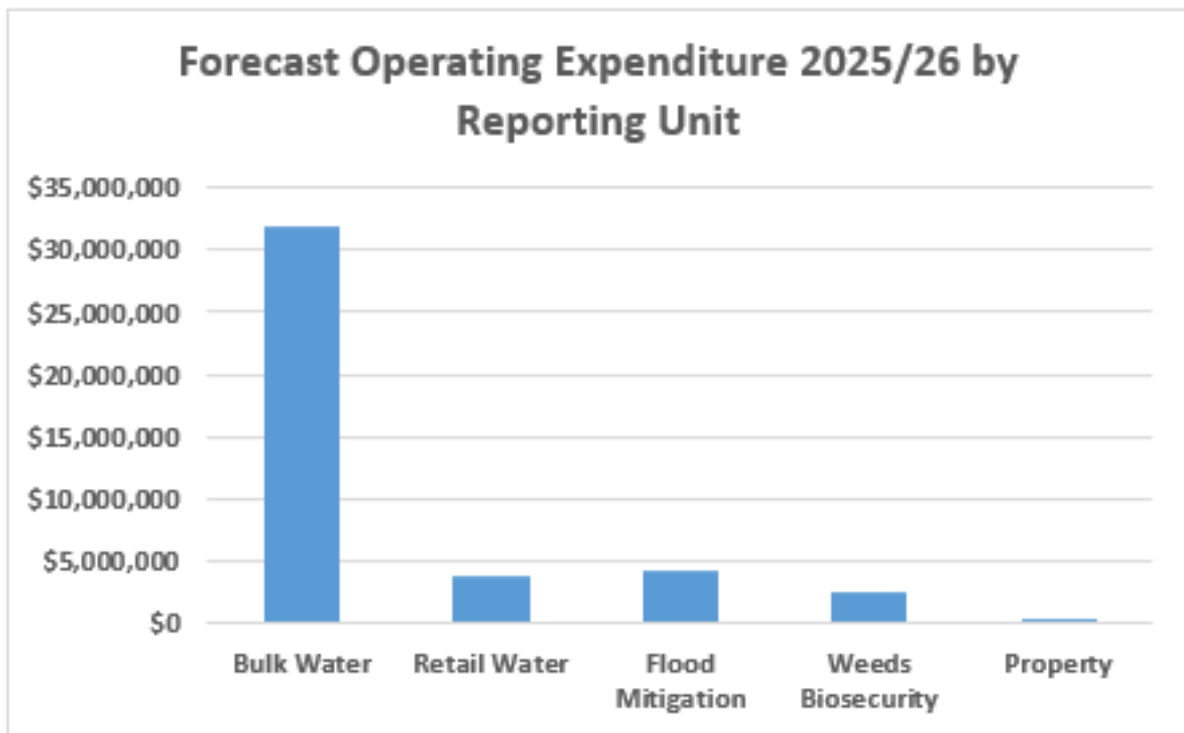
- Be prepared and resilient.
- Transform the way we work.
- Be a future focused trusted business.

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 74% of the consolidated organisation.

Graph 1: Forecast operating expenditure 2025/26 shows the forecast operating expenditure of each of the reporting units in the 2025/26 financial year.

Graph 1: Forecast operating expenditure 2025/26



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 >\$817M

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 \$70.6M 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 2021/22, 2022/23 and 2023/24. This information is useful to assess Rous' previous performance and financial position.

Table 1: Historical performance

	Actuals		
	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)
Operating Result			
Operating Revenue	34,562	36,088	38,425
Operating Expenditure	31,199	31,883	38,573
Operating Result	3,363	4,205	(148)
Adjusted Operating Result excluding Capital Grants and Contributions	(2,268)	(971)	(5,250)
Cash and Investments			
Total Cash and Investments	40,554	37,772	34,211
Other Balance Sheet			
Infrastructure, Property, Plant and Equipment	510,498	569,037	598,128
Outstanding Loan Principal	28,960	25,355	21,530
Performance Indicators			
Operating Performance Ratio (Benchmark >0.00%)	-5.58%	-0.88%	-14.73%
Own Source Operating Revenue Ratio (Benchmark >60.00%)	73.82%	79.50%	79.73%
Unrestricted Current Ratio (Benchmark >1.50x)	4.26x	4.02x	3.62x
Debt Service Cover Ratio (Benchmark >2.00x)	1.65x	1.71x	0.95x
Cash Expense Cover Ratio (Benchmark >3.00 months)	19.90 months	15.24 months	11.59 months
Performance Indicators (including Capital Revenue)			
Operating Performance Ratio (Benchmark >0.00%)	9.73%	11.65%	-0.39%
Debt Service Cover Ratio (Benchmark >2.00x)	2.73x	2.71x	1.98x

3. Financial modelling

3.1. Methodology

The LTFP forecasts the ten years from 2025/26 to 2034/35, 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 2025.

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>
Transfer to reserve	<i>Excess funds placed into an agreed cash reserve. 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.</i>

Financial term	Definition
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 – 2025/26 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	2025/26	
Delivery Program	2026/27 – 2028/29	
LTFP	2029/30 – 2034/35	

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 2025/26 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	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Consumer Price Index	100.00%	100.00%	100.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%
Rate Pegging	103.80%	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	103.00%	102.00%	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%	101.00%	102.00%	102.00%
Loan Interest rate	6.00%	5.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	4.95%	4.95%
Investment Interest Rate	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	2.05%	2.05%
Flood Council contributions	105.00%	104.00%	104.00%	103.00%	103.00%	102.50%	102.50%	102.50%	102.50%	102.50%
Weeds Council contributions	103.80%	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%	102.00%	102.00%	102.00%
Retail Water	108.00%	108.00%	108.00%	108.00%	108.00%	108.00%	108.00%	102.00%	102.50%	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 until 2027/28 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 2025. 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								
	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate	2035 Estimate
Operating Income										
Flood Mitigation	8,101,700	3,888,100	1,320,200	1,358,500	1,391,800	1,423,900	1,461,200	1,499,100	1,527,200	1,564,400
Weeds Biosecurity	2,450,200	2,465,600	2,206,100	1,702,900	1,728,700	1,765,100	1,809,300	1,848,700	1,869,500	1,911,600
Retail Water Supply	4,316,600	4,589,700	4,892,300	5,232,100	5,592,300	5,981,000	6,410,000	6,562,200	6,699,800	6,867,600
Property	84,900	125,200	164,100	168,300	150,800	151,700	164,700	169,800	148,200	158,400
Bulk Water Supply	33,736,300	33,322,400	35,321,100	42,505,300	43,709,900	45,220,500	47,858,200	45,776,200	46,545,400	47,520,300
Fleet Operations	146,000	135,800	136,200	138,500	135,100	140,900	152,900	162,100	151,700	158,700
Total Operating Income	48,835,700	44,526,800	44,040,000	51,105,600	52,708,600	54,683,100	57,856,300	56,018,100	56,941,800	58,181,000
Operating Expense										
Flood Mitigation	4,317,200	2,254,900	1,983,600	2,018,200	2,124,100	2,113,900	2,150,000	2,161,700	2,198,900	2,271,400
Weeds Biosecurity	2,605,800	2,486,100	2,252,900	1,700,000	1,731,400	1,768,700	1,828,800	1,875,300	1,906,000	1,937,100
Retail Water Supply	3,859,900	4,000,600	4,187,300	4,400,400	4,625,600	4,863,800	5,115,500	5,207,000	5,329,500	5,425,700
Property	315,800	307,400	243,200	246,100	250,100	254,900	259,100	264,500	268,800	273,200
Bulk Water Supply	31,887,100	29,273,500	30,513,400	31,113,000	31,363,000	31,625,900	32,271,600	32,684,700	33,130,800	33,739,900
Fleet Operations (*net of internal income)	(56,000)	(47,200)	(27,400)	15,700	13,200	10,700	8,300	5,000	2,100	(1,100)
Total Operating Expense	42,929,800	38,275,300	39,153,000	39,493,400	40,107,400	40,637,900	41,633,300	42,198,200	42,836,100	43,646,200
Operating Result	5,905,900	6,251,500	4,887,000	11,612,200	12,601,200	14,045,200	16,223,000	13,819,900	14,105,700	14,534,800
Less Depreciation	9,432,500	9,982,000	10,235,300	10,510,700	10,821,300	11,144,400	11,481,400	11,806,800	12,100,000	12,408,200
Operating Result Excluding Non Cash	15,338,400	16,233,500	15,122,300	22,122,900	23,422,500	25,189,600	27,704,400	25,626,700	26,205,700	26,943,000
Add: Loan Drawdown	7,000,000	10,000,000	10,000,000	0	0	0	0	0	0	0
Less: Loan Repayments	4,735,600	4,420,200	2,669,700	2,313,800	2,422,000	2,535,600	2,654,800	2,780,100	2,911,600	3,049,700
Less: Capital Expense	33,016,600	14,907,000	17,070,700	21,249,300	20,729,600	18,498,000	23,185,100	18,598,900	18,911,300	19,295,100
Adjustment for Grants held as Liability	(4,024,200)	0	0	0	0	0	0	0	0	0
Add: Reserve Transfers	19,438,000	(6,906,300)	(5,381,900)	1,440,200	(270,900)	(4,156,000)	(1,864,500)	(4,247,700)	(4,382,800)	(4,598,200)
Estimated Reserves Whole Organisation										
Description	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate	2035 Estimate
Estimated Reserves Whole Organisation	15,023,100	21,929,400	27,311,300	25,871,100	26,142,000	30,298,000	32,162,500	36,410,200	40,793,000	45,391,200
Net Reserve Movement	(19,438,000)	6,906,300	5,381,900	(1,440,200)	270,900	4,156,000	1,864,500	4,247,700	4,382,800	4,598,200

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 2027/28.

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 \$27M 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 \$4M 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			2030	2031	2032	2033	2034	2035
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Financial Ratios	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Rous County Council - Whole of Organisation										
Operating Performance Ratio Expressed as a Percentage <u>Operating Income less Operating Expense</u> Operating Income	(17.90)	(4.44)	(1.24)	2.80	7.00	11.63	15.12	15.76	15.84	16.09
Benchmark	>0	>0	>0	>0	>0	>0	>0	>0	>0	>0
Result	Fail	Fail	Fail	Pass	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	91.21	95.74	95.97	97.45	97.55	97.66	97.77	97.77	97.77	97.77
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	0.74	1.56	2.29	2.86	3.27	3.78	4.23	4.37	4.43	4.53
Benchmark	>2	>2	>2	>2	>2	>2	>2	>2	>2	>2
Result	Fail	Fail	Pass	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	1.73	2.65	3.24	3.03	2.99	3.30	3.39	3.67	3.95	4.23
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	132.06	82.39	92.25	116.86	88.37	59.62	91.90	58.22	78.38	72.72
Benchmark	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
Result	Pass	Fail	Fail	Pass	Fail	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	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<u>Financial Ratios (including Capital Revenue)</u>	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	12.09	14.04	11.10	22.72	23.91	25.68	28.04	24.67	24.77	24.98
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 <u>Operating Result excluding Loan Interest and Depreciation</u> Loan Repayments Principal/Interest	2.51 17,618,200	2.69 18,794,600	3.26 17,953,500	4.94 24,835,100	5.18 26,026,500	5.51 27,680,000	5.98 30,075,600	5.55 27,872,600	5.63 28,320,100	5.75 28,919,300
Benchmark	>2	>2	>2	>2	>2	>2	>2	>2	>2	>2
Result	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment	This ratio exceeds the benchmark in all years.									

Forecast balance sheet

The forecast is 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								
	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate	2035 Estimate
ASSETS										
Current Assets										
Cash and Cash Equivalents	6,249,700	6,624,100	7,075,100	6,540,700	7,124,500	6,812,800	7,066,800	6,454,700	6,271,400	6,978,000
Investments	8,773,400	15,305,300	20,236,200	19,330,400	19,017,500	23,485,200	25,095,700	29,955,500	34,521,600	38,413,200
Receivables	4,284,200	4,369,900	4,457,300	4,546,400	4,637,300	4,730,100	4,824,700	4,921,100	5,019,700	5,120,300
Inventories	377,800	385,400	393,100	400,900	409,000	417,200	425,500	434,000	442,600	451,500
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	1,271,400	1,296,800	1,322,700	1,349,200	1,376,200	1,403,700	1,431,800	1,460,400	1,489,600	1,519,400
Total Current Assets	20,956,500	27,981,500	33,484,400	32,167,600	32,564,500	36,849,000	38,844,500	43,225,700	47,744,900	52,482,400
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	1,900,800	1,938,800	1,977,600	2,017,200	2,057,600	2,098,800	2,140,800	2,183,600	2,227,300	2,271,800
Infrastructure	619,079,000	624,527,800	632,105,200	643,344,300	653,733,400	661,674,300	674,041,000	681,503,900	689,135,900	696,639,600
Property, Plant and Equipment	26,438,600	26,496,800	26,335,400	26,414,000	26,510,800	26,499,500	26,410,900	26,312,900	26,063,300	26,015,900
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	239,700	244,500	249,400	254,400	259,500	264,700	270,000	275,400	280,900	286,500
Other	267,300	272,600	278,100	283,700	289,400	295,200	301,100	307,100	313,200	319,500
Total Non-Current Assets	647,925,400	653,480,500	660,945,700	672,313,600	682,850,700	690,832,500	703,163,800	710,582,900	718,020,600	725,533,300
TOTAL ASSETS	668,881,900	681,462,000	694,430,100	704,481,200	715,415,200	727,681,500	742,008,300	753,808,600	765,765,500	778,015,700
LIABILITIES										
Current Liabilities										
Payables	3,542,900	3,613,800	3,686,100	3,759,900	3,835,000	3,911,800	3,990,100	4,070,000	4,151,400	4,234,300
Contract Liabilities	1,418,600	1,447,000	1,476,000	1,505,500	1,535,600	1,566,300	1,597,700	1,629,700	1,662,300	1,695,600
Lease Liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings	4,420,200	2,669,700	2,313,800	2,422,000	2,535,600	2,654,800	2,780,100	2,911,600	3,049,700	3,194,800
Provisions	2,755,000	2,810,100	2,866,300	2,923,600	2,982,100	3,041,700	3,102,500	3,164,600	3,227,900	3,292,500
Income Received in Advance	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	12,136,700	10,540,600	10,342,200	10,611,000	10,888,300	11,174,600	11,470,400	11,775,900	12,091,300	12,417,200
Non-Current Liabilities										
Payables	0	0	0	0	0	0	0	0	0	0
Borrowings	38,503,700	45,834,000	53,520,200	51,098,400	48,562,800	45,908,100	43,127,900	40,216,400	37,166,700	33,971,900
Provisions	204,900	209,000	213,200	217,500	221,900	226,300	230,800	235,400	240,100	244,900
Total Non-Current Liabilities	38,708,600	46,043,000	53,733,400	51,315,900	48,784,700	46,134,400	43,358,700	40,451,800	37,406,800	34,216,800
TOTAL LIABILITIES	50,845,300	56,583,600	64,075,600	61,926,900	59,673,000	57,309,000	54,829,100	52,227,700	49,498,100	46,634,000
NET ASSETS	618,036,600	624,878,400	630,354,500	642,554,300	655,742,200	670,372,500	687,179,200	701,580,900	716,267,400	731,381,700

Forecast statement of cash flows

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

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

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

This information is shown in the *Table 11: Consolidated organisation forecast statement of cash flows*.

Table 11: Consolidated organisation forecast statement of cash flows

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Consolidated										
Cash Flows from Operating Activities										
<u>Receipts</u>										
User Charges and Fees	29,643,400	31,693,700	33,889,700	36,252,200	38,782,200	41,491,700	44,393,400	45,281,300	46,214,000	47,166,000
Investment and Interest Revenue Received	952,800	707,000	755,000	810,400	691,800	767,000	844,600	920,700	709,400	790,300
Grants and Contributions	13,838,000	11,744,600	9,011,900	13,651,000	12,833,800	12,014,700	12,199,400	9,387,800	9,580,300	9,776,700
Other	1,915,200	1,919,400	1,901,400	1,894,000	1,932,700	1,972,200	2,012,500	2,054,300	2,096,600	2,139,900
<u>Payments</u>										
Employee Benefits and On-Costs	(15,168,600)	(13,942,000)	(14,043,800)	(13,848,200)	(14,120,800)	(14,399,200)	(14,683,100)	(14,972,500)	(15,267,700)	(15,568,500)
Materials and Services	(19,528,900)	(15,406,100)	(15,784,200)	(16,303,400)	(16,638,800)	(16,890,200)	(17,605,600)	(17,742,600)	(18,015,000)	(18,447,700)
Borrowing Costs	(2,279,800)	(2,561,100)	(2,831,200)	(2,712,200)	(2,604,000)	(2,490,400)	(2,371,200)	(2,245,900)	(2,114,400)	(1,976,300)
Other	1,942,100	2,078,000	2,223,500	2,379,100	2,545,600	2,723,800	2,914,400	2,943,600	3,002,500	3,062,600
Net Cash Flows from Operating Activities	11,314,200	16,233,500	15,122,300	22,122,900	23,422,500	25,189,600	27,704,400	25,626,700	26,205,700	26,943,000
Cash Flows from Investing Activities										
<u>Receipts</u>										
Redemption of Term Deposits	9,000,000	15,500,000	20,000,000	19,500,000	19,000,000	23,500,000	25,000,000	29,500,000	34,500,000	38,000,000
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	(9,000,000)	(15,500,000)	(20,000,000)	(19,500,000)	(19,000,000)	(23,500,000)	(25,000,000)	(29,500,000)	(34,500,000)	(38,000,000)
Purchase of Infrastructure, Property, Plant and Equipment	(32,965,600)	(14,855,000)	(17,017,700)	(21,195,300)	(20,674,600)	(18,442,000)	(23,128,100)	(18,540,900)	(18,852,300)	(19,235,100)
Purchase of Real Estate Assets	(51,000)	(52,000)	(53,000)	(54,000)	(55,000)	(56,000)	(57,000)	(58,000)	(59,000)	(60,000)
Purchase of Intangible Assets	0	0	0	0	0	0	0	0	0	0
Net Cash Flows from Investing Activities	(33,016,600)	(14,907,000)	(17,070,700)	(21,249,300)	(20,729,600)	(18,498,000)	(23,185,100)	(18,598,900)	(18,911,300)	(19,295,100)
Cash Flows from Financing Activities										
<u>Receipts</u>										
Proceeds from Borrowings	7,000,000	10,000,000	10,000,000	0	0	0	0	0	0	0
<u>Payments</u>										
Repayment of Borrowings	(4,735,600)	(4,420,200)	(2,669,700)	(2,313,800)	(2,422,000)	(2,535,600)	(2,654,800)	(2,780,100)	(2,911,600)	(3,049,700)
Net Cash Flows from Financing Activities	2,264,400	5,579,800	7,330,300	(2,313,800)	(2,422,000)	(2,535,600)	(2,654,800)	(2,780,100)	(2,911,600)	(3,049,700)
Net Change in Cash and Cash Equivalents	(19,438,000)	6,906,300	5,381,900	(1,440,200)	270,900	4,156,000	1,864,500	4,247,700	4,382,800	4,598,200
Cash and Cash Equivalents at Beginning of Year	34,461,100	15,023,100	21,929,400	27,311,300	25,871,100	26,142,000	30,298,000	32,162,500	36,410,200	40,793,000
Cash and Cash Equivalents at End of the Year	15,023,100	21,929,400	27,311,300	25,871,100	26,142,000	30,298,000	32,162,500	36,410,200	40,793,000	45,391,200

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	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Cumulative Total
Proposed % Increase	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	2.0%	2.0%	2.0%	70.4%

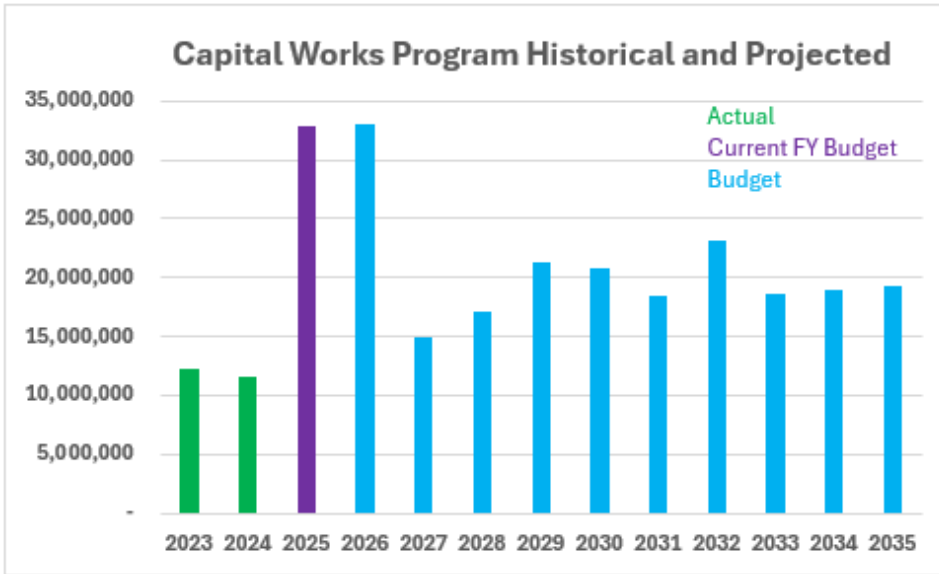
- Council's charging methodology means the allocation to each council is based on the prior year's usage.
- Water consumption decreased over the calculation period with Byron and Ballina's proportion of the weighted average charge increasing beyond the 7.0% increase.

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

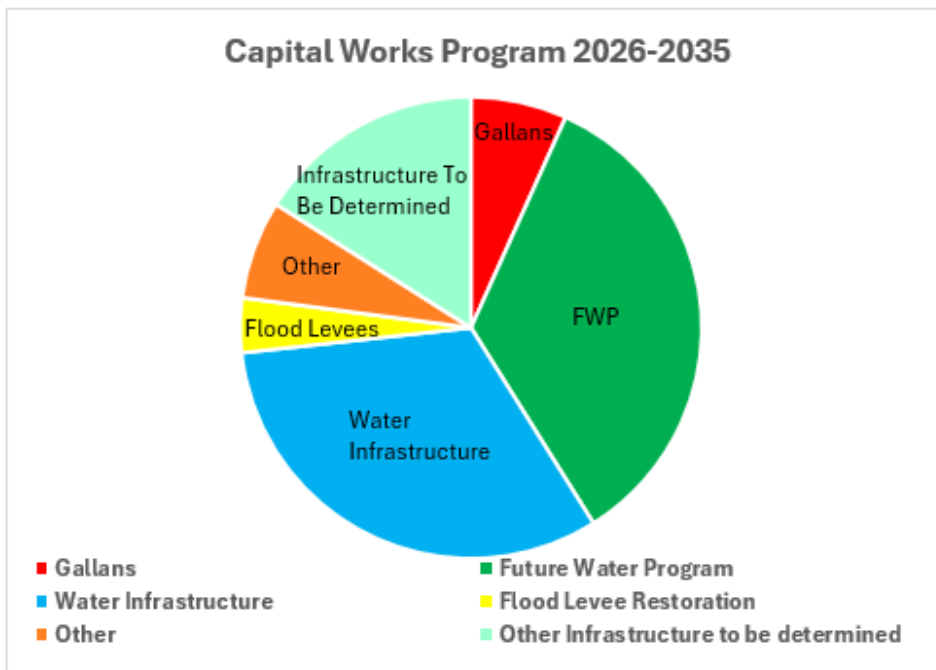
	2024/25 \$	2025/26 \$	Movement %	Movement \$
Lismore City Council	6,873,500	7,077,500	2.97	204,000
Byron Council	6,374,300	6,943,900	8.94	569,600
Richmond Valley Council	1,483,900	1,511,000	1.83	27,100
Ballina Council	8,799,100	9,817,200	11.57	1,018,100
Rous Retail	1,975,500	1,942,100	(1.69)	(33,400)
Total	25,506,300	27,291,700	7.00	1,785,400

Capital Works

- Like FY25, FY26 capex is significantly higher than other years and includes one-off projects for our new consolidated workplace premises and grant-funded flood levee restoration, as well as investment in the future water program.
- Over the next ten years the future water program and water infrastructure represent the major portion of capital expenditure at \$70.6M (34.4%) and \$66.1M (32.2%) respectively.



Graph 3: Capital works program 2026-2035



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 2026 – 2035

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Amount \$	7,000,000	10,000,000	10,000,000	-	-	-	-	-	-	-
Estimated Rate	5.50%	5.50%	5.00%							

- 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 15: Bulk water operating performance

Rous County Council - Bulk Water Supply

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate	2035 Estimate
BULK										
Operating Income										
User Charges and Fees	25,349,600	27,124,100	29,022,800	31,054,400	33,228,200	35,554,200	38,043,000	38,803,900	39,580,000	40,371,600
Other Revenue	183,900	187,400	191,000	195,500	200,100	204,800	209,600	214,600	219,800	225,100
Grants and Contributions	196,300	196,500	192,900	196,800	200,700	204,700	208,800	213,000	217,300	221,600
Interest and Investment Income	791,000	530,100	524,100	560,200	472,300	535,700	561,000	591,800	456,000	508,000
Other Income	24,500	25,200	26,000	26,800	27,600	28,400	29,300	30,200	31,100	32,000
Capital Income	7,191,000	5,259,100	5,364,300	10,471,600	9,581,000	8,692,700	8,806,500	5,922,700	6,041,200	6,162,000
Total Operating Income	33,736,300	33,322,400	35,321,100	42,505,300	43,709,900	45,220,500	47,858,200	45,776,200	46,545,400	47,520,300
Operating Expense										
Employee Benefits and On-Costs	11,662,100	10,670,600	10,905,500	11,099,400	11,317,100	11,539,400	11,766,000	11,997,000	12,232,800	12,473,500
Internal Overheads	(751,100)	(760,600)	(773,100)	(798,700)	(863,200)	(897,900)	(960,500)	(1,010,600)	(1,043,900)	(1,044,100)
Internal Distributions	(1,942,100)	(2,078,000)	(2,223,500)	(2,379,100)	(2,545,600)	(2,723,800)	(2,914,400)	(2,943,600)	(3,002,500)	(3,062,600)
Materials and Services - Materials and Consumables	2,794,800	2,544,500	2,544,500	2,595,100	2,646,700	2,699,500	2,753,300	2,808,400	2,864,300	2,921,600
Materials and Services - Contractors and Consultancy Fees	4,200,400	2,133,300	2,826,400	3,112,000	3,015,500	2,919,000	3,219,500	3,123,100	3,103,400	3,197,900
Materials and Services - Chemicals	1,920,500	1,920,500	1,920,500	1,959,000	1,998,200	2,038,100	2,078,900	2,120,500	2,162,900	2,206,100
Materials and Services - Electricity	2,175,400	2,182,200	2,182,200	2,225,800	2,270,200	2,315,400	2,361,800	2,408,900	2,456,900	2,505,900
Materials and Services - Insurance	353,900	353,900	353,900	361,000	368,100	375,400	382,900	390,500	398,200	406,100
Materials and Services - IT Expenses	1,079,100	1,092,600	1,064,100	1,085,300	1,107,000	1,129,100	1,151,700	1,174,800	1,198,200	1,222,100
Materials and Services - Other	581,400	599,500	603,500	616,700	639,900	643,400	657,100	671,400	686,100	701,000
Borrowing Costs	2,279,800	2,561,100	2,831,200	2,712,200	2,604,000	2,490,400	2,371,200	2,245,900	2,114,400	1,976,300
Depreciation and Amortisation	7,532,900	8,053,900	8,278,200	8,524,300	8,805,100	9,097,900	9,404,100	9,698,400	9,960,000	10,236,100
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	31,887,100	29,273,500	30,513,400	31,113,000	31,363,000	31,625,900	32,271,600	32,684,700	33,130,800	33,739,900
Operating Result	1,849,200	4,048,900	4,807,700	11,392,300	12,346,900	13,594,600	15,586,600	13,091,500	13,414,600	13,780,400
Less Depreciation	7,532,900	8,053,900	8,278,200	8,524,300	8,805,100	9,097,900	9,404,100	9,698,400	9,960,000	10,236,100
Operating Result Excluding Non Cash	9,382,100	12,102,800	13,085,900	19,916,600	21,152,000	22,692,500	24,990,700	22,789,900	23,374,600	24,016,500
Add: Loan Drawdown	7,000,000	10,000,000	10,000,000	0	0	0	0	0	0	0
Less: Loan Repayments	4,735,600	4,420,200	2,669,700	2,313,800	2,422,000	2,535,600	2,654,800	2,780,100	2,911,600	3,049,700
Less: Capital Expense	26,735,900	11,191,100	15,952,100	20,126,300	19,114,600	17,434,000	22,057,100	17,597,900	17,597,300	18,218,100
Adjustment for Grants held as Liability	(400,000)	0	0	0	0	0	0	0	0	0
Add: Reserve Transfers	15,489,400	(6,991,500)	(4,464,100)	2,523,500	384,600	(2,722,900)	(278,800)	(2,411,900)	(2,865,700)	(2,748,700)
Estimated Bulk Water Reserves										
Description	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate	2035 Estimate
Bulk Water Reserve	11,468,400	18,459,900	22,924,000	20,400,500	20,015,900	22,738,800	23,017,600	25,429,500	28,295,200	31,043,900

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

Rous County Council - Bulk Water Supply	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
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>	(20.12)	(4.31)	(1.86)	2.87	8.10	13.42	17.36	17.99	18.20	18.42
Operating Income										
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 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										
<u>Operating Income less Grants and Contributions</u>	99.26	99.30	99.36	99.39	99.41	99.44	99.47	99.47	99.46	99.46
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										
<u>Operating Result excluding Loan Interest and Depreciation</u>	0.64	1.35	1.92	2.42	2.82	3.28	3.69	3.80	3.87	3.95
Loan Repayments Principal/Interest										
Benchmark	>2	>2	>2	>2	>2	>2	>2	>2	>2	>2
Result	Fail	Fail	Fail	Pass	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										
<u>Current Assets less External Restrictions</u>	1.55	2.62	3.22	2.86	2.75	2.98	2.94	3.11	3.32	3.50
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										
<u>Asset Renewals</u>	82.98%	55.98%	100.55%	130.92%	90.27%	61.33%	100.20%	60.56%	82.03%	77.63%
Depreciation, Amortisation and Impairment	6,250,700	4,508,600	8,323,775	11,159,800	7,948,100	5,580,100	9,423,000	5,873,250	8,170,000	7,946,100
Benchmark	7,532,900	8,053,900	8,278,200	8,524,300	8,805,100	9,097,900	9,404,100	9,698,400	9,960,000	10,236,100
Result	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
Result	Fail	Fail	Pass	Pass	Fail	Fail	Pass	Fail	Fail	Fail
Comment	The benchmark is only met in three 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	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
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	5.48	12.15	13.61	26.80	28.25	30.06	32.57	28.60	28.82	29.00
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	1.66	2.10	2.89	4.50	4.73	5.01	5.44	4.98	5.07	5.17
<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	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment	This benchmark is achieved in all years from 2026/27 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 two years 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	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Proposed % Increase	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	2.00%	2.50%	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 18: Retail water operating performance

Rous County Council - Retail Water Supply

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate	2035 Estimate
RETAIL										
Operating Income										
User Charges and Fees	4,293,800	4,569,600	4,866,900	5,197,800	5,554,000	5,937,500	6,350,400	6,477,400	6,634,000	6,794,400
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	20,900	18,100	23,400	32,300	36,200	41,400	57,400	82,600	63,600	70,900
Other Income	0	0	0	0	0	0	0	0	0	0
Capital Income	1,900	2,000	2,000	2,000	2,100	2,100	2,200	2,200	2,200	2,300
Total Income	4,316,600	4,589,700	4,892,300	5,232,100	5,592,300	5,981,000	6,410,000	6,562,200	6,699,800	6,867,600
Operating Expense										
Employee Benefits and On-Costs	866,900	842,700	859,300	876,400	893,900	911,900	930,200	948,900	968,000	987,300
Internal Overheads	221,600	246,000	270,900	296,300	322,200	348,600	375,600	403,100	431,200	431,200
Materials and Services - Materials and Consumables	232,900	232,900	232,900	237,500	242,200	247,000	251,800	256,800	261,800	267,000
Materials and Services - Contractors and Consultancy Fees	68,500	68,500	68,500	69,900	71,300	72,700	74,200	75,700	77,200	78,700
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	116,300	118,600	121,000	123,400	125,900	128,400	131,000
Materials and Services - Other	2,049,400	2,185,300	2,325,800	2,483,400	2,652,000	2,832,300	3,025,000	3,056,300	3,117,500	3,179,900
Borrowing Costs	0	0	0	0	0	0	0	0	0	0
Depreciation and Amortisation	306,600	311,200	315,900	320,600	325,400	330,300	335,300	340,300	345,400	350,600
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	3,859,900	4,000,600	4,187,300	4,400,400	4,625,600	4,863,800	5,115,500	5,207,000	5,329,500	5,425,700
Operating Result	456,700	589,100	705,000	831,700	966,700	1,117,200	1,294,500	1,355,200	1,370,300	1,441,900
Less Depreciation	306,600	311,200	315,900	320,600	325,400	330,300	335,300	340,300	345,400	350,600
Operating Result Excluding Non Cash	763,300	900,300	1,020,900	1,152,300	1,292,100	1,447,500	1,629,800	1,695,500	1,715,700	1,792,500
Less: Capital Expense	75,000	140,400	272,300	0	416,000	0	130,000	0	452,000	0
Add: Reserve Transfers	(688,300)	240,100	(748,600)	(1,152,300)	(876,100)	(1,447,500)	(1,499,800)	(1,695,500)	(1,263,700)	(1,792,500)
Estimated Retail Water Reserves										
Description	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate	2035 Estimate
Retail Water Reserve	1,143,900	903,800	1,652,400	2,804,700	3,680,800	5,128,300	6,628,100	8,323,600	9,587,300	11,379,800

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	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
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>	10.54	12.80	14.38	15.86	17.26	18.65	20.17	20.63	20.43	20.97
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	The benchmark is forecast to be achieved in all years.									
Own Source Operating Revenue Expressed as a Percentage <u>Operating Income less Grants and Contributions</u>	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
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 forecast to be achieved annually.									
Unrestricted Current Ratio <u>Current Assets less External Restrictions</u>	2.81	2.37	3.56	5.33	6.61	8.70	10.79	13.08	14.65	16.91
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 achieved as the Reporting Unit maintains a cash reserve and no external debt.									
Buildings and Infrastructure Renewals Ratio <u>Asset Renewals</u>	0.00%	45.12%	86.20%	0.00%	127.84%	0.00%	38.77%	0.00%	130.86%	0.00%
Depreciation, Amortisation and Impairment	0	140,400	272,300	0	416,000	0	130,000	0	452,000	0
	306,600	311,200	315,900	320,600	325,400	330,300	335,300	340,300	345,400	350,600
Benchmark	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
Result	Fail	Fail	Fail	Fail	Pass	Fail	Fail	Fail	Pass	Fail
Comment	The benchmark is only met in two years of the ten-year program. 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 19a: Retail water forecast ratios (total revenue)

Rous County Council - Retail Water Supply	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
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>	10.58	12.84	14.41	15.90	17.29	18.68	20.20	20.65	20.45	21.00
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	The adjusted benchmark is forecast to be achieved in all years 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 5.0% 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	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Cumulative Total
Proposed % Increase	5.0%	4.0%	4.0%	3.0%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	36.3%

Table 21: Proposed flood mitigation council contributions

Service Area	2024/25	2025/26	Increase
Ballina Shire Council	326,900	343,200	16,300
Lismore City Council	326,900	343,200	16,300
Richmond Valley Council	326,900	343,200	16,300
	980,700	1,029,600	48,900

Table 22: Proposed Ex-Drainage Union council contributions

Service Area	2024/25	2025/26	Increase
Ballina Shire Council	43,700	45,400	1,700
Lismore City Council	43,700	45,400	1,700
Richmond Valley Council	4,200	4,400	200
	91,600	95,200	3,600

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								
	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate	2035 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	6,300	6,400	6,500	6,600	6,700	6,800	6,900
Grants and Contributions	2,850,100	1,252,500	1,297,200	1,332,600	1,369,000	1,400,600	1,433,000	1,466,100	1,500,100	1,534,900
Interest and Investment Income	13,100	13,300	16,800	19,600	16,400	16,800	21,600	26,300	20,300	22,600
Other Income	0	0	0	0	0	0	0	0	0	0
Capital Income	5,232,300	2,616,100	0	0	0	0	0	0	0	0
Total Operating Income	8,101,700	3,888,100	1,320,200	1,358,500	1,391,800	1,423,900	1,461,200	1,499,100	1,527,200	1,564,400
Operating Expense										
Employee Benefits and On-Costs	708,300	592,300	571,300	582,800	594,500	606,500	618,700	631,200	643,900	656,700
Internal Overheads	221,100	226,100	231,100	236,100	271,900	271,100	276,100	281,100	286,100	286,100
Materials and Services - Materials and Consumables	157,500	139,800	134,700	137,400	140,100	142,800	145,600	148,500	151,400	154,300
Materials and Services - Contractors and Consultancy Fees	2,275,000	327,400	63,000	63,800	104,600	65,400	66,200	42,000	42,800	83,600
Materials and Services - Electricity	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Materials and Services - Insurance	6,200	6,200	6,200	6,300	6,400	6,500	6,600	6,700	6,800	6,900
Materials and Services - Other	12,200	12,200	12,200	12,300	12,400	12,500	12,600	12,700	12,800	12,900
Borrowing Costs	0	0	0	0	0	0	0	0	0	0
Depreciation and Amortisation	934,700	948,700	962,900	977,300	992,000	1,006,900	1,022,000	1,037,300	1,052,900	1,068,700
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	4,317,200	2,254,900	1,983,600	2,018,200	2,124,100	2,113,900	2,150,000	2,161,700	2,198,900	2,271,400
Operating Result	3,784,500	1,633,200	(663,400)	(659,700)	(732,300)	(690,000)	(688,800)	(662,600)	(671,700)	(707,000)
Less Depreciation	934,700	948,700	962,900	977,300	992,000	1,006,900	1,022,000	1,037,300	1,052,900	1,068,700
Operating Result Excluding Non Cash	4,719,200	2,581,900	299,500	317,600	259,700	316,900	333,200	374,700	381,200	361,700
Less: Capital Expense	5,412,300	2,806,100	285,000	310,000	356,000	317,000	316,000	316,000	316,000	316,000
Adjustment for Grants held as Liability	(3,624,200)	0	0	0	0	0	0	0	0	0
Add: Reserve Transfers	4,317,300	224,200	(14,500)	(7,600)	96,300	100	(17,200)	(58,700)	(65,200)	(45,700)
Estimated Flood Mitigation Reserves										
Description	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate	2035 Estimate
Flood Mitigation Reserve	1,020,800	796,600	811,100	818,700	722,400	722,300	739,500	798,200	863,400	909,100

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 24: Flood mitigation forecast ratios*.

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

Rous County Council - Flood Mitigation	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Financial Ratios	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Performance Ratio Expressed as a Percentage	(50.46)	(77.27)	(50.25)	(48.56)	(52.62)	(48.46)	(47.14)	(44.20)	(43.98)	(45.19)
<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. 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 the operating deficit is much lower..									
Own Source Operating Revenue Expressed as a Percentage	36.56	85.72	86.10	86.35	86.53	86.68	86.88	87.07	87.17	87.33
<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	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment	The benchmark is achieved in every year from 2026/27 onwards as Constituent Council contributions are classed as 'own source revenue'.									
Unrestricted Current Ratio	9.16	7.68	7.67	7.62	6.97	6.89	6.91	7.14	7.40	7.55
<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	579.04%	295.78%	29.60%	31.72%	35.89%	31.48%	30.92%	30.46%	30.01%	29.57%
<u>Asset Renewals</u>	5,412,300	2,806,100	285,000	310,000	356,000	317,000	316,000	316,000	316,000	316,000
Depreciation, Amortisation and Impairment	934,700	948,700	962,900	977,300	992,000	1,006,900	1,022,000	1,037,300	1,052,900	1,068,700
Benchmark	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
Result	Pass	Pass	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail
Comment	The ratio only meets the benchmark in two years of the ten-year program, when significant grant funding is being used to renew infrastructure. 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. An additional service arrangement with Tweed for roadside services is in place until 2026/27.

Revenue

Council contributions increase annually with the rate peg %. Since each Council has received an individual rate peg, the lowest increase of 3.8% has been applied.

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

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Cumulative Total
Proposed % Increase	3.80%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	24.1%

Table 26: Proposed weed biosecurity council contributions

Service Area	2024/25	2025/26	Increase
	\$	\$	\$
Ballina Shire Council	128,700	133,600	4,900
Byron Shire Council	128,700	133,600	4,900
Lismore City Council	169,100	175,500	6,400
Richmond Valley Council	140,000	145,300	5,300
Total Contributions	566,500	588,000	
Kyogle Shire Council *	141,100	146,500	5,400
Tweed Shire Council *	193,700	201,100	7,400
Total Fees	334,800	347,600	
Total Contributions and Fees	901,300	935,600	34,300
Total % Increase			3.8%
* 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								
	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate	2035 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	2,390,600	2,418,400	2,155,500	1,648,000	1,681,000	1,714,600	1,748,900	1,783,800	1,819,500	1,855,900
Interest and Investment Income	59,600	47,200	50,600	54,900	47,700	50,500	60,400	64,900	50,000	55,700
Other Income	-	-	-	-	0	0	0	0	0	0
Total Operating Income	2,450,200	2,465,600	2,206,100	1,702,900	1,728,700	1,765,100	1,809,300	1,848,700	1,869,500	1,911,600
Operating Expense										
Employee Benefits and On-Costs	1,696,200	1,607,300	1,475,200	1,052,400	1,073,400	1,094,700	1,116,500	1,138,700	1,161,200	1,184,000
Internal Overheads	267,500	250,600	244,900	241,100	243,800	252,000	282,400	298,600	298,600	298,600
Materials and Services - Materials and Consumables	542,400	545,800	449,900	334,600	341,300	348,100	355,000	362,100	369,300	376,500
Materials and Services - Contractors and Consultancy Fees	30,600	30,600	30,600	31,100	31,600	32,100	32,600	33,100	33,600	34,200
Materials and Services - Electricity	3,200	-	-	-	0	0	0	0	0	0
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	34,200	19,600	19,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600
Borrowing Costs	-	-	-	-	0	0	0	0	0	0
Depreciation and Amortisation	31,700	32,200	32,700	33,200	33,700	34,200	34,700	35,200	35,700	36,200
Other Expenses	-	-	-	-	0	0	0	0	0	0
Gains or Losses	-	-	-	-	0	0	0	0	0	0
Total Operating Expense	2,605,800	2,486,100	2,252,900	1,700,000	1,731,400	1,768,700	1,828,800	1,875,300	1,906,000	1,937,100
Operating Result	(155,600)	(20,500)	(46,800)	2,900	(2,700)	(3,600)	(19,500)	(26,600)	(36,500)	(25,500)
Less Depreciation	31,700	32,200	32,700	33,200	33,700	34,200	34,700	35,200	35,700	36,200
Operating Result Excluding Non Cash	(123,900)	11,700	(14,100)	36,100	31,000	30,600	15,200	8,600	(800)	10,700
Less: Capital Expense	25,000	0	0	0	0	0	0	0	0	0
Add: Reserve Transfers	148,900	(11,700)	14,100	(36,100)	(31,000)	(30,600)	(15,200)	(8,600)	800	(10,700)
Estimated Weed Bio Reserves										
Description	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate	2035 Estimate
Weed Bio Reserve	796,600	808,300	794,200	830,300	861,300	891,900	907,100	915,700	914,900	925,600

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	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
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	(6.35)	(0.83)	(2.12)	0.17	(0.16)	(0.20)	(1.08)	(1.44)	(1.95)	(1.33)
Benchmark	>0	>0	>0	>0	>0	>0	>0	>0	>0	>0
Result	Fail	Fail	Fail	Pass	Fail	Fail	Fail	Fail	Fail	Fail
Comment	The result falls slightly short of the benchmark in most years due to grant funding not keeping pace with rising costs.									
Own Source Operating Revenue expressed as a percentage <u>Operating Income less Grants and Contributions</u> Total Operating Income	51.75	52.05	46.41	61.51	61.33	61.37	61.56	61.63	61.29	61.39
Benchmark	>60	>60	>60	>60	>60	>60	>60	>60	>60	>60
Result	Fail	Fail	Fail	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment	The Reporting Unit falls slightly short of the benchmark until 2028/29. 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 <u>Current Assets less External Restrictions</u> Current Liabilities less Specific Purpose Liabilities	1.33	1.32	1.27	1.30	1.33	1.35	1.34	1.33	1.30	1.29
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	Fail	Fail	Fail	Fail	Fail	Fail	Fail
Comment	The ratio falls slightly short of the benchmark throughout the ten-year program due to this reporting unit's dependency on grant funding for its operations.									

4.6. Property reporting unit

Overview

- Council no longer leases the Molesworth Street administration building, however, Council does have one commercial property in the Lismore CBS, 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 29: Property operating performance

Rous County Council - Property

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate	2035 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	19,200	59,500	100,900	103,900	85,100	84,700	96,400	100,200	77,200	86,000
Other Income	65,700	65,700	63,200	64,400	65,700	67,000	68,300	69,600	71,000	72,400
Capital Income	0	0	0	0	0	0	0	0	0	0
Total Operating Income	84,900	125,200	164,100	168,300	150,800	151,700	164,700	169,800	148,200	158,400
Operating Expense										
Employee Benefits and On-Costs	84,200	77,300	78,800	80,400	82,000	83,600	85,300	87,000	88,700	90,500
Internal Overheads	40,900	37,900	26,200	25,200	25,300	26,200	26,400	27,800	28,000	28,200
Materials and Services - Materials and Consumables	0	0	0	0	0	0	0	0	0	0
Materials and Services - Contractors and Consultancy Fees	45,000	45,000	0	0	0	0	0	0	0	0
Materials and Services - Electricity	2,000	2,000	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	0	0	0	0	0	0	0	0	0	0
Materials and Services - Other	41,600	41,600	33,000	33,700	34,400	35,100	35,700	36,300	37,000	37,700
Borrowing Costs	0	0	0	0	0	0	0	0	0	0
Depreciation and Amortisation	102,100	103,600	105,200	106,800	108,400	110,000	111,700	113,400	115,100	116,800
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	315,800	307,400	243,200	246,100	250,100	254,900	259,100	264,500	268,800	273,200
Operating Result	(230,900)	(182,200)	(79,100)	(77,800)	(99,300)	(103,200)	(94,400)	(94,700)	(120,600)	(114,800)
Less Depreciation	102,100	103,600	105,200	106,800	108,400	110,000	111,700	113,400	115,100	116,800
Operating Result Excluding Non Cash	(128,800)	(78,600)	26,100	29,000	9,100	6,800	17,300	18,700	(5,500)	2,000
Less: Capital Expense	51,000	52,000	53,000	54,000	55,000	56,000	57,000	58,000	59,000	60,000
Add: Reserve Transfers	179,800	(369,400)	26,900	25,000	45,900	49,200	39,700	39,300	64,500	58,000
Estimated Property Reserves										
Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Property Reserve	106,300	475,700	448,800	423,800	377,900	328,700	289,000	249,700	185,200	127,200

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	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
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>	(271.97)	(145.53)	(48.20)	(46.23)	(65.85)	(68.03)	(57.32)	(55.77)	(81.38)	(72.47)
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 achieved due to the cost of Perradenya operational expenses.									
Own Source Operating Revenue Expressed as a Percentage <u>Operating Income less Grants and Contributions</u>	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
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 <u>Current Assets less External Restrictions</u>	3.11	7.94	7.47	7.04	6.37	5.68	5.13	4.60	3.81	3.12
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 for the current year and the following ten years in *Table 31: Capital works program*. The current year is taken directly from this year's budget, while later years are based on directions from Council and information in Council's asset registers.

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

Table 31: Capital works program

	Long Term Financial Plan										
	Current Budget	Operational Plan	Delivery Program								
Capital Works Program	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate	2035 Estimate
Bulk Water											
Future Water Program	14,371,500	5,102,000	6,190,000	5,428,000	6,604,500	10,712,000	11,571,900	10,828,000	7,689,400	2,515,900	3,938,300
Gallans Road and Kyogle St Depot	10,462,100	13,341,300	0	0	0	0	250,000	0	0	0	250,000
ICT	316,400	588,500	279,000	347,000	117,000	761,500	591,500	703,800	133,000	253,000	233,000
Other Bulk Water Capital Works	3,922,400	7,704,100	4,722,100	10,177,100	13,404,800	7,641,100	5,020,600	10,525,300	2,675,500	1,628,400	1,196,800
Other Infrastructure to be determined	0	0	0	0	0	0	0	0	7,100,000	13,200,000	12,600,000
Retail Water											
Smart Metering & Backflow	939,300	0	0	0	0	0	0	0	0	0	0
Reticulation Renewal	151,400	0	140,400	272,300	0	416,000	0	130,000	0	452,000	0
Other Retail Water Capital Works	102,600	75,000	0	0	0	0	0	0	0	0	0
Flood Mitigation											
Flood Mitigation Capital Works	1,690,900	5,412,300	2,806,100	285,000	310,000	356,000	317,000	316,000	316,000	316,000	316,000
Weed Biosecurity											
Weed Biosecurity Depot	0	25,000	0	0	0	0	0	0	0	0	0
Property											
Perradenya	534,500	0	0	0	0	0	0	0	0	0	0
Property Capital Works	66,800	51,000	52,000	53,000	54,000	55,000	56,000	57,000	58,000	59,000	60,000
Fleet											
Fleet Capital Works	245,000	717,400	717,400	508,300	759,000	788,000	691,000	625,000	627,000	487,000	701,000
TOTAL	32,802,900	33,016,600	14,907,000	17,070,700	21,249,300	20,729,600	18,498,000	23,185,100	18,598,900	18,911,300	19,295,100

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 \$15M 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	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Proposed % Increase	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	2.0%	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 2025/26 onwards with estimated reserves of \$30.4M at the end of 2034/35.

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								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Income										
Flood Mitigation	8,101,700	3,888,100	1,320,200	1,358,500	1,391,800	1,423,900	1,461,200	1,499,100	1,527,200	1,564,400
Weeds Biosecurity	2,450,200	2,465,600	2,206,100	1,702,900	1,728,700	1,765,100	1,809,300	1,848,700	1,869,500	1,911,600
Retail Water Supply	4,316,600	4,589,700	4,892,300	5,232,100	5,592,300	5,981,000	6,410,000	6,562,200	6,699,800	6,867,600
Property	84,900	125,200	164,100	168,300	150,800	151,700	164,700	169,800	148,200	158,400
Bulk Water Supply	33,736,300	33,322,400	35,321,100	37,505,300	39,709,900	42,220,500	44,858,200	45,776,200	46,545,400	47,520,300
Fleet Operations	146,000	135,800	136,200	138,500	135,100	140,900	152,900	162,100	151,700	158,700
Total Operating Income	48,835,700	44,526,800	44,040,000	46,105,600	48,708,600	51,683,100	54,856,300	56,018,100	56,941,800	58,181,000
Operating Expense										
Flood Mitigation	4,317,200	2,254,900	1,983,600	2,018,200	2,124,100	2,113,900	2,150,000	2,161,700	2,198,900	2,271,400
Weeds Biosecurity	2,605,800	2,486,100	2,252,900	1,700,000	1,731,400	1,768,700	1,828,800	1,875,300	1,906,000	1,937,100
Retail Water Supply	3,859,900	4,000,600	4,187,300	4,400,400	4,625,600	4,863,800	5,115,500	5,207,000	5,329,500	5,425,700
Property	315,800	307,400	243,200	246,100	250,100	254,900	259,100	264,500	268,800	273,200
Bulk Water Supply	31,887,100	29,273,500	30,513,400	31,113,000	31,363,000	31,625,900	32,271,600	32,684,700	33,130,800	33,739,900
Fleet Operations (*net of internal income)	(56,000)	(47,200)	(27,400)	15,700	13,200	10,700	8,300	5,000	2,100	(1,100)
Total Operating Expense	42,929,800	38,275,300	39,153,000	39,493,400	40,107,400	40,637,900	41,633,300	42,198,200	42,836,100	43,646,200
Operating Result	5,905,900	6,251,500	4,887,000	6,612,200	8,601,200	11,045,200	13,223,000	13,819,900	14,105,700	14,534,800
Less Depreciation	9,432,500	9,982,000	10,235,300	10,510,700	10,821,300	11,144,400	11,481,400	11,806,800	12,100,000	12,408,200
Operating Result Excluding Non Cash	15,338,400	16,233,500	15,122,300	17,122,900	19,422,500	22,189,600	24,704,400	25,626,700	26,205,700	26,943,000
Add: Loan Drawdown	7,000,000	10,000,000	10,000,000	0	0	0	0	0	0	0
Less: Loan Repayments	4,735,600	4,420,200	2,669,700	2,313,800	2,422,000	2,535,600	2,654,800	2,780,100	2,911,600	3,049,700
Less: Capital Expense	33,016,600	14,907,000	17,070,700	21,249,300	20,729,600	18,498,000	23,185,100	18,598,900	18,911,300	19,295,100
Adjustment for Grants held as Liability	(4,024,200)	0	0	0	0	0	0	0	0	0
Add: Reserve Transfers	19,438,000	(6,906,300)	(5,381,900)	6,440,200	3,729,100	(1,156,000)	1,135,500	(4,247,700)	(4,382,800)	(4,598,200)
Estimated Reserves Whole Organisation										
Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Estimated Reserves Whole Organisation	15,023,100	21,929,400	27,311,300	20,871,100	17,142,000	18,298,000	17,162,500	21,410,200	25,793,000	30,391,200
Net Reserve Movement	(19,438,000)	6,906,300	5,381,900	(6,440,200)	(3,729,100)	1,156,000	(1,135,500)	4,247,700	4,382,800	4,598,200

6.2 Immediate price path correction scenario

What the model forecasts: The impacts of increasing the bulk water price in 2025/26 to a level that would correct operating deficits and allow future price increases to come in line with rate pegging.

What the model means: A 16% increase to the price path in 2025/26 would be required with future increases restricted to rate pegging at 3% throughout the model. The price path required is shown in *Table 34: Price path – Immediate price path correction scenario*.

Table 34: Price path – Immediate price path correction scenario

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Proposed % Increase	16.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Rous would produce an operating surplus from 2025/26 onwards with estimated reserves of \$22.3M at the end of 2034/35.

Refer to *Table 35: Consolidated operating performance – Immediate price path correction scenario*.

Table 35: Consolidated operating performance – Immediate price path correction scenario

Rous County Council - Whole of Organisation

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Income										
Flood Mitigation	8,101,700	3,888,100	1,320,200	1,358,500	1,391,800	1,423,900	1,461,200	1,499,100	1,527,200	1,564,400
Weeds Biosecurity	2,450,200	2,465,600	2,206,100	1,702,900	1,728,700	1,765,100	1,809,300	1,848,700	1,869,500	1,911,600
Retail Water Supply	4,316,600	4,589,700	4,892,300	5,232,100	5,592,300	5,981,000	6,410,000	6,562,200	6,699,800	6,867,600
Property	84,900	125,200	164,100	168,300	150,800	151,700	164,700	169,800	148,200	158,400
Bulk Water Supply	35,868,600	34,504,700	35,453,900	41,481,200	41,412,900	41,525,400	42,630,100	40,771,600	41,778,700	43,006,400
Fleet Operations	146,000	135,800	136,200	138,500	135,100	140,900	152,900	162,100	151,700	158,700
Total Operating Income	50,968,000	45,709,100	44,172,800	50,081,500	50,411,600	50,988,000	52,628,200	51,013,500	52,175,100	53,667,100
Operating Expense										
Flood Mitigation	4,317,200	2,254,900	1,983,600	2,018,200	2,124,100	2,113,900	2,150,000	2,161,700	2,198,900	2,271,400
Weeds Biosecurity	2,605,800	2,486,100	2,252,900	1,700,000	1,731,400	1,768,700	1,828,800	1,875,300	1,906,000	1,937,100
Retail Water Supply	4,023,300	4,091,300	4,197,600	4,322,100	4,449,800	4,580,900	4,715,200	4,852,900	4,994,200	5,110,300
Property	315,800	307,400	243,200	246,100	250,100	254,900	259,100	264,500	268,800	273,200
Bulk Water Supply	31,723,700	29,182,800	30,503,100	31,191,300	31,538,800	31,908,800	32,671,900	33,038,800	33,466,100	34,055,300
Fleet Operations (*net of internal income)	(56,000)	(47,200)	(27,400)	15,700	13,200	10,700	8,300	5,000	2,100	(1,100)
Total Operating Expense	42,929,800	38,275,300	39,153,000	39,493,400	40,107,400	40,637,900	41,633,300	42,198,200	42,836,100	43,646,200
Operating Result	8,038,200	7,433,800	5,019,800	10,588,100	10,304,200	10,350,100	10,994,900	8,815,300	9,339,000	10,020,900
Less Depreciation	9,432,500	9,982,000	10,235,300	10,510,700	10,821,300	11,144,400	11,481,400	11,806,800	12,100,000	12,408,200
Operating Result Excluding Non Cash	17,470,700	17,415,800	15,255,100	21,098,800	21,125,500	21,494,500	22,476,300	20,622,100	21,439,000	22,429,100
Add: Loan Drawdown	7,000,000	10,000,000	10,000,000	0	0	0	0	0	0	0
Less: Loan Repayments	4,735,600	4,420,200	2,669,700	2,313,800	2,422,000	2,535,600	2,654,800	2,780,100	2,911,600	3,049,700
Less: Capital Expense	33,016,600	14,907,000	17,070,700	21,249,300	20,729,600	18,498,000	23,185,100	18,598,900	18,911,300	19,295,100
Adjustment for Grants held as Liability	(4,024,200)	0	0	0	0	0	0	0	0	0
Add: Reserve Transfers	17,305,700	(8,088,600)	(5,514,700)	2,464,300	2,026,100	(460,900)	3,363,600	756,900	383,900	(84,300)
Estimated Reserves Whole Organisation										
Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Estimated Reserves Whole Organisation	17,155,400	25,244,000	30,758,700	28,294,400	26,268,300	26,729,200	23,365,600	22,608,700	22,224,800	22,309,100
Net Reserve Movement	(17,305,700)	8,088,600	5,514,700	(2,464,300)	(2,026,100)	460,900	(3,363,600)	(756,900)	(383,900)	84,300

6.1. Immediate price path correction and no capital grants scenario

What the model forecasts: The impacts of increasing the bulk water price in 2025/26 to a level that would correct operating deficits and allow future price increases to come in line with rate pegging, with Rous receiving no capital grants for future capital works.

What the model means: Forecast grant revenue could be reduced by \$15M. A 20% increase to the price path in 2025/26 would be required with future increases restricted to rate pegging at 3% throughout the model. The price path required is shown in *Table 36: Price path – Immediate price path correction and no capital grants scenario*.

Table 36: Price path – Immediate price path correction and no capital grants scenario

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Proposed % Increase	20.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Rous would produce an operating surplus from 2025/26 onwards with estimated reserves of \$18.2M at the end of 2034/35.

Refer to *Table 37: Consolidated operating performance – Immediate price path correction and no capital grants scenario*.

Table 37: Consolidated operating performance – Immediate price path correction and no capital grants scenario

Rous County Council - Whole of Organisation

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate	2035 Estimate
Operating Income										
Flood Mitigation	8,101,700	3,888,100	1,320,200	1,358,500	1,391,800	1,423,900	1,461,200	1,499,100	1,527,200	1,564,400
Weeds Biosecurity	2,450,200	2,465,600	2,206,100	1,702,900	1,728,700	1,765,100	1,809,300	1,848,700	1,869,500	1,911,600
Retail Water Supply	4,316,600	4,589,700	4,892,300	5,232,100	5,592,300	5,981,000	6,410,000	6,562,200	6,699,800	6,867,600
Property	84,900	125,200	164,100	168,300	150,800	151,700	164,700	169,800	148,200	158,400
Bulk Water Supply	36,816,300	35,480,800	36,459,300	37,516,700	38,479,500	39,624,000	40,761,600	41,937,100	42,979,100	44,242,800
Fleet Operations	146,000	135,800	136,200	138,500	135,100	140,900	152,900	162,100	151,700	158,700
Total Operating Income	51,915,700	46,685,200	45,178,200	46,117,000	47,478,200	49,086,600	50,759,700	52,179,000	53,375,500	54,903,500
Operating Expense										
Flood Mitigation	4,317,200	2,254,900	1,983,600	2,018,200	2,124,100	2,113,900	2,150,000	2,161,700	2,198,900	2,271,400
Weeds Biosecurity	2,605,800	2,486,100	2,252,900	1,700,000	1,731,400	1,768,700	1,828,800	1,875,300	1,906,000	1,937,100
Retail Water Supply	4,095,800	4,166,000	4,274,500	4,401,300	4,531,400	4,664,900	4,801,700	4,942,000	5,086,000	5,204,900
Property	315,800	307,400	243,200	246,100	250,100	254,900	259,100	264,500	268,800	273,200
Bulk Water Supply	31,651,200	29,108,100	30,426,200	31,112,100	31,457,200	31,824,800	32,585,400	32,949,700	33,374,300	33,960,700
Fleet Operations (*net of internal income)	(56,000)	(47,200)	(27,400)	15,700	13,200	10,700	8,300	5,000	2,100	(1,100)
Total Operating Expense	42,929,800	38,275,300	39,153,000	39,493,400	40,107,400	40,637,900	41,633,300	42,198,200	42,836,100	43,646,200
Operating Result	8,985,900	8,409,900	6,025,200	6,623,600	7,370,800	8,448,700	9,126,400	9,980,800	10,539,400	11,257,300
Less Depreciation	9,432,500	9,982,000	10,235,300	10,510,700	10,821,300	11,144,400	11,481,400	11,806,800	12,100,000	12,408,200
Operating Result Excluding Non Cash	18,418,400	18,391,900	16,260,500	17,134,300	18,192,100	19,593,100	20,607,800	21,787,600	22,639,400	23,665,500
Add: Loan Drawdown	7,000,000	10,000,000	10,000,000	0	0	0	0	0	0	0
Less: Loan Repayments	4,735,600	4,420,200	2,669,700	2,313,800	2,422,000	2,535,600	2,654,800	2,780,100	2,911,600	3,049,700
Less: Capital Expense	33,016,600	14,907,000	17,070,700	21,249,300	20,729,600	18,498,000	23,185,100	18,598,900	18,911,300	19,295,100
Adjustment for Grants held as Liability	(4,024,200)	0	0	0	0	0	0	0	0	0
Add: Reserve Transfers	16,358,000	(9,064,700)	(6,520,100)	6,428,800	4,959,500	1,440,500	5,232,100	(408,600)	(816,500)	(1,320,700)
Estimated Reserves Whole Organisation										
Description	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate	2034 Estimate	2035 Estimate
Estimated Reserves Whole Organisation	18,103,100	27,167,800	33,687,900	27,259,100	22,299,600	20,859,100	15,627,000	16,035,600	16,852,100	18,172,800
Net Reserve Movement	(16,358,000)	9,064,700	6,520,100	(6,428,800)	(4,959,500)	(1,440,500)	(5,232,100)	408,600	816,500	1,320,700



WORKFORCE MANAGEMENT STRATEGY

2025 - 2029

Version
1.0

Purpose and description
Draft IP&R Framework endorsed at 16 April 2025 Council meeting for public exhibition

Date adopted by Council
16 April 2025 (refer to Council resolution; no public submissions received therefore deemed adopted)

Resolution no.
15/25

WORKFORCE MANAGEMENT STRATEGY

A Workforce Management Plan (WFMP) ensures an organisation has the right people, skills, and capabilities to achieve its mission, vision, and strategic goals. An effective WFMP analyses current and future workforce needs, considering both internal factors—such as succession planning, skills development, and workforce capability—and external influences, including labour market trends, technological advancements, and demographic shifts.

For Rous, the WFMP ensures we maximise our most valuable asset—our people—to deliver high-quality services in bulk water supply, weed biosecurity, and flood mitigation across the Northern Rivers region.

Mission

By leveraging our assets, specialist experience, and collaborative approach, we aim to take care of what matters in everything that we do

Vision

To be the best guide and partner to our region for its water, biosecurity, and rural flood mitigation needs

Values

- Safety first
- Accountability
- Together, as one
- Respect Always

OUR PREFERRED CULTURE

As Rous navigates significant internal changes—including relocation to a new purpose-built workplace, digital transformation, and evolving ways of working—we are committed to fostering a culture characterised by:

- **Collaboration and Inclusivity** – We work together, valuing diverse perspectives to drive better decisions and deliver high-quality services
- **Innovation and Agility** – We embrace new technologies, adapt to change, and stay flexible to meet evolving challenges
- **Professionalism and Excellence** – We take pride in what we do, maintain high standards, and focus on efficiency and continuous improvement
- **Playing to Our Strengths** – We harness our collective skills, capabilities, and expertise to work smarter and deliver impact
- **Employee Wellbeing and Engagement** – We prioritise a safe, healthy, and supportive workplace where people feel valued and motivated

STRATEGIC RISKS FACING OUR WORKFORCE

As a regional county council servicing multiple constituent councils, several strategic workforce challenges and risks impact our staff:

- **Workforce Retention & Attraction:** While the job market has softened, attracting and retaining talent remains a challenge in specialised roles or niche skill areas. We have made significant progress in building relationships with specialised recruiters to address critical skill gaps that may not be easily filled through in-house recruitment channels.
- **Workforce Development & Succession Planning:** While our workforce is well-balanced, we remain proactive in strengthening our talent pipeline. To support long-term workforce sustainability, we have implemented an apprenticeship and traineeship program to attract and develop young talent, ensuring a strong future workforce presence.
- **Skills Gaps & Workforce Capability:** As technology, regulations, and service delivery models evolve, ongoing investment in training, upskilling, and talent development is essential to ensure our workforce remains equipped to meet future demands.
- **Employee Health, Safety & Wellbeing:** The diverse and remote nature of our workforce presents challenges such as extensive travel, isolated work environments, and maintaining team connection. We continue to prioritise workplace safety, wellbeing initiatives, and mental health support to ensure a safe and supportive work environment.
- **Cost of Living & Housing Crisis:** Rising living costs, housing shortages, and the ongoing impacts of the 2022 floods have displaced many residents, including staff, creating financial and emotional strain.
- **Change & Organisational Adaptability:** The evolving nature of local government services, legislative changes, and environmental factors require a workforce that is adaptable, resilient, and engaged in continuous improvement.

OUR ORGANISATION

Rous is structured to effectively deliver our core functions and services, ensuring we meet the needs of our communities and stakeholders. Our organisational design supports the efficient delivery of bulk water supply, weed biosecurity, and flood mitigation, aligning people, skills, and resources to our strategic priorities. While our current structure is designed to best serve the delivery of our business objectives, we continuously evolve to remain agile, adaptable, and responsive to changing internal and external demands.



SNAPSHOT OF OUR WORKFORCE

Employment by Type

- 91 Full-time Employees
- 04 Part-time Employees
- 24 Full-time Fixed-term Employees
- 07 Part-time Fixed-term Employees
- 03 Casual or Labour-hire Staff
- 129 Total Employees

*Total headcount has grown by 38 employees since the 2021 WFMP, a change primarily driven by the need to strengthen our capabilities in support of digital transformation, other strategic initiatives, and successful grant-funded positions.

Demographics – Age

- 04 Number of employees aged 15 – 25
- 23 Number of employees aged 26 – 35
- 38 Number of employees aged 36 – 45
- 37 Number of employees aged 46 – 55
- 21 Number of employees aged 56 – 65
- 06 Number of employees aged 65+

* The average age of a Rous employee is 46 years, which represents an increase of 1 year compared to the 2001 WFMP data

Demographics – Gender

- 42 Number of female employees
- 87 Number of male employees
- 00 Number of employees – gender unspecified

33% of the workforce identify as female
67% of the workforce identify as male

*The gap between male and female has widened since 2001 WFMP data. M = 58%, F = 42%

Demographics – Aboriginal and Torres Strait Islander Employees

- 03 Number of aboriginal and Torres Strait Islander employees

* An increase of 1 employee who identifies as Aboriginal and Torres Strait Islander since the 2001 WFMP, reflecting a more conscious investment in identifying roles, refining recruitment processes, and supporting our Aboriginal and Torres Strait Islander employees.

Demographics – Tenure

- 81 Number of employees 0 – 5 years*
- 20 Number of employees with 6 – 10 years
- 08 Number of employees with 11 - 15 years
- 09 Number of employees with 21 - 25 years
- 07 Number of employees with 21 – 25 years
- 04 Number of employees with 26+ years

Turnover rate 23%***

*63% of our 2025 workforce have been with Rous for 5 or less years
**Average Tenure is 7 years, reduced from 8.5 in 2021
*** Turnover rates for the 2024 period.

Number of employees who also live within the local government area

- 96% of employees reside within the constituent council areas
- 4% of employees reside outside of the constituent council areas

*As a county council, we serve diverse constituent councils across the Northern Rivers region, including Ballina Shire, Byron Shire, Lismore City, and Richmond Valley. Majority of our workforce resides within these areas, building strong community connections and a deep understanding of local needs.

FOCUS AREAS AND ACTIONS

Our Workforce Management Plan has been created to focus our efforts on aligning with Rous' key strategic areas for the next few years. As we navigate significant changes, such as relocating to a new purpose-built workplace, embracing digital transformation, and evolving our ways of working, this plan will help drive our desired culture. By fostering collaboration, innovation, professionalism, and employee wellbeing, we are committed to delivering on the initiatives that will support our long-term success and community impact.



FOCUS AREA 1 Be prepared and resilient

ACTIONS

- Establish and implement Change Management Methodology and capability
- Develop and implement Health & Wellbeing Strategy to support workplace wellbeing



FOCUS AREA 2: Transform the way we work

ACTIONS:

- Optimise people and culture processes
- Operating model review
- Review of salary system and implement enhancements
- Develop and implement capability and competency framework
- Embed a positive, values-driven culture



FOCUS AREA 3: Future focussed trusted business

ACTIONS:

- Introduce and enhance HR metrics, data, and data-driven insights
- Workforce management review and strategy

FOCUS AREA 1

Be prepared and resilient

Action	Description	Benefits	Measures	2025 – 2026	2026 – 2027	2027 – 2028	2028 - 2029
1.1.0 Establish Change Management Methodology	To establish a consistent, effective, and scalable Change Management methodology that ensures successful adoption and integration of change initiatives across the organisation, fostering a culture of continuous improvement and resilience.	<ul style="list-style-type: none"> Consistent approach – Standardises change management for better outcomes. Stronger adoption – Ensures smoother integration of change initiatives. Increased resilience – Builds an adaptable workforce ready for future challenges. 	<ul style="list-style-type: none"> Framework adoption rate – Percentage of projects applying the Change Management methodology 	●			
1.1.1 Implement Change Management Methodology	Roll out the framework through training, change champions, and support tools to embed change capability across the organisation.	<ul style="list-style-type: none"> Stronger engagement – Empowers Change Champions to drive adoption and support their teams. Faster implementation – Streamlined rollout with dedicated champions guiding the process. Sustainable change – Embeds change capability within the organisation for long-term success. 	<ul style="list-style-type: none"> Leadership engagement – Percentage of leaders actively involved in Change Management initiatives. Champion participation – Number of Change Champions trained and actively supporting initiatives. 	●	●	●	●
1.2.0 Develop Health & Wellbeing Strategy	Create a strategy that supports employee health (physical, mental, and emotional) and wellbeing—while fostering a positive, productive workplace.	<ul style="list-style-type: none"> Healthier workforce – Enhances employee wellbeing, engagement, and overall job satisfaction. Positive culture – Promotes work-life balance, resilience, and a supportive workplace environment. 	<ul style="list-style-type: none"> Improved employee wellbeing – Measured through employee engagement surveys and wellbeing self-assessments. 	●		●	
1.2.1 Implement Health and Wellbeing Strategy	Implement the Health and Wellbeing Strategy through training, resources, and practical tools that support employees in maintaining their physical, mental, and emotional wellbeing.	<ul style="list-style-type: none"> Targeted training and resources – Equips employees with knowledge and tools to prioritise their health and wellbeing. Practical wellbeing initiatives – Encourages participation in programs that support mental, physical, and emotional health. Sustainable workplace practices – Embeds long-term strategies to foster a culture of wellbeing and continuous improvement. 	<ul style="list-style-type: none"> Employee participation – Percentage of employees engaging in health and wellbeing programs. Reduced absenteeism – Decrease in sick leave or misused sick leave due to health-related issues. Lower excess leave balances – Fewer employees with high leave balances, indicating better work-life balance. 	●	●	●	●

FOCUS AREA 2

Transform the way we work

Action	Description	Benefits	Measures	2025 – 2026	2026 – 2027	2027 – 2028	2028 - 2029
2.1.0 Optimise People & Culture Processes	Enhance end-to-end P&C processes, tools, AI, and technology to improve efficiency, employee experience, and alignment with organisational goals—ensuring that it aligns with the broader business process framework.	<ul style="list-style-type: none"> Streamlined operations – Reduces complexity and enhances efficiency. Better employee experience – Simplifies processes for employees and managers. 	<ul style="list-style-type: none"> Process efficiency improvements – Reduction in processing times for key P&C activities. Employee satisfaction – Positive feedback on P&C processes. 	●	●	●	●
2.2.0 Operating Model Review	Assess and refine the operating model to ensure it is fit for purpose, adaptable, and aligned with strategic goals.	<ul style="list-style-type: none"> Right skills & capabilities – Ensures the organisation has the right people in the right role with the required skills and capabilities. Greater agility – Improves adaptability to changing needs. 	<ul style="list-style-type: none"> Skills & capability alignment – % of key roles filled with required skills and capabilities for current and future needs. Performance improvement – Measurable uplift in organisational performance linked to strategic goals. Structural agility – Speed and effectiveness of adapting to changing demands or priorities. 	●			●
2.3.0 Review Salary System	Assess and refine salary, compensation and benefit structures to ensure fairness, competitiveness, and alignment with Rous goals, Award obligations and market standards.	<ul style="list-style-type: none"> Equitable & competitive pay – Ensures salaries attract, retain, and motivate talent. Improved transparency – Enhances trust and clarity in remuneration practices. 	<ul style="list-style-type: none"> Market alignment – % of roles benchmarked against industry standards. 	●			
2.3.1 Implement Salary System Recommendations and Enhancements	Roll out refined salary structures, innovative benefits and supporting tools and framework.	<ul style="list-style-type: none"> Stronger talent attraction & retention – Competitive and fair remuneration supports workforce stability. Enhanced flexibility & engagement – Innovative benefits cater to diverse employee needs. 	<ul style="list-style-type: none"> Employee satisfaction – Improvement in feedback on remuneration, benefits, and accessibility of salary-related tools. Adoption of innovative benefits – % uptake of new salary structures or benefits. 	●	●	●	●

FOCUS AREA 2

Transform the way we work

Action	Description	Benefits	Measures	2025 – 2026	2026 – 2027	2027 – 2028	2028 - 2029
2.4.0 Develop Capability & Competency Framework	Develop a structured competency model that defines the skills, behaviours, and capabilities required for organisational success, providing a foundation for workforce development.	<ul style="list-style-type: none"> Clear role expectations – Establishes standardised competencies for all roles. Strategic workforce planning – Aligns skills development with future business needs. 	<ul style="list-style-type: none"> Framework completion – % of roles mapped to defined competencies. Leadership engagement – Participation rate in framework development and validation. 	●			
2.4.1 Implement Capability & Competency Development	Roll out training, tools, and initiatives to develop workforce capabilities in line with the framework.	<ul style="list-style-type: none"> Stronger workforce – Builds skills to meet future demands. Improved career pathways – Supports employee growth and retention. 	<ul style="list-style-type: none"> Training participation – % of employees engaging in capability development programs. Competency progression – Increase in employees advancing in key skills. 	●	●	●	●
2.5.0 Embed a Positive, Values-Driven Culture	Foster a strong organisational culture that aligns with strategic goals and values, promotes collaboration, and enhances employee engagement.	<ul style="list-style-type: none"> Stronger alignment – Reinforces behaviours that support organisational objectives. Higher engagement – Creates a more connected and motivated workforce. 	<ul style="list-style-type: none"> Employee engagement – Improvement in engagement survey scores. Values adoption – % of employees demonstrating key cultural behaviours. 		●	●	●

FOCUS AREA 3

Future focussed, trusted business

Action	Description	Benefits	Measures	2025 – 2026	2026 – 2027	2027 – 2028	2028 - 2029
3.1.0 Introduce HR Metrics & Data-Driven Insights	Establish a structured approach to HR metrics, enabling data-driven decision making to improve workforce planning, performance, and strategic alignment.	<ul style="list-style-type: none"> Informed decision making – Supports strategic workforce planning with real data. Improved accountability – Provides measurable insights into HR effectiveness. 	<ul style="list-style-type: none"> HR metric adoption – Number of key HR metrics tracked and reported. Data-driven decisions – % of workforce initiatives informed by HR data. 	●			
3.1.1 Enhance HR Data & Insights	Build on foundational HR metrics by deepening data analysis, identifying trends, and using insights to drive workforce strategies and decision making.	<ul style="list-style-type: none"> Better workforce planning – Leverages data to predict and address workforce needs. Stronger strategic alignment – Ensures HR initiatives are data-informed and impactful. 	<ul style="list-style-type: none"> Advanced analytics adoption – % of HR decisions supported by data insights. Trend identification – Number of key workforce trends analysed and acted upon. 		●	●	●
3.2.0 Workforce Management Review [Service in a Box]	Program designed to help councils evaluate and enhance their services, with a focus on workforce management to improve efficiency and future workforce planning.	<ul style="list-style-type: none"> Optimised Workforce Efficiency: Identifies skills gaps, streamlines workforce planning, and ensures resources are allocated effectively. Stronger Workforce Capability: Enhances talent retention, succession planning, and professional development to build a future-ready workforce. 	<ul style="list-style-type: none"> Workforce insights utilisation – % of strategic workforce decisions informed by data. Talent gap reduction – Decrease in critical skills gaps across key roles. 		●		
3.2.1 Develop a Data-Driven Workforce Management Strategy	Establish a strategic, data-informed approach to workforce planning that ensures the right people, skills, and capabilities are in place to meet current and future organisational needs—proactively identifying critical roles, strengthening talent pipelines, mitigating workforce risks, and supporting leadership development for long-term agility.	<ul style="list-style-type: none"> Optimised workforce planning – Aligns staffing, skills, and resources with business priorities. Proactive decision making – Uses data to anticipate and address workforce challenges. 	<ul style="list-style-type: none"> Workforce Metrics: Improved workforce capability alignment, reduced turnover, and enhanced succession planning outcomes. Operational Impact: Increased workforce productivity, reduced vacancy fill times, and more effective resource utilisation. 				●

**ICT Asset Management
Position Statement**

2025

Document owner: ICT Manager, Joseph Yeadon

Office use only	File no.: F20/250-01	Next review date: By July 2027
Version	Purpose and description	Date
1.0	Position Statement to align with 2025/29 Integrated Planning and Reporting Framework	March 2025 Public exhibition approved and adopted 16/04/2025 (15/25)

1. Purpose

This document provides the current position of Information and Communication Technology (ICT) management at Rous County Council (Rous) in February 2025 in the 2025/26 financial year. This document details the key elements and links to ICT within Rous, and the processes in place to manage the assets and processes in the future.

2. Current Position

The Digital Strategy (Attachment 1) remains in place with the priorities, goals, and objectives relevant to existing practices. It is designed to articulate an integrated set of ICT priorities and choices that collectively enable Rous to achieve its business objectives.

Effective ICT services aligned to business goals and objectives that demonstrate value for money and provide enhanced customer services are an essential enabler for Rous to achieve its Mission:

“Provide quality services that support a sustainable and productive region.”

Through the Digital Strategy, the aim is to deliver outcomes that help protect our region’s environment, deliver our operations in a sustainable way, and ensure Rous embraces innovation and continuous improvement.

3. Strategic Direction

The strategic management framework of the ICT assets and processes are listed in the Digital Strategy adopted by Council at its meeting on 14 December 2022 [79/22].

There are four key areas within the Strategy that underpin the ICT program:

- Digital Objectives
- Design Principles
- Technology Guidelines
- Initiative Pillars

Strategic goals			
Our Digital Objectives	<ul style="list-style-type: none"> • Protect and enhance our region’s natural resources • Deliver our operations in a sustainable way • Embrace innovation and continually improve the way we do business 		
Our Design Principles	Think about people	Ask why	New, better digital processes
	Progress over perfection	Deliver insights	Simplicity
Our Technology Guidelines	Safe and secure		Maximise our investment
	Work whenever, wherever		Enable data-led decisions
Our Initiative Pillars	Infrastructure and monitoring		Resource planning and asset management
	Analytics and insights		Customer experience

4. Asset Management

The ICT team manage a group of attractive, short-lived technology assets including laptop computers, mobile telephones and devices, associated software, computer mainframes and servers, printers, and electronic office equipment. These are registered as 480 items with a value of \$2.52M (2025).

Major infrastructure supporting the ICT network is the microwave bridge infrastructure which provides network connectivity to critical sites such as Nightcap and Emigrant Creek water treatment plants. These microwave bridges have a useful lifespan of approximately 8 to 10 years and do not require maintenance. However, the Rous-owned towers that support these bridges do require regular upkeep. Both the towers and the microwave bridges undergo an annual inspection conducted by an external third party. These devices were replaced during the 2022/23 period and are next due for replacement in 2030. The approximate cost for their replacement is \$250,000.

5. Strategy Review

Rous is currently concentrating on the implementation of the Novus project, which has an influence and contribution to many existing ICT processes and procedures. When the systems related to that project are embedded, which is expected to be within two years, a comprehensive review of the ICT Strategy will be undertaken.

Attachment 1 – [Rous County Council meeting 14 December 2022 \(agenda item 9.3 – Digital Strategy and Digital Transformation\)](#)

**Asset Management Strategy
Position Statement**

2025

Document owner: Asset Planning Engineer, Andrew Leach

Office use only		File no.: F20/250-01	Next review date: By July 2027
Version	Purpose and description	Date	
0.1	Asset Management Plan	DRAFT June 2020	
1.0	Provides overview of asset management systems and strategic plan for achieving asset management objectives	Adopted by Council 19/08/2020	
2.0		DRAFT March 2022	
	Endorsed by Council at its meeting on 15 June 2020	15/06/2022 Resolution: 28/22	
3.0	Position Statement to align with 2025/29 Integrated Planning and Reporting Framework	March 2025 Public exhibition approved and adopted 16/04/2025 (15/25)	

1. Purpose

This document provides the current position of Asset Management elements of Rous County Council (Rous) for the beginning of the 2025/26 financial year. At the time of the scheduled cyclic review of the Asset Management suite of strategic documents, major changes are being made in Rous' corporate technology systems and processes. This document provides the detail behind the decision to defer the comprehensive review until the budget development cycle of 2026/27.

2. Background

Reviews of strategic Rous documents, including the Asset Management Strategy and Plans, are scheduled at four yearly intervals to align with the legislated Integrated Planning and Reporting Framework timeline. A digital transformation project, Novus, underway in 2025, involves the replacement of a range of Rous' business systems including the asset management system. The 'on premise' asset management system, Confirm®, will be replaced by a modern integrated cloud-based Enterprise Asset Management (EAM) system, Asset Vision®. Other systems, such as a new Enterprise Resource Planning (ERP) system and Customer Relationship Management system, will also be implemented.

The processes and procedures which are documented in the Asset Management Strategy and Plans reflect Rous' 'as is' state based on Confirm. The cutover to Asset Vision® and integration with other systems, will result in new processes, procedures and work practices. Given the current stage of the project, the decision was taken to defer the comprehensive review of the Asset Management Strategy and Plans until the new systems, in particular Asset Vision®, were implemented and lived experience has been gained from their use in the business. In the meantime, as resources allow, the objective is to continue to deliver against the improvement actions contained in the [Asset Management Strategy 2022-25](#) (and supporting plans).

3. Current Position

The existing adopted Asset Management Strategy 2022/25 has provided a sound structure and remains relevant. The future review will take into consideration the changes required by the introduction of Asset Vision and the associated workflows and practices that these changes will bring. Over the past four years, many of the prioritised Improvement Actions have been completed, and there will be a continuation of the program into the next stage of the life of the Strategy. It should be noted that resourcing availability has impacted the rate of progress and completion of actions. Table 1 below, the Improvement Plan, identifies actions completed, and those which will be carried forward into the life of the proposed new Strategy.

3.1 Existing Improvement Plan

The following actions were identified for completion during 2021 to 2025. These were developed from the actions identified to close the gaps between the then current asset management state and what is now desired for asset management maturity.

These actions remain prioritised based on the following criteria:

Complexity of the Action	Reliance on data collection or other improvement actions	Budget requirements and available resources	Impact of the action on improving our asset management maturity
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Table 1 – Improvement Plan

Priority	Improvement Action	Lead	Year				Complete 2025	Ongoing
			21/22	22/23	23/24	24/25		
1	Implement an asset management steering committee	LT	✓				✓	
1	Recruit an Asset Management Improvement Officer	GMPD	✓				✓	
1	Maintenance Strategy Improvement - Condition Assessment	PDE	✓	✓			✓	✓
1	Develop and document a formal capital works planning process	DTEM OEM		✓				✓
1	Maintenance Strategy Improvement - Maintenance Program Review	PDE	✓	✓	✓	✓		✓
6	Maintenance Strategy Improvement - Cost Capture	AMSO			✓	✓		✓
6	Develop reporting on asset management system and asset performance	PDE		✓		✓		
6	Develop process for identifying asset criticality and assess assets	AMSO		✓	✓		✓	
9	Review and update Asset Management Plan	AMSO	✓	✓	✓	✓	✓	
9	Develop and formally document a decision-making framework	PDE		✓	✓			✓
9	Review and update asset risk register	PDE		✓				
12	Develop and implement an Improvement Plan for Confirm	AMSO	✓	✓	✓		✓	
12	Maintenance Strategy Improvement - Defect Capture	DTEM OEM	✓	✓	✓		✓	✓
12	Maintenance Strategy Improvement - Review, Reporting & Awareness	AMSO	✓	✓	✓	✓	✓	✓
15	Document all major asset management processes	AMSO	✓	✓	✓	✓		✓
15	Implement review, development and reporting of improvements program	AMSO	✓	✓				✓
15	Review Asset Management Policy	AMSO	✓				✓	
15	Develop an Asset Information Strategy	AMSO			✓			
15	Develop and implement review program for asset management system	AMSO				✓		
15	Develop and implement a communication plan for asset management	AMSO		✓				
21	Implement GIS Development and Improvement Plan	AMSO	✓	✓			✓	
22	Develop and document an asset handover process	PDE			✓		✓	
22	Develop an electronic Asset Management Manual	AMSO		✓				✓
22	Improve storage and access to technical plans, SOPs and other asset related documents	PDE			✓			
24	Develop material on asset management for staff inductions	AMSO HR			✓			
26	Integrate demand analysis with asset planning and decision making	SPE			✓			
26	Maintenance Strategy Improvement - Confirm Processes	AMSO	✓	✓	✓		✓	
28	Embed principles from Asset Management Policy & Strategy into business as usual	LG				✓		
28	Develop asset management competencies framework	LT HR				✓		
28	Promote development of asset management capability	LT HR				✓		

31	Document all minor asset management processes	AMSO			✓	✓		✓
32	Improve field access to asset systems, information and documents	PDE				✓		
32	Develop and implement an internal auditing process for asset management system	AMSO				✓		

3.2 Key Outcomes 2021/25

Notable achievements over the past four years include:

- Implementation of an Asset Management Steering Committee
- Recruitment of an Asset Management Improvement Officer
- Development of a process for identifying Critical Assets
- Implementation of GIS Development and Improvement Plan
- Asset Handover Documentation

The highest priority Actions carrying forward include:

- Change over from Confirm to Asset Vision Asset Management System
- Develop and document a formal Capital Works Planning Process
- Review and update Asset Management Plans
- Develop an Asset Information Strategy
- Maintenance Strategy Improvement – Maintenance Program Review

The above information and table update is derived from the Asset Management Strategy 2022-2025 (Attachment 1). The Actions in the Strategy originate from Asset Management Improvement Actions Reporting 2021-2024.

A number of actions within the plan have not been started at the time of writing due to resourcing availability.

4. Intention and Opportunity

Understanding the current environment, Rous will focus on implementing the new corporate systems and the integration that is associated with the various elements of Project Novus. The introduction of Asset Vision will require a review of the links and workflows which existed with the former asset management system Confirm®, and this will be reflected in the next draft of Asset Management Strategy and Plans.

While undertaking this review, there will be an opportunity to expand the scope to look at the relationship between asset management processes and project management practices and systems within Rous, and how they can be improved. From a leadership perspective, there is also the opportunity to review the membership, focus and output of a variety of committees and steering groups within Rous, with the view of expanding agendas, and reducing the number of sperate forums. This is in recognition of staff representing their work areas in a variety of meetings where membership is almost identical however the group title or focus differs.

Attachment 1 – [Asset Management Strategy 2022-2025](#)

**Fleet Asset Management
Position Statement**

2025

Document owner: Health Safety Environment and Logistics Manager, John Nasser

<i>Office use only</i>	File no.: F20/250-01	Next review date: By July 2027
Version	Purpose and description	Date
1.0	Position Statement to align with 2025/29 Integrated Planning and Reporting Framework	March 2025 Public exhibition approved and adopted 16/04/2025 (15/25)

1. Purpose

This document provides the current position of Fleet Asset Management of Rous County Council (Rous) in February 2025, in the 2025/26 financial year. This document details the key elements and links to Fleet Management within Rous, and the processes in place to manage fleet and mobile plant assets in the future.

2. Current Position

The function of Fleet Management is undertaken by the Fleet Reporting Unit (FRU) within Rous. The FRU provides a service to Flood Mitigation, Bulk and Retail Water Supply, Weeds Biosecurity and Property reporting units. FRU provides cars, trucks, tractors, boats, trailers, sundry heavy plant, and all-terrain vehicles. These other reporting units rely on the items provided by FRU to meet their obligations and responsibilities. This requires fleet items to be safe and fit for purpose so that agreed service levels can be achieved. It is also important that operations are conducted in a manner that derives the best economic value for Rous and minimises the carbon footprint of fleet items.

For the purposes of this document Fleet excludes mobile handheld plant and equipment.

FRU is responsible for 112 fleet items valued at approximately \$1.7M.

The annual operating expense for these items is approximately \$500,000 and capital expense \$400,000 (net).

As at March 2025, Fleet assets comprise of:

- 15 private use vehicles which are typically sedan or SUV style
- 56 light commercial vehicles that include utilities, super cabs and twin cabs
- 2 trucks
- 3 tractors
- 2 excavators
- 6 boats
- 22 trailers
- 4 ride-on mowers/all-terrain vehicles (ATV)
- 1 forklift (forklift is leased from Toyota)
- 1 caravan (site office)

Rous has a short-term fleet renewal program (2025 – 2028) and a 10-year fleet renewal program.

3. Strategic Direction and Guiding Principles

A target under Rous' [Renewable Energy and Emissions Reduction Plan](#) is to transition the organisation's fleet away from fossil fuels to renewable energy options wherever possible, whilst ensuring that the primary purpose of FRU is not compromised.

Informing the Fleet renewal program is a suite of Guiding Principles that were endorsed by Rous' Leadership Team in October 2024 ([D24/18706](#)).

	Guiding Principle (GP)	Details	Comment
GP1	Operating basis	Break even	
GP2	Disposal basis	(a) Optimal outcome based on 'whole of life' cost (ideal position) (b) Flexibility required to adapt to changing market conditions, having regard to: a. approved budget b. improved forecasting	Additional flexibility required in near term to readjust fleet renewals back to planned program (i.e. a different approach is required for short-to-medium term v long term)

	Guiding Principle (GP)	Details	Comment
			Whole-of-life costs are the average costs that are required to sustain the service levels over the asset life cycle. Lifecycle costs include operations and maintenance expenditure and asset consumption (depreciation expense)
GP3	Replacement parameters	<p>Subject to GP2:</p> <p>(a) Fleet class – vehicles (ideal position):</p> <ul style="list-style-type: none"> a. Private lease: not before 2 years and no later than 3 years b. Commuter / operational vehicles: not before 4 years and no later than 5 years c. Other fleet: boats, excavator, trailers etc. 	For turnover (time / mileage / warranty)
GP4	Review of Fleet Renewal Plan and forecasting	<p>(a) Update quarterly (coinciding with Quarterly Budget Review Statement (QBRs))</p> <p>(b) Update whole-of-cost annually (and examine in terms of life of vehicle)</p> <p>(c) Update 10-year renewal costs for fleet on an annual basis.</p>	
GP5	Develop and document Finance / budget business rules	<p>Including:</p> <p>(a) Overall approach to QBRs in the context of Fleet:</p> <ul style="list-style-type: none"> a. QBRs = last resort b. Where a timing / sequencing issue exists (having regard to supply chain delays and lead times or insufficient budget) and there is a need for a QBRs adjustment, explore a business process similar to a Procurement Exception Request to cater for raising a Purchase 	Once purchased, Fleet Renewal Program (and forecast budget) to be adjusted to reflect new Fleet item; applicable for all Fleet items

	Guiding Principle (GP)	Details	Comment
		<p>Order pending the QBRs process</p> <p>(b) Replacement – set in conjunction with budget process based on Fleet Renewal Program</p> <p>(c) Addition / Expansion:</p> <ul style="list-style-type: none"> a. Planned: annual budget b. Unplanned: Group Manager accountable/responsible for business case and identifying funding source. Preferred options are: <ul style="list-style-type: none"> i. Indoor: 1. motor vehicle allowance; 2. private lease vehicle (subject to funding source being identified or already budgeted, otherwise defer until next annual budget) ii. Outdoor: 1. Commuter vehicle (subject to funding source being identified) 	
		<p>(d) Lease / Hire: if over 12 weeks FBT liability arises.</p> <ul style="list-style-type: none"> a. Indoor: 1. motor vehicle allowance only (no hire/lease option); 2. assign pool vehicle b. Outdoor: assess on a case-by-case basis 	<p>No additional separate budget to be held for unplanned expansion</p>
<p>GP6</p>	<p>Status quo for eligibility (commuter / private lease / allowance)</p>	<p>(a) To attract and retain staff and based on demonstrated operational or business requirement:</p> <ul style="list-style-type: none"> a. Grade to be used as a guide to initial eligibility <p>(b) Vehicle class based on operational need</p>	

	Guiding Principle (GP)	Details	Comment
GP7	Preference for private lease vehicle v motor vehicle allowance	<p>(a) Order of preference:</p> <ul style="list-style-type: none"> a. New hires (permanent): <ul style="list-style-type: none"> 1. motor vehicle allowance (unless new motor vehicle purchase has been budgeted), 2. private lease motor vehicle (subject to 'inheriting' previous position holder's vehicle or for new vehicle, funding source being identified) b. Existing staff (permanent): <ul style="list-style-type: none"> 1. motor vehicle allowance, 2. motor vehicle (commuter or private lease but only if budgeted) c. Existing staff (temporary / relieving duties): motor vehicle allowance <p>(b) Business rules required governing:</p> <ul style="list-style-type: none"> a. electric vehicles: under development b. switching between an allowance and motor vehicle (and vice versa). If new motor vehicle is required, defer pending next budget process 	People and Culture Team involvement required on attraction / retention as well as conditions

4. Renewal Program and Project Expenditure

Set out below is the projected expenditure required to provide a fit for purpose Fleet to deliver the services required under Rous' Business Activity Strategic Plan and Delivery program | Operational. This information is used as an input to the 10-year Long Term Financial Plan and is revised annually.

Fleet renewal Program	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$	2034 \$	2035 \$	
	6,621,100	717,400	717,400	508,300	759,000	788,000	691,000	625,000	627,000	487,000	701,000

5. Future Management

The FRU utilise spreadsheets for fleet projections and stock management, which is adequate for the small number of items within the portfolio. Asset Management Plans will be further investigated in the next 12 months, with an assessment on effort versus outcome being a primary discussion. A study of the Draft 2023 Fleet Business Plan will also contribute to this review at the time.