



02.

Resourcing Strategy

Long-Term Financial Plan 2023–2033

Workforce Management Plan 2022–2025

Asset Management Strategy 2022–2025





Long-term Financial Plan

1 July 2023 – 30 June 2033

Bulk water | Retail water
Flood mitigation | Weed biosecurity
Property | Richmond Water Laboratories



Version	Description	Person responsible	Reviewed by	Approved by / Date
0.1	Draft.	P Morgan / J Patino	H McNeil	04/04/2022
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1.1	Update of LTFP for 2023-2033	J. Patino	G. Ward	19/04/2023

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1. Introduction

1.1. The Long-Term Financial Plan (LTFP)

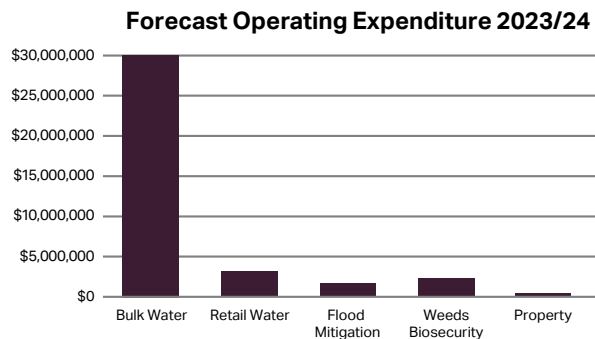
- i. Is a regulatory requirement and forms part of Rous County Council's (Rous) Resourcing Strategy within its Integrated Planning and Reporting (IP&R) Framework.
- ii. Is based on a financial planning period of ten years from 2023/24 to 2032/33. It is relevant to note that Rous also prepare a 30-year financial plan (not presented as part of this document) that provides an intergenerational financial outlook and meets the guidelines of the Integrated Water Cycle Management Strategy (IWCMS) administered by the NSW Department of Planning, Industry and Environment – Water (DPIE).
- iii. Is designed to assist financial decision making. It includes revenue and expenditure forecasts and asset projections, all of which are based on several assumptions.
- iv. Is used to test whether Rous has the financial capacity to satisfy the goals set out in the Business Activity Strategic Plan (part of the IP&R Framework).
- v. Measures short, medium, and long-term sustainability.
- vi. Is expected to identify if there is an unacceptable risk in one or more of these time horizons, with sufficient foresight to enable a remedial strategy to be agreed.
- vii. Is updated annually in conjunction with the Delivery Program and Operational Plan.



2. Rous' financial position

Rous has six 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 78% of the consolidated organisation.

Graph 1: Forecast operating expenditure 2023/24 shows the forecast operating expenditure of each of the reporting units in the 2023/24 financial year.



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

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

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

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

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

Control and management of assets valued >\$690 million

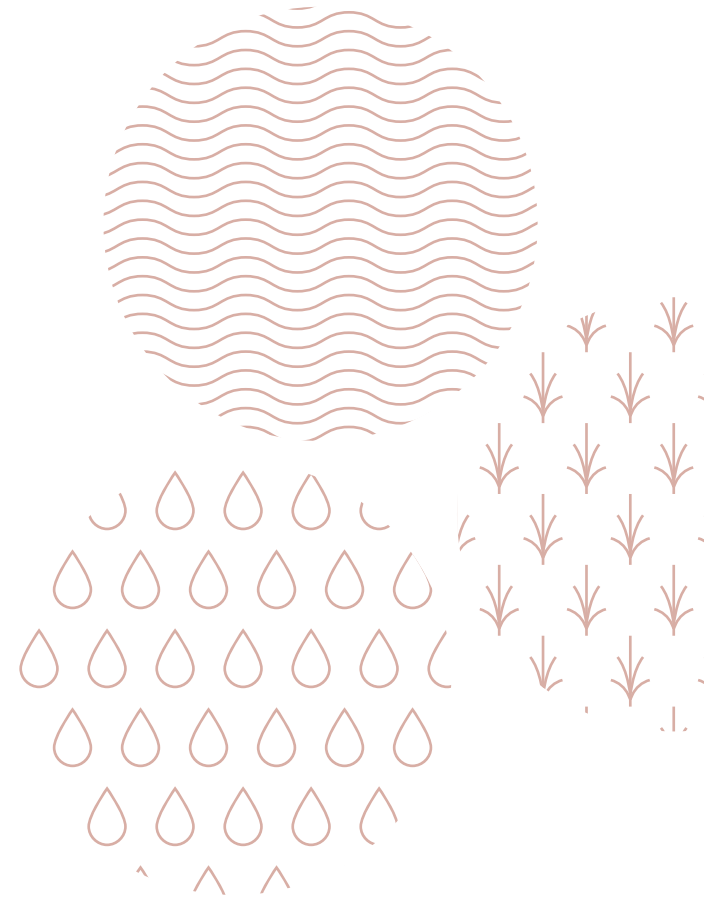
These assets include dams, treatment plants, pipes, land, buildings and plant and equipment. Both financial and operating planning are critical to ensure that essential services are maintained to satisfactory standards.

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

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

The LTFP anticipates significant expenditure on new groundwater sources, referred to as the Future Water Program (FWP). Expenditure is currently estimated at \$156 million over the next ten years. The FWP includes years of investigations into the best water source alternatives, increases to the price of bulk water to accommodate external borrowings and research into possible grant funding from higher government tiers.

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



2.1. Historical financial data

Table 1: Historical performance provides consolidated historical financial information for the three-year period 2019/20, 2020/2021 and 2021/22. This information is useful to assess Rous's previous performance and financial position.

Table 1: Historical Performance

	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Operating Result			
Operating Revenue	30,163	30,575	34,562
Operating Expenditure	27,779	26,251	32,349
Operating Result	2,384	4,324	2,213
Adjusted Operating Result excluding Capital Grants and Contributions			
	(2,027)	(911)	(3,418)
Cash and Investments			
Total Cash and Investments	35,193	49,380	40,554
Other Balance Sheet			
Infrastructure, Property, Plant and Equipment	490,721	497,086	509,348
Outstanding Loan Principal	21,559	32,358	28,960
Performance Indicators			
Operating Performance Ratio (Benchmark >0.00%)	-8.08%	-4.92%	-9.56%
Own Source Operating Revenue Ratio (Benchmark >60.00%)	81.07%	78.85%	73.82%
Unrestricted Current Ratio (Benchmark >1.50x)	5.24x	7.03x	4.26x
Debt Service Cover Ratio (Benchmark >2.00x)	1.54x	1.59x	1.42x
Cash Expense Cover Ratio (Benchmark >3.00 months)	18.31 months	25.80 months	19.01 months

3. Financial modelling

3.1. Methodology

The LTFP forecasts the ten years from 2023/24 to 2032/33, which meets the requirements of the Office of Local Governments Integrated Planning and Reporting.

The plan presented aims to:

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

The development of this LTFP is continually refined and adjusted to reflect the most current information. Therefore, it is important to note that this document presents the LTFP as at the time of development, being the adopted changes in the Quarterly Budget Review Statement for the quarter ended 31 March 2023.

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.

Example: Where the future cost of electricity needs to be estimated and there are two years remaining of a five-year supply contract, the following approach is taken.

Forecasts for years one and two will be based on historical and current year electricity usage plus price adjustments contained in the contract. Also proposed operational changes, such as a new pump station, will need to be considered. Estimating the cost for year three will require assumptions on pricing contained in the new supply contract and further assumptions on growth or decline of usage.

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

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

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



3.2. How to read the LTFP

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

The reporting units are:

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

The LTFP can be viewed over three time periods:

1. One-year Operational Plan – 2023/24 budget and is the primary focus (presented in blue in the report tables).
2. Four-year Delivery Program – designated time under the *Local Government Act 1993* that is intended to provide a medium-term financial vision for the organisation (presented in yellow for years two to four in the report tables).
3. Ten-year LTFP – expands on the Delivery Program to provide a broader perspective of where the organisation is heading and what the threats and opportunities may be over ten years (presented in white for the remaining years within this report).

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

Table 6: Colour scheme

LTFP category	Time period	Colour scheme
Operational Plan	2023/24	Blue
Delivery Program	2024/25 – 2026/27	Yellow
LTFP	2027/28 – 2032/33	White

It will be noted that the **net cash movement** (Table 8: Consolidated organisation operating performance) forecasts a zero in all years. This is because the annual cash movement is balanced via a transfer to or from reserve. Therefore, the **net reserve movement** indicates whether the cash reserve has increased or decreased over the period.

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

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



3.3. Budget assumptions

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

Primary assumption: That Rous will continue to function in 2023/24 and beyond in a similar fashion to the current financial year.

Table 7: Main budget assumptions provides a summary of the budget assumptions and presents the forecast price path of the primary income source for bulk water supply, retail water, flood mitigation and weed biosecurity.

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

Table 7: Main budget assumptions

Main Assumptions and Projected Price Paths										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Consumer Price Index	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Rate Pegging	103.70%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%
Depreciation Movement	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%	101.50%
Salary and Wages	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%
Bulk Water Cost for Retail	106.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	101.00%
Loan Interest Rate	7.00%	6.50%	6.00%	5.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Investment Interest Rate	5.00%	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Flood Council Contributions	110.00%	108.00%	105.00%	104.00%	104.00%	103.00%	103.00%	102.50%	102.50%	102.50%
Weeds Council Contributions	103.70%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%	102.00%
Bulk Water Council Contributions	106.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	101.00%
Retail Water	107.00%	108.00%	108.00%	108.00%	108.00%	108.00%	108.00%	108.00%	108.00%	102.00%

3.4. Other assumptions

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

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

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

Investment interest rate: The rates are taken from the ten-year Commonwealth Bond rate, which provides a market-based prediction of the future.

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

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

Future Water Program

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

Estimates of capital and operational expense associated with the FWP are continually being refined and modified. Given the scale of expenditure, the updating of these costs is considered to be a major weakness in the LTFP.

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

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

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



4. Financial Plan

The tables shown in this section of the LTFP are current as of March 2023. The commentary that accompanies the tables is intended to be very general in nature, giving an overview perspective only. A detailed version of the LTFP is available [here](#) and commentary will be contained in the report that accompanies the LTFP when presented to Council.

Table 8: Consolidated organisation operating performance

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
Name	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Income										
Flood Mitigation	1,174,200	1,186,700	1,222,500	1,267,800	1,313,400	1,354,600	1,387,200	1,419,100	1,453,500	1,489,700
Weeds Biosecurity	1,722,200	1,610,100	1,588,900	1,603,900	1,617,900	1,638,700	1,660,400	1,682,600	1,704,700	1,726,400
Retail Water Supply	3,512,700	3,896,000	4,152,400	4,423,100	4,716,000	5,036,800	5,384,900	5,755,200	6,157,700	6,290,100
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	197,800	3,478,000	2,995,300	3,038,600	164,700	164,500	164,200	163,800	163,400	162,900
Bulk Water Supply	28,798,700	28,778,800	30,382,500	32,158,200	34,111,900	36,304,600	38,638,900	41,180,700	43,781,100	44,160,700
Fleet Operations	126,100	116,000	110,000	107,600	102,000	101,300	102,900	106,700	110,600	114,700
Total Operating Income	35,531,700	39,065,600	40,451,600	42,599,200	42,025,900	44,600,500	47,338,500	50,308,100	53,371,000	53,944,500
Operating Expense										
Flood Mitigation	1,922,700	1,719,300	1,694,900	1,705,800	1,729,800	1,756,500	1,854,400	1,835,900	1,863,600	1,866,600
Weeds Biosecurity	2,667,100	1,601,900	1,522,200	1,525,600	1,535,200	1,552,600	1,576,700	1,606,800	1,660,100	1,697,100
Retail Water Supply	3,617,400	4,214,900	4,419,900	4,629,700	4,851,800	5,087,000	5,336,400	5,600,800	5,881,100	5,968,200
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	321,600	245,100	198,700	196,400	147,400	146,900	147,500	148,900	149,500	151,300
Bulk Water Supply	30,132,300	30,468,400	32,144,700	33,191,200	34,733,400	36,437,700	37,702,500	37,970,700	38,139,000	37,223,300
Fleet Operations (*net of internal income)	129,400	103,600	91,900	101,100	73,200	79,500	85,900	92,400	99,000	105,700
Total Operating Expense	38,790,500	38,353,200	40,072,300	41,349,800	43,070,800	45,060,200	46,703,400	47,255,400	47,792,300	47,012,200
Operating Result	(3,258,800)	712,400	379,300	1,249,400	(1,044,900)	(459,700)	635,100	3,052,700	5,578,700	6,932,300
Less Depreciation	8,305,100	8,756,500	9,039,400	9,333,300	9,834,800	10,099,500	10,268,300	10,569,100	10,723,000	10,853,600
Operating Result Excluding Non Cash	5,046,300	9,468,900	9,418,700	10,582,700	8,789,900	9,639,800	10,903,400	13,621,800	16,301,700	17,785,900

Table 8: Consolidated organisation operating performance (continued)

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
Name	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Add: Loan Drawdown	15,000,000	30,000,000	35,000,000	10,000,000	30,000,000	35,000,000	15,000,000	10,000,000	0	0
Less: Loan Repayments	4,191,300	5,034,700	6,032,200	5,807,400	4,797,600	5,632,100	6,387,100	7,030,600	7,405,800	7,802,000
Less: Capital Expense	25,802,400	33,491,000	37,383,500	15,467,000	31,029,600	40,242,400	16,570,800	14,513,100	12,879,900	3,882,800
Less: Transfer to Reserve	1,500,000	1,730,000	1,003,000	3,669,300	3,003,500	406,700	2,994,700	2,591,400	877,200	6,117,300
Add: Transfer from Reserve	11,447,400	786,800	0	4,361,000	40,800	1,641,400	49,200	513,300	4,861,200	16,200
Net Cash Movement	0	0	0	0	0	0	0	0	0	0
Estimated Reserves Whole Organisation										
Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Estimated Reserves Whole Organisation	18,604,600	19,547,800	20,550,800	19,859,100	22,821,800	21,587,100	24,532,600	26,610,700	22,626,700	28,727,800
Net Reserve Movement	(9,947,400)	943,200	1,003,000	(691,700)	2,962,700	(1,234,700)	2,945,500	2,078,100	(3,984,000)	6,101,100

Key points on operating performance

An operating loss before capital grants and contributions has occurred in each of the last three years. The different reporting units all face challenges, however 'bulk water' and 'flood mitigation' have impacted the negative result to a greater extent than the remaining reporting units.

'Bulk water' is experiencing change associated with a huge capital works program that requires more staff, new loans, and additional maintenance expenditure. 'Flood mitigation' has progressed various maintenance projects such that operating expense has exceeded income and resulted in a reduction to cash reserves.

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 for most years of the plan. The result gradually improves as the decade progresses.

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 \$180 million over the next ten years. The price of bulk water is increased to raise funds to repay the debt, however there is a lag where recurrent operating losses are anticipated until revenue reaches a satisfactory level. Cash reserves remain reasonably stable despite funds being applied to capital works and then replenished by new borrowings.

It is not preferable to forecast operating deficits on a recurrent basis, however it is sustainable because income from constituent council contributions for bulk water is elevated to match the new operating and capital expense requirements. Some of the pressure is released in 2028 when the majority of the existing loans expire, which saves approximately \$4 million per annum in loan repayments. The outlook for the whole organisation tends to be dominated by the bulk water reporting unit and more detailed information is provided in that section of the document.

Forecast ratios

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

The selected ratios below are from those required by the Local Government Code of Accounting Practice. A definition for each ratio is included in the detailed version of the LTFP available [here](#). Rous's forecast performance against the benchmarks are detailed in Table 9: Consolidated organisation forecast ratios.



Table 9: Consolidated organisation forecast ratios

	Long-Term Financial Plan										
	Current Budget	Operational Plan	Delivery Program								
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Performance Ratio Expressed as a Percentage	(10.27)	(24.55)	(23.11)	(21.97)	(18.69)	(16.43)	(14.40)	(11.34)	(5.65)	(0.41)	2.40
Operating Income less Operating Expense											
Operating Income											
Benchmark	>0	>0	>0	>0	>0	>0	>0	>0	>0	>0	>0
Result	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Pass
Comment This benchmark is met from 2032/33 onwards primarily due to increases in the Bulk Water price path which enables operating revenue to exceed operating expenditure. In the short-term the price path is not high enough to address the additional planned expenditure.											
Own Source Operating Revenue Expressed as a Percentage	94.74	96.69	97.18	97.48	97.61	97.75	97.88	98.01	98.12	98.23	98.27
Operating Income less Grants and Contributions											
Total Operating Income											
Benchmark	>60	>60	>60	>60	>60	>60	>60	>60	>60	>60	>60
Result	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Comment This benchmark is met in every year as Rous' revenue is primarily from non-Grant sources.											
Debt Service Cover Ratio	1.23	0.45	0.61	0.64	0.74	0.91	0.91	0.94	1.06	1.19	1.26
Operating Result excl Loan Interest and Depreciation	6,070,400	2,839,600	5,430,600	7,483,900	8,674,400	10,664,600	12,833,200	14,367,100	17,056,200	19,165,600	20,253,300
Loan Repayments Principal/Interest	4,954,700	6,370,600	8,908,500	11,695,000	11,661,000	11,704,500	14,038,000	15,241,600	16,044,100	16,044,100	16,044,100
Benchmark	>2	>2	>2	>2	>2	>2	>2	>2	>2	>2	>2
Result	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail
Comment This benchmark is not met in any years. Rous' forecast capital expenditure program is significant and is heavily reliant on loan borrowings. Based on the forecast loan borrowings, this ratio can only be improved by obtaining other revenue sources such as grant funding.											

Table 9: Consolidated organisation forecast ratios (continued)

	Long-Term Financial Plan										
	Current Budget	Operational Plan	Delivery Program								
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Unrestricted Current Ratio	2.16	2.06	1.96	1.93	2.36	2.07	2.16	2.20	1.84	2.20	2.25
Current Assets less External Restrictions	30,978,000	21,109,200	22,132,500	23,217,300	22,608,900	25,656,500	24,412,700	27,444,700	29,611,200	25,717,300	31,910,200
Current Liabilities less Specific Purpose Liabilities	9,088,700	9,785,100	10,740,400	11,851,900	11,743,500	10,852,600	11,808,200	12,686,800	13,456,500	13,960,300	14,487,700
Benchmark	>1.5	>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	Pass
Comment											
This benchmark is met in every year despite borrowings increasing current liabilities. This ratio is significantly influenced by the forecast loan borrowings.											
Buildings and Infrastructure Renewals Ratio	138.62	129.05	64.44	119.12	60.27	103.48	89.74	25.66	22.67	103.43	31.21
Asset Renewals	10,184,820	10,111,050	5,335,000	10,190,750	5,329,000	9,660,800	8,608,800	2,503,000	2,277,600	10,542,800	3,220,050
Depreciation, Amortisation and Impairment.	7,347,200	7,835,000	8,279,400	8,555,100	8,841,700	9,335,800	9,593,000	9,754,200	10,047,300	10,193,400	10,316,100
Benchmark	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
Result	Pass	Pass	Fail	Pass	Fail	Pass	Fail	Fail	Fail	Pass	Fail
Comment											
The benchmark is achieved in some years and not in others, which is to be expected. Renewal expenditure will vary depending on where each asset is in its life cycle. For example, a very new asset will not require renewal expenditure for many years whereas an aged asset may require almost annual renewal expenditure to keep it at a satisfactory standard. Calculated over the eleven-year period, the ratio is 78%, which is a fail. Ideally, the renewal expense will be closer to 100%.											
However many of the Rous assets have a lifecycle in excess of 60 years, so you may find renewal expenditure over the following decade will exceed 100%. The ratio provides a useful indication of asset management but it must be considered in conjunction with other asset measures such as condition assessments.											

Table 9a: Select consolidated organisation forecast ratios (total revenue)

Ratios including Capital Revenue	Long-Term Financial Plan										
	Current Budget	Operational Plan	Delivery Program								
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Performance Ratio Expressed as a Percentage	3.29	(9.17)	1.82	0.94	2.93	(2.49)	(1.03)	1.34	6.07	10.45	12.85
<u>Operating Income less Operating Expense</u>											
Operating Income											
Benchmark	>0	>0	>0	>0	>0	>0	>0	>0	>0	>0	>0
Result	Pass	Fail	Pass	Pass	Pass	Fail	Fail	Pass	Pass	Pass	Pass
Comment This adjusted benchmark is met in most years due to increases in the Bulk Water price path and property sales..											
Debt Service Cover Ratio	2.08	1.13	1.50	1.29	1.41	1.34	1.29	1.30	1.41	1.51	1.62
<u>Operating Result excl Loan Interest and Depreciation</u>	10,293,400	7,225,600	13,342,700	15,081,500	16,436,300	15,696,800	18,045,700	19,757,900	22,635,300	24,940,000	26,028,000
Loan Repayments Principal/Interest	4,954,700	6,370,600	8,908,500	11,695,000	11,661,000	11,704,500	14,038,000	15,241,600	16,044,100	16,044,100	16,044,100
Benchmark	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5
Result	Pass	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Pass	Pass
Comment This adjusted benchmark is met in 2031/2032 and 2032/2033. Future adjustments to the forecast model are planned to meet this criteria across the ten-year plan.											

Forecast balance sheet

That fixed assets, specifically infrastructure assets and borrowings, will increase significantly over the next ten years.

This forecast reflects the FWP and the associated groundwater infrastructure that will be constructed and is primarily funded via borrowings.

The extent of borrowings is extreme given the size of the organisation. The debt cover ratio is a measure of whether the entity is considered to be carrying excessive debt, and the preferred benchmark will not be achieved in the foreseeable future. However the entity is in the midst of a once in a generation infrastructure expansion and will remain financially sustainable as long as the income from constituent council contributions can be adjusted to meet expenditure demands.

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.

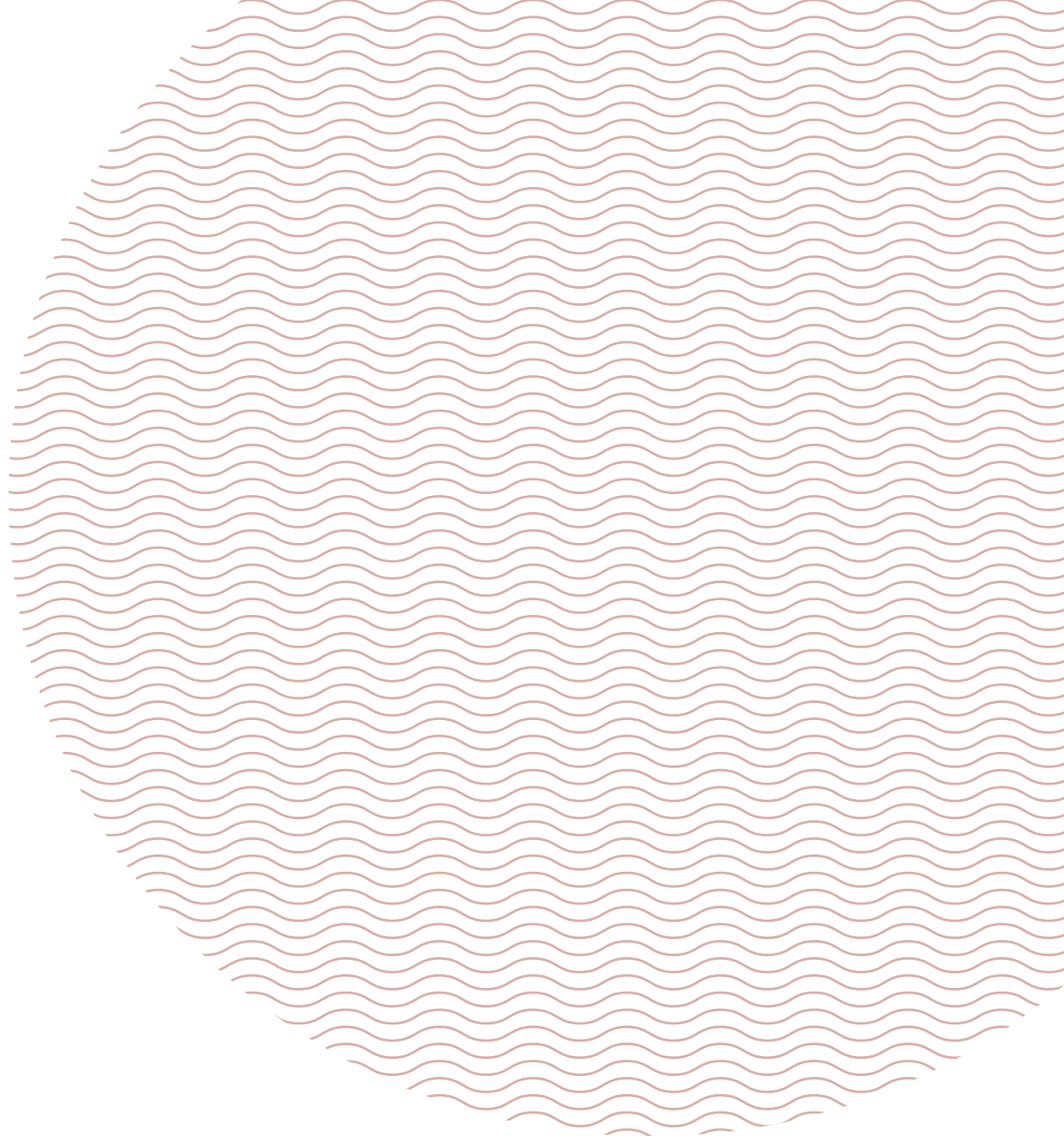


Table 10: Consolidated organisation forecast balance sheet

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2024	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
ASSETS										
Current Assets										
Cash and Cash Equivalents	2,945,400	3,004,300	3,064,400	3,125,700	3,188,200	3,251,900	3,317,000	3,383,400	3,451,000	3,520,200
Investments	14,159,200	15,043,500	15,986,400	15,233,400	18,133,600	16,835,200	19,715,600	21,727,300	17,675,700	23,707,600
Receivables	2,875,100	2,932,600	2,991,300	3,051,000	3,112,000	3,174,200	3,237,600	3,302,400	3,368,500	3,435,900
Inventories	469,000	478,400	488,100	497,900	507,800	422,200	430,700	439,400	448,200	457,100
Other	281,500	287,100	292,800	298,700	304,700	310,800	317,000	323,300	329,800	336,400
Investment Property	34,400	35,100	35,800	36,500	37,200	37,900	38,700	39,500	40,300	41,100
Non-Current Assets Classified as Held for Sale	344,600	351,500	358,500	365,700	373,000	380,500	388,100	395,900	403,800	411,900
Total Current Assets	21,109,200	22,132,500	23,217,300	22,608,900	25,656,500	24,412,700	27,444,700	29,611,200	25,717,300	31,910,200
Non-Current Assets										
Investments	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Receivables	0	0	0	0	0	0	0	0	0	0
Inventories	1,140,300	1,163,100	1,186,400	1,210,100	1,234,300	1,259,000	1,284,200	1,309,900	1,336,100	1,362,800
Infrastructure	511,343,600	535,910,400	564,396,300	570,565,100	591,688,000	621,780,800	628,205,100	632,277,900	634,570,700	627,743,000
Property, Plant and Equipment	25,490,800	26,139,000	26,487,400	26,952,300	27,534,200	28,104,500	28,513,300	28,925,700	29,354,200	29,789,700
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	516,600	526,900	537,400	548,100	559,100	570,300	581,700	593,300	605,200	617,300
Other	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	539,991,300	565,239,400	594,107,500	600,775,600	622,515,600	653,214,600	660,084,300	664,606,800	667,366,200	661,012,800
TOTAL ASSETS	561,100,500	587,371,900	617,324,800	623,384,500	648,172,100	677,627,300	687,527,000	694,218,000	693,083,500	692,923,000

Table 10: Consolidated organisation forecast balance sheet (continued)

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2024	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
LIABILITIES										
Current Liabilities										
Payables	2,852,900	2,910,000	2,968,200	3,027,600	3,088,200	3,149,900	3,212,900	3,277,200	3,342,700	3,409,600
Contract Liabilities	232,100	236,700	241,400	246,200	251,200	256,300	261,500	266,800	272,200	277,700
Lease Liabilities	51,300	52,300	53,300	54,400	55,500	56,600	57,700	58,900	60,100	61,300
Borrowings	4,191,300	5,034,700	6,032,200	5,807,400	4,797,600	5,632,100	6,387,100	7,030,600	7,405,800	7,802,000
Provisions	2,457,500	2,506,700	2,556,800	2,607,900	2,660,100	2,713,300	2,767,600	2,823,000	2,879,500	2,937,100
Income Received in Advance	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	9,785,100	10,740,400	11,851,900	11,743,500	10,852,600	11,808,200	12,686,800	13,456,500	13,960,300	14,487,700
Non-Current Liabilities										
Payables	0	0	0	0	0	0	0	0	0	0
Borrowings	31,972,800	56,094,700	84,064,900	78,769,200	76,230,300	101,185,100	95,990,300	90,664,800	85,351,500	79,746,000
Provisions	41,400	42,200	43,000	43,900	44,800	45,700	46,600	47,500	48,500	49,500
Total Non-Current Liabilities	32,014,200	56,136,900	84,107,900	78,813,100	76,275,100	101,230,800	96,036,900	90,712,300	85,400,000	79,795,500
TOTAL LIABILITIES	41,799,300	66,877,300	95,959,800	90,556,600	87,127,700	113,039,000	108,723,700	104,168,800	99,360,300	94,283,200
NET ASSETS	519,301,200	520,494,600	521,365,000	532,827,900	561,044,400	564,588,300	578,805,300	590,049,200	593,723,200	598,639,800

Forecast statement of cash flows

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

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

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

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



Table 11: Consolidated organisation forecast statement of cash flows

	2023	%	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Change	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Consolidated												
Cash Flows from Operating Activities												
Receipts												
User Charges and Fees	23,694,900	6.4	25,219,900	27,182,400	29,074,300	31,091,100	33,251,100	35,564,800	38,403,000	40,697,600	43,541,100	44,028,800
Investment and Interest Revenue Received	1,173,900	0.4	1,178,900	858,500	801,900	707,000	640,000	666,200	691,800	767,000	738,500	770,200
Grants and Contributions	8,007,700	8.5	8,686,900	7,268,800	7,445,400	7,670,700	7,904,000	8,134,200	8,371,900	8,611,100	8,858,500	8,912,100
Other	2,485,100	(40.6)	1,476,600	1,448,400	1,316,000	1,316,400	1,294,000	1,298,500	1,295,000	1,295,600	1,296,100	1,296,600
Payments												
Employee Benefits and On-Costs	(11,332,200)	8.5	(12,299,900)	(11,904,400)	(11,910,300)	(11,984,700)	(12,014,600)	(12,234,700)	(12,459,300)	(12,688,500)	(12,923,000)	(13,159,400)
Materials and Services	(15,595,700)	22.3	(19,077,300)	(17,067,200)	(16,882,000)	(17,763,900)	(18,052,400)	(18,245,200)	(19,246,700)	(19,324,100)	(20,277,200)	(19,361,400)
Borrowing Costs	(1,380,000)	58.0	(2,179,800)	(3,874,300)	(5,663,300)	(5,854,100)	(6,907,400)	(8,406,400)	(8,855,000)	(9,014,000)	(8,638,800)	(8,242,600)
Other	1,889,800	8.0	2,041,000	2,183,900	2,336,700	2,500,200	2,675,200	2,862,400	3,062,700	3,277,100	3,506,500	3,541,600
Net Cash Flows from Operating Activities	8,943,500	(43.6)	5,046,300	6,096,100	6,518,700	7,682,700	8,789,900	9,639,800	10,903,400	13,621,800	16,301,700	17,785,900
Cash Flows from Investing Activities												
Receipts												
Redemption of Term Deposits	26,500,000	(34.0)	17,500,000	17,500,000	18,100,000	17,500,000	21,000,000	20,500,000	22,500,000	24,500,000	19,500,000	27,000,000
Sale of Investment Property	0	0.0	0	0	0	0	0	0	0	0	0	0
Sale of Real Estate Assets	0	0.0	0	3,372,800	2,900,000	2,900,000	0	0	0	0	0	0
Sale of Infrastructure, Property, Plant and Equipment	0	0.0	0	0	0	0	0	0	0	0	0	0
Payments												
Acquisition of Term Deposits	(26,500,000)	(34.0)	(17,500,000)	(17,500,000)	(18,100,000)	(17,500,000)	(21,000,000)	(20,500,000)	(22,500,000)	(24,500,000)	(19,500,000)	(27,000,000)
Purchase of Infrastructure, Property, Plant and Equipment	(17,031,000)	38.2	(23,535,500)	(30,922,400)	(34,814,100)	(15,396,800)	(30,957,700)	(40,168,800)	(16,496,400)	(14,436,900)	(12,803,200)	(3,805,600)
Purchase of Real Estate Assets	(310,000)	631.3	(2,266,900)	(2,568,600)	(2,569,400)	(70,200)	(71,900)	(73,6000)	(74,400)	(76,200)	(76,700)	(77,200)
Purchase of Intangible Assets	0	0.0	0	0	0	0	0	0	0	0	0	0
Net Cash Flows from Investing Activities	(17,341,000)	48.8	(25,802,400)	(30,118,200)	(34,483,500)	(12,567,000)	(31,029,600)	(40,242,400)	(16,570,800)	(14,513,100)	(12,879,900)	(3,882,800)

Table 11: Consolidated organisation forecast statement of cash flows (continued)

	2023	%	2024	2025	2026	2027	2028	2029	2029	2030	2031	2032
	Estimate	Change	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Cash Flows from Financing Activities												
<u>Receipts</u>												
Proceeds from Borrowings	0	0.0	15,000,000	30,000,000	35,000,000	10,000,000	30,000,000	35,000,000	15,000,000	10,000,000	0	0
<u>Payments</u>												
Repayment of Borrowings	(3,604,600)	16.3	(4,191,300)	(5,034,700)	(6,032,200)	(5,807,400)	(4,797,600)	(5,632,100)	(6,387,100)	(7,030,600)	(7,405,800)	(7,802,000)
Transfer to Retail	0	0.0	0	0	0	0	0	0	0	0	0	0
Net Cash Flows from Financing Activities	(3,604,600)	(399.9)	10,808,700	24,965,300	28,967,800	4,192,600	25,202,400	29,367,900	8,612,900	2,969,400	(7,405,800)	(7,802,000)
Net Change in Cash and Cash Equivalents	(12,002,100)	(17.1)	(9,947,400)	943,200	1,003,000	(691,700)	2,962,700	(1,234,700)	2,945,500	2,078,100	(3,984,000)	6,101,100
Cash and Cash Equivalents at Beginning of Year	40,554,100	(29.6)	28,552,000	18,604,600	19,547,800	20,550,800	19,859,100	22,821,800	21,587,100	24,532,600	26,610,700	22,626,700
Cash and Cash Equivalents at End of the Year	28,552,000	(34.8)	18,604,600	19,547,800	20,550,800	19,859,100	22,821,800	21,587,100	24,532,600	26,610,700	22,626,700	28,727,800

5. Capital works program: 10-year forecast

The capital works program is forecast for the current year and the following ten years in combined Tables 22 to 26: 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.



Tables 22 to 26: Capital works program

Description	Capital Works - Bulk Water Supply									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Trunk										
Broadwater 150 Upgrade (250mm Pipe)	0	0	0	2,150,000	0	0	0	0	0	715,000
Byron 200 - Mains Renewal (375mm Pipe)	1,962,600	0	0	0	0	0	0	0	0	0
Converys Lane 150 - Mains Renewal	0	0	0	0	0	0	0	0	0	0
Coraki 225 - Mains Renewal	250,000	0	0	0	3,500,000	3,500,000	0	0	0	0
Valve Replacement	50,000	0	52,000	0	54,100	0	56,200	0	58,500	0
Knockrow 450	0	0	0	0	150,000	0	0	0	8,614,000	0
Ross St 375 Main	0	0	0	0	0	0	0	0	0	0
St Helena 300/600 Mains Renewal /Augmentation	0	0	0	0	0	0	0	0	0	0
St Helena 300 Upgrade - St Helena 375	0	0	355,000	0	4,000,000	4,000,000	0	0	0	0
St Helena 525 Corrosion Repairs	0	0	0	0	0	0	0	0	0	0
St Helena 525 Wilsons River Crossing Remediation	0	0	0	0	0	0	0	0	0	0
Fluoride Plants	0	0	0	0	0	0	0	0	0	126,500
Instruments - Distribution	6,000	6,000	6,000	6,000	8,000	7,000	7,000	7,000	7,000	7,000
ICS - Wyreema Repeater	0	0	0	0	0	50,000	0	0	0	0
Rocky Creek Dam										
RCD - Installation of Catchment Signage (Regulatory/Information)	0	0	0	0	0	0	0	30,000	0	0
RCD - Recreation Amenities	0	0	0	0	0	0	0	0	0	0
RCD - Destratification System	668,500	0	0	0	0	0	0	0	0	0
RCD - Drainage Channel	0	0	0	0	0	0	0	0	0	0
RCD - Installation of New Catchment Gate	0	0	0	0	0	0	0	0	0	0
Emigrant Creek Dam										
ECD - Visitor Signage Renewal/Installation of Catchment Signage (Regulatory/Information)	30,000	0	0	0	0	0	0	20,000	0	0
ECD - Destratification System	50,000	370,000	0	0	0	0	0	0	0	0
ECD - Renewal of Park Furniture and Boardwalks	15,000	0	0	0	0	0	0	0	0	0
ECD - Installation of New Buffer Zone/Park Fencing (Musgrave)	0	0	0	0	0	0	0	0	0	0
ECD - Amenities/Buildings	0	0	0	0	0	0	0	0	0	0
ECD - Outflow Monitoring/Causeway	300,000	0	0	0	0	0	0	0	0	0
ECD - Spilway Security Improvements	0	0	0	0	0	0	0	0	0	0
ECD - General	0	0	0	0	0	0	0	0	0	0
ECD - Installation of Real-Time Environmental Monitoring Equipment	0	0	0	0	0	0	0	0	0	33,000
ECD - Source	0	0	0	0	0	0	0	0	0	27,000

Tables 22 to 26: Capital works program

	Capital Works - Bulk Water Supply									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Description	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Wilsons River Source										
WRS - Low Lift Switchboard Modifications and Shielding	0	0	0	0	0	0	0	0	0	0
WRS - Howards Grass High Level Pump Station PLC	0	0	150,000	0	0	0	0	0	0	0
WRS - Howards Grass High Level Pump Station VSD	0	0	340,000	0	0	0	0	0	0	0
WRS - Howards Grass High Level Pump Station Switchboards	0	0	150,000	0	0	0	0	0	0	0
WRS - Howards Grass High Level Pump Station Ventilation Fan	0	0	75,000	0	0	0	0	0	0	0
WRS - Low Level Pump Station Vacuum Pump	0	0	0	0	0	0	0	0	0	0
WRS - Low Level Pump Station Backblast Compressor and Filters	0	0	0	0	0	0	0	0	0	0
WRS - Upgrade of Buffer Zones/Park Access Roads	0	0	0	0	0	0	0	0	0	0
WRS - Installation of Real-Time Environmental Monitoring Equipment	0	0	0	0	0	0	0	0	0	80,000
Existing Groundwater										
Water Source - Converys Lane	0	0	0	0	0	0	0	0	0	0
Water Source - Lumley Park	0	0	0	0	0	0	0	0	0	0
ICS - Lumley Park and Converys Lane	0	0	0	0	0	0	0	0	0	0
Instruments - Sources	0	0	0	0	0	0	0	0	0	0
Implementation of High Priority CMP Actions	0	0	0	0	0	0	0	0	0	0
Future Water Project										
Marom Creek Construction	0	0	0	0	0	0	0	0	0	0
Alstonville Groundwater	2,705,000	13,500,000	16,500,000	3,000,000	0	0	0	0	0	0
Marom /Alstonville Renewals	0	0	0	0	187,000	193,900	200,800	269,900	215,100	222,600
Woodburn Existing Bores	0	0	0	0	0	0	0	0	0	0
Woodburn New Bores	1,119,900	4,000,000	2,000,000	4,000,000	0	0	0	0	0	0
Woodburn Renewals	0	0	0	0	0	0	0	0	0	0
Tyagarah Groundwater	600,000	603,000	1,000,000	500,000	10,535,800	22,329,600	8,164,400	6,802,800	0	0
Tyagarah Renewals	0	0	0	0	0	0	0	0	286,600	296,300
Groundwater Land Acquisition	200,000	3,000,000	0	0	5,520,000	3,941,000	3,703,400	2,605,400	0	0
Stage 3 Source Planning	0	0	0	0	0	0	0	2,293,300	0	0
DPR Pilot Scheme	50,000	0	0	0	2,208,000	2,252,000	1,163,000	0	0	0
Project Management	800,000	1,500,000	1,900,000	800,000	1,765,000	1,827,000	822,000	315,000	321,000	0
Water Loss Implementation	475,000	300,000	300,000	350,000	0	0	0	0	0	0
Dunoon Dam	0	0	0	0	0	0	0	0	0	0

Tables 22 to 26: Capital works program

	Capital Works - Bulk Water Supply									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Description	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
General										
DIAP Priority Actions	0	0	0	0	0	0	0	0	0	0
Roof Height Safety	0	0	0	0	0	0	0	0	0	0
Corndale Fluoride Sidestream VSD	0	0	0	0	0	0	0	0	0	0
Lower River pH Correction (CO2 and CL2 Dosing Facilities)	210,000	0	0	0	0	0	0	0	0	0
Fluoride Plants	0	0	0	0	0	0	0	0	0	0
Greenhouse Gas Abatement	0	0	0	0	0	0	0	0	0	0
Easements	23,000	24,000	24,000	25,000	26,000	26,000	27,000	27,000	28,000	28,000
Bulk Meters - Renewals	30,000	48,000	25,000	48,000	50,000	53,000	30,000	31,000	39,000	40,000
Unplanned D&T Replacements	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	0
Tools and Equipment (Organisational Wide)	6,000	6,000	6,000	6,000	6,000	20,000	21,000	22,000	9,000	9,000
Fosters Spur Shed	0	0	0	0	0	0	0	0	0	0
Hydraulic Assessment	0	0	0	0	0	0	0	0	0	0
Telemetry Replacement Program	0	0	0	0	0	0	0	0	0	0
NRFWSP - Brunswick	105,000	0	0	0	0	0	0	0	0	0
NRFWSP - Coraki	320,000	0	0	0	0	0	0	0	0	0
NRFWSP - St Helena 600	150,000	0	0	0	0	0	0	0	0	0
NRFWSP - Woodburn	620,000	0	0	0	0	0	0	0	0	0
NRFWSP - WRS	865,000	0	0	0	0	0	0	0	0	0
NRFWSP - IRW	0	0	0	0	0	0	0	0	0	0
In-House Micro-Testing Equipment	0	0	0	0	0	0	0	0	0	0
Woodburn WTP - CO2, C12 Design System	0	0	0	0	0	0	0	0	0	0
2-Way Radios	0	0	0	0	0	0	0	0	0	0
Bulk Flood Costs	0	0	0	0	0	0	0	0	0	0
Water Filling Stations	0	0	0	0	0	0	0	0	0	0

Tables 22 to 26: Capital works program

Description	Capital Works - Bulk Water Supply									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Reservoirs										
Reservoirs Upgrade - Pineapple Rd	0	0	0	0	0	0	0	0	0	0
Reservoirs Upgrade - St Helena Roof Refurbishment	0	970,000	0	0	0	0	0	0	0	0
Reservoirs Upgrade - City View Roof Repairs	272,000	0	0	0	0	0	0	0	0	0
Reservoirs Upgrade - Belvedere Drive	0	0	0	0	0	0	0	0	27,000	0
Reservoirs Upgrade - Coopers Shoot	0	0	0	0	0	0	0	0	26,000	0
Reservoirs Upgrade - Knockrow	0	0	0	0	0	0	0	0	20,000	283,000
Reservoirs Upgrade - Brunswick Heads	0	0	0	0	0	0	0	0	0	0
Reservoirs Upgrade - High St	0	0	0	0	0	0	0	0	0	0
Reservoirs Upgrade - St Helena	0	0	0	0	0	0	0	0	0	0
Reservoirs Duplication - St Helena	0	0	0	0	0	0	0	0	500,000	0
ICS - Distribution Network	0	0	0	150,000	250,000	150,000	0	0	0	0

Tables 22 to 26: Capital works program

Description	Capital Works - Bulk Water Supply									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Nightcap WTP										
Nightcap WTP PLC SB Upgrade	1,400,000	0	0	0	0	0	0	0	0	0
Nightcap WTP Ozone	0	500,000	0	0	0	0	0	0	0	0
Nightcap WTP BAC Renewals	0	0	363,000	0	0	0	0	0	0	0
Nightcap WTP BAC Filter Media Renewal	0	0	224,000	0	235,000	0	260,000	0	272,000	0
Nightcap WTP Buildings (LED Lighting Upgrades)	15,300	15,600	15,900	0	0	50,000	0	0	0	0
Nightcap WTP Coagulation Dose Pumps	0	41,000	0	0	0	0	0	0	0	0
Nightcap WTP DAFF	644,000	0	172,000	0	0	4,000	0	0	4,000	150,000
Nightcap WTP Stairs and Corrosion Repairs	0	0	0	0	0	0	0	0	0	0
Nightcap WTP DAFF Filter Media	0	0	0	378,000	378,000	0	0	0	0	0
Nightcap WTP Saturator	0	0	0	0	0	0	0	0	0	0
Nightcap WTP Disinfection	0	0	0	0	0	0	0	0	0	0
Nightcap WTP Lime pH Correction	0	0	61,000	0	0	0	0	0	0	0
Nightcap WTP Jetty Corrosion	0	0	0	0	0	0	0	0	0	0
Nightcap WTP Raw Water Pump	0	0	0	0	0	0	0	0	0	0
Nightcap WTP Raw Water Structure	0	0	0	200,000	0	0	0	0	0	0
Nightcap WTP RWJ Corrosion	0	0	0	0	0	0	0	0	0	0
Nightcap WTP Site Services	0	0	0	0	0	0	0	0	425,000	36,000
Nightcap WTP Septic Renewal	0	0	0	0	0	0	0	0	0	0
Nightcap WTP Sludge	58,000	0	0	0	0	0	0	0	0	0
Nightcap WTP Treated Water	0	0	0	0	0	0	0	0	0	0
Nightcap WTP Wastewater	32,000	33,000	34,000	35,000	36,000	36,000	37,000	37,000	38,000	38,000
Nightcap WTP Bulk Chemical Storage	0	2,500,000	6,500,000	2,100,000	0	0	0	0	0	0
Instruments and Minor Items - NCWTP	26,000	26,500	27,000	27,500	28,100	28,700	29,300	29,900	30,500	31,000

Tables 22 to 26: Capital works program

Description	Capital Works - Bulk Water Supply									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Emigrant Creek WTP										
Emigrant Creek WTP - ICS	0	0	200,000	0	0	0	0	0	0	0
Emigrant Creek WTP - Ind Communications Upgrade	0	0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Air System	0	250,000	0	0	0	35,000	0	0	0	0
Emigrant Creek WTP BAC	0	0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Bisulphite Dosing	0	0	25,000	0	0	0	0	0	0	0
Emigrant Creek WTP Caustic pH Correction	0	0	39,000	0	0	0	0	0	0	0
Emigrant Creek WTP CEB	0	0	41,000	0	0	0	0	0	0	0
Emigrant Creek WTP Coagulation	0	0	15,000	0	0	0	0	0	0	0
Emigrant Creek WTP Control Systems - Treatment	0	0	0	0	0	0	0	0	0	50,000
Emigrant Creek WTP Fe/Mn Removal	0	0	15,000	0	0	0	0	0	0	0
Emigrant Creek WTP Filtered Water	0	13,000	0	0	0	0	0	0	0	0
Emigrant Creek WTP Floatation	0	13,000	0	0	0	0	0	0	0	0
Emigrant Creek WTP HCl Dosing	0	24,000	0	0	0	0	0	0	0	0
Emigrant Creek WTP Lime pH Correction	0	15,000	0	0	0	0	0	0	0	0
Emigrant Creek WTP Membrane Filtration	0	150,000	150,000	150,000	0	0	0	0	0	0
Emigrant Creek WTP Outlet Pipe	0	0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Ozone	0	0	0	0	400,000	0	0	0	0	0
Emigrant Creek WTP Raw Water	0	0	0	0	0	35,000	0	0	0	0
Emigrant Creek WTP Service Water	0	0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Site Services	0	0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Steel Tanks	0	0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Sludge	0	58,000	0	0	50,000	0	0	0	0	0
Emigrant Creek WTP Treated Water	0	0	0	12,000	0	0	0	0	0	0
Emigrant Creek WTP UF Skid Membranes	0	0	0	0	0	0	0	0	0	165,800
Emigrant Creek WTP Chemical Storage Area Roof Sheetting	75,000	0	0	0	0	0	0	0	0	0
Instruments and Minor Items - ECWTP	22,800	23,300	23,800	24,300	24,800	25,300	25,800	26,300	26,800	27,300
Buildings										
Admin Building	0	0	0	0	0	0	0	0	0	0
Workplace Consolidation	4,087,800	1,000,000	1,000,000	0	0	0	0	0	0	0
Depot Improvements Initiative	0	0	0	0	0	0	0	0	0	0
Depot Procurement	0	0	0	0	0	0	0	0	0	0

Tables 22 to 26: Capital works program

Description	Capital Works - Bulk Water Supply									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
ICT										
Drawing Management Solution	0	0	0	0	0	0	0	0	0	0
Electronic Business Paper	0	0	0	0	0	0	0	0	0	0
IT - Microwave Bridge	135,200	0	0	0	0	0	350,000	20,000	382,800	20,000
IT - Content Manager Improvement Program	100,000	0	0	0	0	0	0	0	0	0
IT - Computer Fleet	12,000	33,000	47,000	12,000	12,000	33,000	12,000	47,000	12,000	33,000
IT - Fibre Project	0	0	0	0	0	0	0	0	0	0
IT - Servers, Storage and UPS	95,000	165,000	180,000	65,000	90,000	170,000	90,000	165,000	70,000	180,000
IT - Communications	0	90,000	100,000	177,000	63,000	0	202,500	420,500	112,000	0
IT - Security Panel	50,000	0	0	0	0	0	0	0	0	0
IT - Mobiles	27,000	0	0	0	0	0	0	0	0	0
IT - Switches	113,000	0	0	0	0	0	0	0	0	0
IT - Telephony	0	0	0	0	0	0	0	0	0	0
IT - New AV Equipment	30,000	0	0	0	0	0	0	0	0	0
IT - Intranet	100,000	0	0	0	0	0	0	0	0	0
IT - WiFi	150,000	0	0	0	0	0	0	0	0	0
IT - Digital Transformation	550,000	1,100,000	650,000	0	0	0	0	0	0	0
IT - Future Improvements	11,500	11,500	11,500	12,000	14,000	14,000	14,000	14,000	14,000	0
Indoor Staff Salaries Capitalised	437,700	320,200	313,500	284,200	267,200	272,500	278,000	283,600	289,300	295,100
	20,175,300	29,809,100	34,130,700	14,582,000	29,928,100	39,123,000	15,563,400	13,536,700	11,897,600	2,893,600

Tables 22 to 26: Capital works program

	Capital Works - Retail Water Supply									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Description	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Meter Software/Smart Meters	825,000	0	0	0	0	0	0	0	0	0
Backflow	1,000,000	0	0	0	0	0	0	0	0	0
Reticulation	0	148,000	0	156,000	160,000	164,000	168,000	172,000	176,000	180,000
Reticulation Renewal - Planning Carney Place	0	0	0	0	0	0	0	0	0	0
Reticulation Renewal - Delivery Carney Place	0	0	0	0	0	0	0	0	0	0
Reticulation Renewal - Planning Muldoon Rd	0	0	0	0	0	0	0	0	0	0
Reticulation Renewal - Delivery Muldoon Rd	0	0	0	0	0	0	0	0	0	0
Reticulation Renewal - Planning Richmond Hill Various	0	0	150,000	0	0	0	0	0	0	0
Reticulation Renewal - Delivery Richmond Hill Various	0	0	0	0	0	0	0	0	0	0
Reticulation Renewal - Kahala Place, Laihana Crescent Place and Kaanapahali Avenue, and Ridgeland Close, Richmond Hill	300,000	0	0	0	0	0	0	0	0	0
Reticulation Renewal - Arthur Road	300,000	0	0	0	0	0	0	0	0	0
Reticulation Renewal - Grace Road	290,000	0	0	0	0	0	0	0	0	0
Water Filling Stations	0	80,000	0	0	0	0	0	0	0	0
Bulk Flood Costs	0	0	0	0	0	0	0	0	0	0
Indoor Staff Salaries Capitalised	67,400	69,600	71,000	72,400	73,800	75,300	76,800	78,300	79,900	81,500
	2,782,400	297,600	221,000	228,400	233,800	239,300	244,800	250,300	255,900	261,500

Tables 22 to 26: Capital works program

	Capital Works - Flood Mitigation									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Description	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Bridges	0	32,000	0	0	0	0	0	0	0	0
Fence	0	3,000	0	0	0	0	0	0	0	0
Floodgate - High/Medium Risk	31,000	32,000	33,000	34,000	35,000	36,000	37,000	38,000	39,000	39,000
Floodgates =<1.2m	0	0	0	0	0	0	0	0	0	0
Handrail	0	0	0	0	0	0	0	0	0	0
Lifting Gear	13,000	14,000	15,000	16,000	17,000	18,000	19,000	20,000	21,000	21,000
Pipe - Medium	0	0	0	0	0	0	0	0	0	0
Woodburn Depot Renewals	0	0	0	0	0	1,000	48,000	0	0	0
WQ Data Loggers	0	0	0	0	0	0	0	0	0	0
Levee Inspect and Heavy Maintenance	52,000	54,000	56,000	58,000	60,000	62,000	64,000	66,000	68,000	68,000
Lismore Levee (funded by LCC)	0	0	0	0	0	0	0	0	0	0
Pipe Medium Risk	0	21,000	0	5,000	95,000	115,000	110,000	115,000	110,000	110,000
Unplanned Replacements/Repairs	24,000	25,000	26,000	27,000	28,000	28,000	28,000	28,000	28,000	28,000
Bulk Flood Costs	0	0	0	0	0	0	0	0	0	0
Bungawalbin East Levee	0	0	0	0	0	0	0	0	0	0
Indoor Staff Salaries Capitalised	36,400	33,700	34,400	35,100	35,800	36,500	37,200	37,900	38,700	39,500
	156,400	214,700	164,400	175,100	270,800	296,500	343,200	304,900	304,700	305,500

	Capital Works - Weed Biosecurity									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Description	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
GIS Equipment Renewals (Toughbooks, PDA's, etc.)	0	21,000	0	22,000	19,000	19,000	20,000	20,000	20,000	20,000
GIS Data Capture New System	0	0	0	0	0	0	0	0	0	0
Swan Bay Floodgated Pipe Investigation and Design	0	0	0	0	0	0	0	0	0	0
Depot Upgrades and Maintenance	0	0	0	0	25,000	25,000	0	0	0	0
	0	21,000	0	22,000	44,000	44,000	20,000	20,000	20,000	20,000

Tables 22 to 26: Capital works program

Description	Capital Works - Property									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Perradenya Cycleway	0	0	0	0	0	0	0	0	0	0
Perradenya Release 7	2,200,000	0	0	0	0	0	0	0	0	0
Perradenya Whole of Subdivision	0	0	0	0	0	0	0	0	0	0
Perradenya Remaining DA Conditions	0	2,500,000	2,500,000	0	0	0	0	0	0	0
Commercial Lot	0	0	0	0	0	0	0	0	0	0
Conway St Renewals	0	0	0	0	0	0	0	0	0	0
Rural Properties House Removal	0	0	0	0	0	0	0	0	0	0
Rural Properties Unallocated Renewals	39,900	40,600	41,400	42,200	42,900	43,600	44,400	45,200	45,700	46,200
Rural Properties Upgrades	27,000	28,000	28,000	28,000	29,000	30,000	30,000	31,000	31,000	31,000
	2,266,900	2,568,600	2,569,400	70,200	71,900	73,600	74,400	76,200	76,700	77,200

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. Capital grant (\$25M) scenario

What the model forecasts: The impact of Rous receiving a capital grant of \$25.0 million for the FWP. The model is based on the income being received over 3 years, \$8.0 million in 2024/25, \$8.0 million in 2025/26 and \$9.0 million in 2026/27.

What the model means: A reduction in planned loan borrowings could be reduced from \$180 million to \$130 million if the current price path was maintained. The price path required is shown in Table 27: Price path – \$25M capital grant scenario.

Table 27: Price path – Capital grant (\$25M) scenario

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Proposed % Increase	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	1.0%

Rous would produce an operating surplus from 2023/24 onwards with estimated reserves of \$29.2 million at the end of 2032/33.

Refer to Table 28: Consolidated operating performance – Capital grant (\$25M) scenario.

Table 28: Consolidated operating performance – Capital grant (\$25M) scenario

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program			2028	2029	2030	2031	2032	2033
	2024	2025	2026	2027						
Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Income										
Flood Mitigation	1,192,200	1,205,000	1,239,500	1,283,400	1,327,200	1,368,800	1,401,800	1,434,100	1,469,000	1,505,600
Weeds Biosecurity	1,721,900	1,609,800	1,589,100	1,604,800	1,619,200	1,640,500	1,662,700	1,685,500	1,708,100	1,730,400
Retail Water Supply	3,491,650	3,888,300	4,154,500	4,423,000	4,713,000	5,029,300	5,371,400	5,741,300	6,141,400	6,261,900
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	200,400	3,472,400	2,985,100	3,039,100	173,500	173,400	173,300	173,100	172,900	172,700
Bulk Water Supply	27,073,300	36,670,400	38,438,200	41,217,700	34,146,300	36,344,700	38,691,300	41,174,300	43,796,400	44,279,200
Fleet Operations	126,400	115,900	108,200	104,000	96,700	93,100	91,800	92,600	93,500	94,400
Total Operating Income	33,805,850	46,961,800	48,514,600	51,672,000	42,075,900	44,649,800	47,392,300	50,300,900	53,381,300	54,044,200
Operating Expense										
Flood Mitigation	1,865,900	1,719,300	1,693,100	1,704,000	1,730,500	1,757,200	1,855,100	1,836,600	1,864,300	1,867,300
Weeds Biosecurity	2,662,800	1,601,500	1,501,900	1,505,300	1,520,400	1,537,800	1,561,900	1,591,900	1,645,300	1,682,300
Retail Water Supply	3,573,400	4,167,800	4,368,500	4,575,900	4,795,400	5,027,800	5,274,200	5,535,400	5,812,200	5,898,800
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	271,600	195,100	148,700	146,400	152,400	148,900	149,500	150,900	151,500	153,300
Bulk Water Supply	29,685,700	29,774,800	30,856,900	31,390,100	32,772,100	34,542,100	35,626,300	35,475,500	35,744,800	34,932,600
Fleet Operations (*net of internal income)	119,000	128,900	150,400	155,900	161,400	167,000	172,700	178,500	184,400	190,400
Total Operating Expense	38,177,400	37,587,400	38,719,500	39,477,600	41,132,200	43,180,800	44,639,700	44,768,800	45,402,500	44,724,700
Operating Result	(4,371,550)	9,374,400	9,795,100	12,194,400	943,700	1,469,000	2,752,600	5,532,100	7,978,800	9,319,500
Less Depreciation	8,288,100	8,739,200	9,021,900	9,315,500	9,816,700	10,081,200	10,249,700	10,550,300	10,703,900	10,834,200
Operating Result Excluding Non Cash	3,916,550	18,113,600	18,817,000	21,509,900	10,760,400	11,550,200	13,002,300	16,082,400	18,682,700	20,153,700
Add: Loan Drawdown	15,000,000	20,000,000	25,000,000	0	25,000,000	35,000,000	10,000,000	0	0	0
Less: Loan Repayments	4,191,300	4,777,100	5,486,100	4,940,300	3,720,700	4,492,800	5,030,500	5,294,000	5,572,000	5,865,500
Less: Capital Expense	23,909,800	33,491,000	37,383,500	15,467,000	31,029,600	40,242,400	16,570,800	14,513,100	12,879,900	3,882,800
Less: Transfer to Reserve	1,107,100	2,071,300	997,400	3,281,000	1,140,600	1,931,000	1,429,200	743,600	860,300	10,413,800
Add: Transfer from Reserve	10,291,650	2,225,800	50,000	2,178,400	130,500	116,000	28,200	4,468,300	629,500	8,400
Net Cash Movement	0	0	0	0	0	0	0	0	0	0

Table 31: Consolidated operating performance – Capital grant (\$25M) scenario (continued)

Description	Estimated Reserves Whole Organisation									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Estimated Reserves Whole Organisation	16,238,400	16,083,900	17,031,300	18,133,900	19,144,000	20,959,000	22,360,000	18,635,300	18,866,100	29,271,500
Net Reserve Movement	(9,184,500)	(154,500)	947,400	1,102,600	1,010,100	1,815,000	1,401,000	(3,724,700)	230,800	10,405,400

6.2. NSW Treasury Corporation loans scenario

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

What the model means: Planned loan borrowings could be reduced from \$180 million to \$165 million if the current price path was maintained. The price path required is shown in Table 29: Price path – NSW Treasury Corporation loans scenario.

Table 29: Price path – NSW Treasury Corporation loans scenario

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Proposed % Increase	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	1.0%

Operating results would achieve surplus in eight years, while estimated reserves at the end of 2032/33 would reach \$23.5 million.

Refer to Table 30: Consolidated operating performance – NSW Treasury Corporation loans scenario.

Table 30: Consolidated operating performance – NSW Treasury Corporation loans scenario

	Long-Term Financial Plan									
	Operational Plan	Delivery Program			2028	2029	2030	2031	2032	2033
	2024	2025	2026	2027						
Name	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Income										
Flood Mitigation	1,192,200	1,205,000	1,239,500	1,283,400	1,327,200	1,368,800	1,401,800	1,434,100	1,469,000	1,505,600
Weeds Biosecurity	1,721,900	1,609,800	1,589,100	1,604,800	1,619,200	1,640,500	1,662,700	1,685,500	1,708,100	1,730,400
Retail Water Supply	3,491,650	3,888,300	4,154,500	4,423,000	4,713,000	5,029,300	5,371,400	5,741,300	6,141,400	6,261,900
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	200,400	3,472,400	2,985,100	3,039,100	173,500	173,400	173,300	173,100	172,900	172,700
Bulk Water Supply	27,077,400	28,609,400	30,351,800	32,162,000	34,148,500	36,385,900	38,703,200	41,158,300	43,752,400	44,206,300
Fleet Operations	126,400	115,900	108,200	104,000	96,700	93,100	91,800	92,600	93,500	94,400
Total Operating Income	33,809,500	38,900,800	40,428,200	42,616,300	42,078,100	44,691,000	47,404,200	50,284,900	53,337,300	53,971,300
Operating Expense										
Flood Mitigation	1,865,900	1,719,300	1,693,100	1,704,000	1,730,500	1,757,200	1,855,100	1,836,600	1,864,300	1,867,300
Weeds Biosecurity	2,662,800	1,601,500	1,501,900	1,505,300	1,520,400	1,537,800	1,561,900	1,591,900	1,645,300	1,682,300
Retail Water Supply	3,572,400	4,167,800	4,368,500	4,575,900	4,795,400	5,027,800	5,274,200	5,535,400	5,812,200	5,933,300
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	271,600	195,100	148,700	146,400	152,400	148,900	149,500	150,900	151,500	153,300
Bulk Water Supply	29,460,700	29,751,700	30,899,500	31,814,200	32,890,100	34,109,600	35,204,100	35,037,400	35,293,500	34,436,800
Fleet Operations (*net of internal income)	119,000	128,900	150,400	155,900	161,400	167,000	172,700	178,500	184,400	190,400
Total Operating Expense	37,952,400	37,564,300	38,762,100	39,901,700	41,250,200	42,748,300	44,217,500	44,330,700	44,951,200	44,263,400
Operating Result	(4,142,450)	1,336,500	1,666,100	2,714,600	827,900	1,942,700	3,186,700	5,954,200	8,386,100	9,707,900
Less Depreciation	8,288,100	8,739,200	9,021,900	9,315,500	9,816,700	10,081,200	10,249,700	10,550,300	10,703,900	10,834,200
Operating Result Excluding Non Cash	4,145,650	10,075,700	10,688,000	12,030,100	10,644,600	12,023,900	13,436,400	16,504,500	19,090,000	20,542,100
Add: Loan Drawdown	15,000,000	30,000,000	35,000,000	10,000,000	25,000,000	35,000,000	15,000,000	0	0	0
Less: Loan Repayments	4,255,600	5,231,600	6,386,100	6,194,500	5,101,500	6,078,200	6,858,700	7,138,000	7,429,200	7,732,700
Less: Capital Expense	23,909,800	33,491,000	37,383,500	15,467,000	31,029,600	40,242,400	16,570,800	14,513,100	12,879,900	3,882,800
Less: Transfer to Reserve	1,107,100	2,907,600	1,968,400	3,281,000	397,000	819,300	5,035,100	743,600	860,300	8,935,000
Add: Transfer from Reserve	10,126,850	1,554,500	50,000	2,912,400	883,500	116,000	28,200	5,890,200	2,079,400	8,400
Net Cash Movement	0	0	0	0	0	0	0	0	0	0
	Estimated Reserves Whole Organisation									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Description	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Estimated Reserves Whole Organisation	16,403,200	17,756,300	19,674,700	20,043,300	19,556,800	20,260,100	25,267,000	20,120,400	18,901,300	27,827,900
Net Reserve Movement	(9,019,700)	1,353,100	1,918,400	368,600	(486,500)	703,300	5,006,900	(5,146,600)	(1,219,100)	8,926,600

6.3. Return to cyclical interest rates scenario

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

What the model means: No changes to the planned price path as long-term cost savings on borrowings are balanced out by a reduction in short-term investment revenue. The price path required is shown in Table 31: Price path – Return to cyclical interest rates scenario.

Table 31: Price path – Return to cyclical interest rates scenario

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Proposed % Increase	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	1.0%

Operating results would achieve surplus in eight years, while estimated reserves at the end of 2032/33 would reach \$27.3 million.

Refer to Table 32: Consolidated operating performance – Return to cyclical interest rates scenario.

Table 32: Consolidated operating performance – Return to cyclical interest rates scenario

	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Name	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Operating Income										
Flood Mitigation	1,192,200	1,205,000	1,232,400	1,274,900	1,317,500	1,358,100	1,390,700	1,422,400	1,456,200	1,491,400
Weeds Biosecurity	1,721,900	1,609,800	1,576,300	1,590,600	1,603,800	1,623,900	1,644,700	1,665,900	1,687,200	1,708,400
Retail Water Supply	3,465,350	3,832,100	4,059,100	4,288,200	4,533,300	4,798,500	5,082,400	5,386,400	5,712,100	5,773,900
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	200,400	3,472,400	2,983,600	3,021,700	141,300	140,600	139,900	139,100	138,300	137,400
Bulk Water Supply	27,073,300	28,590,900	30,170,400	31,974,100	33,947,300	36,145,300	38,490,100	41,022,000	43,649,600	44,042,300
Fleet Operations	126,400	115,900	98,200	93,600	86,900	84,300	83,300	83,600	84,000	84,500
Total Operating Income	33,779,550	38,826,100	40,120,000	42,243,100	41,630,100	44,150,700	46,831,100	49,719,400	52,727,400	53,237,900
Operating Expense										
Flood Mitigation	1,865,900	1,719,300	1,693,100	1,704,000	1,730,500	1,757,200	1,855,100	1,836,600	1,864,300	1,867,300
Weeds Biosecurity	2,662,800	1,601,500	1,501,900	1,505,300	1,520,400	1,537,800	1,561,900	1,591,900	1,645,300	1,682,300
Retail Water Supply	3,572,400	4,167,800	4,368,500	4,575,900	4,795,400	5,027,800	5,274,200	5,535,400	5,812,200	5,898,800
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	271,600	195,100	148,700	146,400	152,400	148,900	149,500	150,900	151,500	153,300
Bulk Water Supply	29,685,700	30,424,800	31,740,200	32,693,400	34,079,700	35,447,900	36,584,200	36,779,000	36,978,900	36,095,300
Fleet Operations (*net of internal income)	119,000	128,900	150,400	155,900	161,400	167,000	172,700	178,500	184,400	190,400
Total Operating Expense	38,177,400	38,237,400	39,602,800	40,780,900	42,439,800	44,086,600	45,597,600	46,072,300	46,636,600	45,887,400
Operating Result	(4,397,850)	588,700	517,200	1,462,200	(809,700)	64,100	1,233,500	3,647,100	6,090,800	7,350,500
Less Depreciation	8,288,100	8,739,200	9,021,900	9,315,500	9,816,700	10,081,200	10,249,700	10,550,300	10,703,900	10,834,200
Operating Result Excluding Non Cash	3,890,250	9,327,900	9,539,100	10,777,700	9,007,000	10,145,300	11,483,200	14,197,400	16,794,700	18,184,700
Add: Capital Income	0	0	0	0	0	0	0	0	0	0
Add: Loan Drawdown	15,000,000	30,000,000	35,000,000	10,000,000	30,000,000	35,000,000	15,000,000	10,000,000	0	0
Less: Loan Repayments	4,191,300	5,034,700	6,139,300	5,942,200	4,987,200	5,927,900	6,714,900	7,368,600	7,716,000	8,080,900
Less: Capital Expense	23,909,800	33,491,000	37,383,500	15,467,000	31,029,600	40,242,400	16,570,800	14,513,100	12,879,900	3,882,800
Less: Transfer to Reserve	1,107,100	2,412,900	1,066,300	3,106,100	3,162,700	230,400	3,270,200	2,355,700	387,800	6,264,700
Add: Transfer from Reserve	10,317,950	1,610,700	50,000	3,737,600	172,500	1,255,400	72,700	40,000	4,189,000	43,700
Net Cash Movement	0	0	0	0	0	0	0	0	0	0
	Estimated Reserves Whole Organisation									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Description	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Estimated Reserves Whole Organisation	16,212,100	17,014,300	18,030,600	17,399,100	20,389,300	19,364,300	22,561,800	24,877,500	21,076,300	27,297,300
Net Reserve Movement	(9,210,800)	802,200	1,016,300	(631,500)	2,990,200	(1,025,000)	3,197,500	2,315,700	(3,801,200)	6,221,000



Workforce Management Plan

2022–2025



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

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1. Executive summary

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

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

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

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

Our WFMP aims to ensure we have:

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

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

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

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

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

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

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

2. What is a Workforce Management Plan?

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

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

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





Our Mission

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

Our Vision

Thrive and evolve as a valued regional service provider.

Our Values

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

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

Our preferred culture

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

We want:

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



Our organisation

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

Our workgroups are currently organised in the following way.

General Manager

Planning and Delivery

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

People and Performance

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

Corporate and Commercial

Richmond Water Laboratories
Finance
IT
Stores

Operations

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



6. Snapshot of our workforce



Number of employees in each group





Workforce statistics

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

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

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

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

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

7. Our current environment

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

Key challenges include:

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

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

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

Objective 1: Leadership development

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



Action for the year.



Not an action for the year, or action completed.



















Objective 2: Invest in our workplace

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

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


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

Objective 2: Invest in our workplace (continued)
















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

Objective 3: Improving our employee experience






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

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

Objective 3: Improving our employee experience (continued)

























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

Objective 3: Improving our employee experience (continued)

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

Objective 4: Embrace workplace change

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

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



Asset Management Strategy

2022–2035

Asset Management Strategy

Asset Management Plan (Water)

Asset Management Plan (Flood)

