



# Long-Term Financial Plan

1 July 2023 – 30 June 2033

**Bulk water | Retail water**  
**Flood mitigation | Weed biosecurity**  
**Property |**

Concise version

02 April 2023

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NOTE: Missing table numbers are those tables not relevant to this version of the Long-Term Financial Plan. The full version of the plan can be [found here](#).

## 1. Introduction

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### 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.

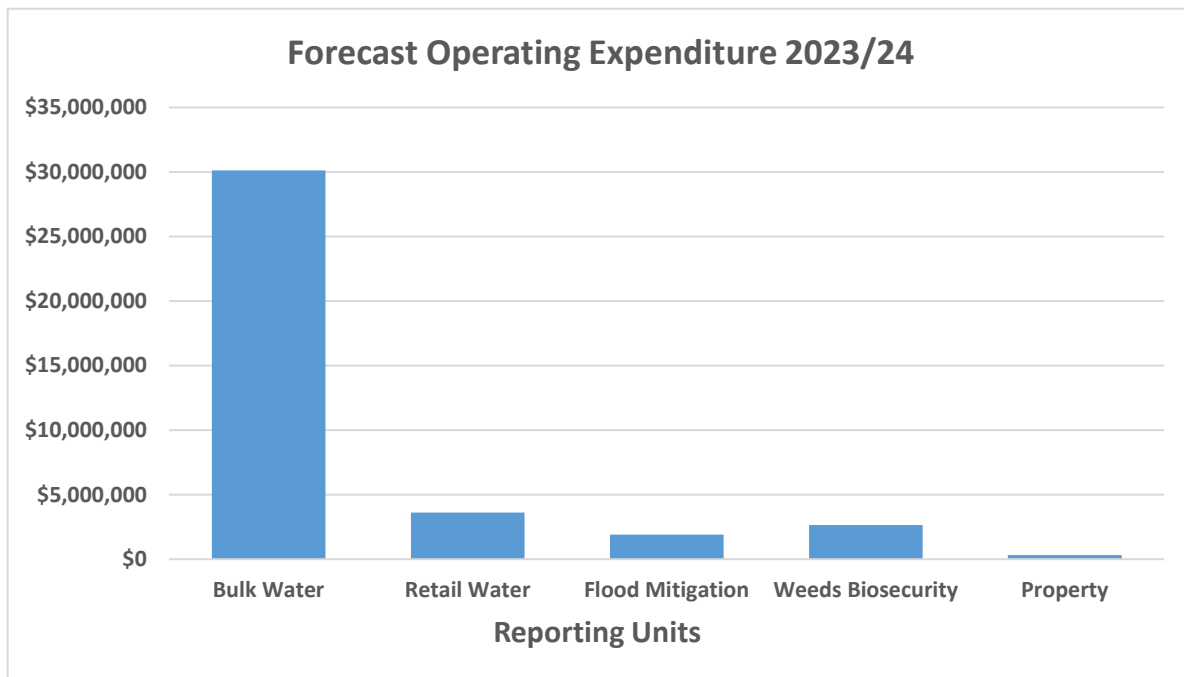
## 2. Rous' financial position

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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 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.

**Graph 1: Forecast operating expenditure 2023/24**



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, 2020/21 and 2021/22. This information is useful to assess Rous's previous performance and financial position.

**Table 1: Historical performance**

	Actuals		
	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
<b>Operating Result</b>			
Operating Revenue *	25,752	25,340	28,931
Operating Expenditure	27,779	26,251	32,349
Operating Result*	(2,027)	(911)	(3,418)
* Excluding Capital Grants and Contributions			
<b>Cash and Investments</b>			
Total Cash and Investments	35,193	49,380	40,554
<b>Other Balance Sheet</b>			
Infrastructure, Property, Plant and Equipment	490,721	497,086	509,348
Outstanding Loan Principal	21,559	32,358	28,960
<b>Performance Indicators</b>			
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

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#### 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 proposed 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 2 years remaining of a 5-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	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Consumer Price Index	103.50%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Rate Pegging	100.70%	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%	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%	102.00%
Bulk Water Cost for Retail	106.00%	106.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	101.00%
Loan Interest Rate	103.50%	7.00%	6.50%	6.00%	5.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Investment Interest Rate	0.60%	5.00%	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Flood Council Contributions	112.00%	110.00%	108.00%	105.00%	104.00%	104.00%	103.00%	103.00%	102.50%	102.50%	102.50%
Weeds Council Contributions	100.70%	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%	106.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	107.00%	101.00%
Retail Water	108.00%	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 Program (FWO):** 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**

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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* 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**

Name	Long-Term Financial Plan											
	Current Budget		Operational Plan	Delivery Program								
	2023 Estimate	% Change	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
<b>Operating Income</b>												
Flood Mitigation	1,056,200	11.2	1,174,200	1,186,700	1,222,500	1,267,800	1,313,400	1,350,600	1,387,200	1,419,100	1,453,500	1,489,700
Weeds Biosecurity	2,202,500	(21.8)	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	3,099,200	12.9	3,497,700	3,880,700	4,136,800	4,407,200	4,699,800	5,020,300	5,368,100	5,738,100	6,140,300	6,272,400
Richmond Water Laboratories	271,500	(100.0)	0	0	0	0	0	0	0	0	0	0
Property	163,500	21.0	197,800	105,200	95,300	138,600	164,700	164,500	164,200	163,800	163,400	162,900
Bulk Water Supply	23,084,800	5.8	24,427,700	24,254,800	25,700,500	27,312,200	29,095,900	31,112,600	33,264,900	35,618,700	38,024,100	38,403,700
Fleet Operations	249,900	(49.5)	126,100	116,000	110,000	107,600	102,000	101,300	102,900	106,700	110,600	114,700
<b>Total Operating Income</b>	<b>30,127,600</b>	<b>3.4</b>	<b>31,145,700</b>	<b>31,153,500</b>	<b>32,854,000</b>	<b>34,837,300</b>	<b>36,993,700</b>	<b>39,388,000</b>	<b>41,947,700</b>	<b>44,729,000</b>	<b>47,596,600</b>	<b>48,169,800</b>
<b>Operating Expense</b>												
Flood Mitigation	1,807,800	6.4	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	2,664,500	0.1	2,667,100	1,601,900	1,522,200	1,525,600	1,535,200	1,552,600	1,576,700	1,606,700	1,660,100	1,697,100
Retail Water Supply	3,242,200	11.6	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	503,800	(100.0)	0	0	0	0	0	0	0	0	0	0
Property	397,600	(19.1)	321,600	245,100	198,700	196,400	147,400	146,900	147,500	148,900	149,500	151,300
Bulk Water Supply	24,525,800	22.9	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)	79,400	63.0	129,400	103,600	91,900	101,100	73,200	79,500	85,900	92,400	99,000	105,700
<b>Total Operating Expense</b>	<b>33,221,100</b>	<b>16.8</b>	<b>38,790,500</b>	<b>38,353,200</b>	<b>40,072,300</b>	<b>41,349,800</b>	<b>43,070,800</b>	<b>45,060,200</b>	<b>46,703,400</b>	<b>47,255,400</b>	<b>47,792,300</b>	<b>47,012,200</b>
<b>Operating Result</b>	<b>(3,093,500)</b>	<b>147.1</b>	<b>(7,644,800)</b>	<b>(7,199,700)</b>	<b>(7,218,300)</b>	<b>(6,512,500)</b>	<b>(6,077,100)</b>	<b>(5,672,200)</b>	<b>(4,755,700)</b>	<b>(2,526,400)</b>	<b>(195,700)</b>	<b>1,157,600</b>
Less Depreciation	7,813,800	6.3	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
<b>Operating Result Excluding Non Cash</b>	<b>4,720,300</b>	<b>(86.0)</b>	<b>660,300</b>	<b>1,556,800</b>	<b>1,821,100</b>	<b>2,820,800</b>	<b>3,757,700</b>	<b>4,427,300</b>	<b>5,512,600</b>	<b>8,042,700</b>	<b>10,527,300</b>	<b>12,011,200</b>
Add: Capital Income	4,223,000	3.9	4,386,000	7,912,100	7,597,600	7,761,900	5,032,200	5,212,500	5,390,800	5,579,100	5,774,400	5,774,700
Add: Loan Drawdown	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
Less: Loan Repayments	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
Less: Capital Expense	17,341,000	48.8	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	1,033,500	0.0	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	13,035,800	(12.2)	11,447,400	786,800	0	4,361,000	40,800	1,641,400	49,200	513,300	4,861,200	16,200
<b>Net Cash Movement</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Estimated Reserves Whole Organisation**

Description	2023 Estimate	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
Estimated Reserves Whole Organisation	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	28,727,800
Net Reserve Movement	(12,002,100)	(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**

### ***Recent history***

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 large 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 Estimate		2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
<b>Operating Performance Ratio Expressed as a Percentage</b> <u>Operating Income less Operating Expense</u> Operating Income	(10.27)		(24.55)	(23.11)	(21.97)	(18.69)	(16.43)	(14.40)	(11.34)	(5.65)	(0.41)	2.40
<b>Benchmark</b>	>0		>0	>0	>0	>0	>0	>0	>0	>0	>0	>0
<b>Result</b>	Fail		Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Pass
<b>Comment</b>	This benchmark is only 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.											
<b>Own Source Operating Revenue Expressed as a Percentage</b> <u>Operating Income less Grants and Contributions</u> Total Operating Income	94.74		96.69	97.18	97.48	97.61	97.75	97.88	98.01	98.12	98.23	98.27
<b>Benchmark</b>	>60		>60	>60	>60	>60	>60	>60	>60	>60	>60	>60
<b>Result</b>	Pass		Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
<b>Comment</b>	This benchmark is met in every year as Rous' revenue is primarily from non-Grant sources.											
<b>Debt Service Cover Ratio</b> <u>Operating Result excl Loan Interest and Depreciation</u> Loan Repayments Principal/Interest	1.23		0.45	0.61	0.64	0.74	0.91	0.91	0.94	1.06	1.19	1.26
	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
	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
<b>Benchmark</b>	>2		>2	>2	>2	>2	>2	>2	>2	>2	>2	>2
<b>Result</b>	Fail		Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail
<b>Comment</b>	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.											
<b>Unrestricted Current Ratio</b> <u>Current Assets less External Restrictions</u> Current Liabilities less Specific Purpose Liabilities	2.16		2.06	1.96	1.93	2.36	2.07	2.16	2.20	1.84	2.20	2.25
	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
	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
<b>Benchmark</b>	>1.5		>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5	>1.5
<b>Result</b>	Pass		Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
<b>Comment</b>	This benchmark is met in every year despite borrowings increasing current liabilities. This ratio is significantly influenced by the forecast loan borrowings.											
<b>Buildings and Infrastructure Renewals Ratio</b> <u>Asset Renewals</u> Depreciation, Amortisation and Impairment.	138.62		129.05	64.44	119.12	60.27	103.48	89.74	25.66	22.67	103.43	31.21
	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
	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
<b>Benchmark</b>	>100%		>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%	>100%
<b>Result</b>	Pass		Pass	Fail	Pass	Fail	Pass	Fail	Fail	Fail	Pass	Fail
<b>Comment</b>	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.											

### ***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 Estimate	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate
<b>ASSETS</b>										
<b>Current Assets</b>										
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	344,600	351,500	358,500	365,700	373,000	380,500	388,100	395,900	403,800	411,900
<b>Total Current Assets</b>	<b>21,109,200</b>	<b>22,132,500</b>	<b>23,217,300</b>	<b>22,608,900</b>	<b>25,656,500</b>	<b>24,412,700</b>	<b>27,444,700</b>	<b>29,611,200</b>	<b>25,717,300</b>	<b>31,910,200</b>
<b>Non-Current Assets</b>										
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	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
<b>Total Non-Current Assets</b>	<b>539,991,300</b>	<b>565,239,400</b>	<b>594,107,500</b>	<b>600,775,600</b>	<b>622,515,600</b>	<b>653,214,600</b>	<b>660,084,300</b>	<b>664,606,800</b>	<b>667,366,200</b>	<b>661,012,800</b>
<b>TOTAL ASSETS</b>	<b>561,100,500</b>	<b>587,371,900</b>	<b>617,324,800</b>	<b>623,384,500</b>	<b>648,172,100</b>	<b>677,627,300</b>	<b>687,529,000</b>	<b>694,218,000</b>	<b>693,083,500</b>	<b>692,923,000</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
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
<b>Total Current Liabilities</b>	<b>9,785,100</b>	<b>10,740,400</b>	<b>11,851,900</b>	<b>11,743,500</b>	<b>10,852,600</b>	<b>11,808,200</b>	<b>12,686,800</b>	<b>13,456,500</b>	<b>13,960,300</b>	<b>14,487,700</b>
<b>Non-Current Liabilities</b>										
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
<b>Total Non-Current Liabilities</b>	<b>32,014,200</b>	<b>56,136,900</b>	<b>84,107,900</b>	<b>78,813,100</b>	<b>76,275,100</b>	<b>101,230,800</b>	<b>96,036,900</b>	<b>90,712,300</b>	<b>85,400,000</b>	<b>79,795,500</b>
<b>TOTAL LIABILITIES</b>	<b>41,799,300</b>	<b>66,877,300</b>	<b>95,959,800</b>	<b>90,556,600</b>	<b>87,127,700</b>	<b>113,039,000</b>	<b>108,723,700</b>	<b>104,168,800</b>	<b>99,360,300</b>	<b>94,283,200</b>
<b>NET ASSETS</b>	<b>519,301,200</b>	<b>520,494,600</b>	<b>521,365,000</b>	<b>532,827,900</b>	<b>561,044,400</b>	<b>564,588,300</b>	<b>578,805,300</b>	<b>590,049,200</b>	<b>593,723,200</b>	<b>598,639,800</b>

### ***Forecast statement of cash flows***

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

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

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

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



**Table 11: Consolidated organisation forecast statement of cash flows**

Name	2023 Estimate	% Change	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
<b>Consolidated</b>												
<b>Cash Flows from Operating Activities</b>												
<u>Receipts</u>												
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	38,043,000	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
<u>Payments</u>												
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)	(20,077,200)	(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
<b>Net Cash Flows from Operating Activities</b>	<b>8,943,500</b>	<b>(43.6)</b>	<b>5,046,300</b>	<b>6,096,100</b>	<b>6,518,700</b>	<b>7,682,700</b>	<b>8,789,900</b>	<b>9,639,800</b>	<b>10,903,400</b>	<b>13,621,800</b>	<b>16,301,700</b>	<b>17,785,900</b>
<b>Cash Flows from Investing Activities</b>												
<u>Receipts</u>												
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
<u>Payments</u>												
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)	(73,600)	(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
<b>Net Cash Flows from Investing Activities</b>	<b>(17,341,000)</b>	<b>48.8</b>	<b>(25,802,400)</b>	<b>(30,118,200)</b>	<b>(34,483,500)</b>	<b>(12,567,000)</b>	<b>(31,029,600)</b>	<b>(40,242,400)</b>	<b>(16,570,800)</b>	<b>(14,513,100)</b>	<b>(12,879,900)</b>	<b>(3,882,800)</b>
<b>Cash Flows from Financing Activities</b>												
<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
<b>Net Cash Flows from Financing Activities</b>	<b>(3,604,600)</b>	<b>(399.9)</b>	<b>10,808,700</b>	<b>24,965,300</b>	<b>28,967,800</b>	<b>4,192,600</b>	<b>25,202,400</b>	<b>29,367,900</b>	<b>8,612,900</b>	<b>2,969,400</b>	<b>(7,405,800)</b>	<b>(7,802,000)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(12,002,100)</b>	<b>(17.1)</b>	<b>(9,947,400)</b>	<b>943,200</b>	<b>1,003,000</b>	<b>(691,700)</b>	<b>2,962,700</b>	<b>(1,234,700)</b>	<b>2,945,500</b>	<b>2,078,100</b>	<b>(3,984,000)</b>	<b>6,101,100</b>
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
<b>Cash and Cash Equivalents at End of the Year</b>	<b>28,552,000</b>	<b>(34.8)</b>	<b>18,604,600</b>	<b>19,547,800</b>	<b>20,550,800</b>	<b>19,859,100</b>	<b>22,821,800</b>	<b>21,587,100</b>	<b>24,532,600</b>	<b>26,610,700</b>	<b>22,626,700</b>	<b>28,727,800</b>

## 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 24 to 29: 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 LTFFP, 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

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
<b>Trunk</b>										
Broadwater 150 Upgrade (250mm Pipe)		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
Knockcrow 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	355,000	0	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
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
<b>Source</b>										
<b>Rocky Creek Dam</b>										
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 - Desatratification 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
<b>Emigrant Creek Dam</b>										
ECD - Visitor Signage Renewal/Installation of Catchment Signage (Regulatory/Information)	30,000	0	0	0	0	0	0	20,000	0	0
ECD - Desatratification 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 (Muscgrave)	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 - Spillway 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
<b>Wilsons River Source</b>										
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	150,000	0	0	0	0	0	0	0	0
WRS - Howards Grass High Level Pump Station VSD	0	340,000	0	0	0	0	0	0	0	0
WRS - Howards Grass High Level Pump Station Switchboards	0	150,000	0	0	0	0	0	0	0	0
WRS - Howards Grass High Level Pump Station Ventilation Fan	0	75,000	0	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 Zone/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
<b>Existing Groundwater</b>										
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 & 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
<b>Future Water Project 2060</b>										
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	187,100	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
Dunoom Dam	0	0	0	0	0	0	0	0	0	0
<b>General</b>										
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 500	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, Cl2 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** (continued)

<b>Reservoirs</b>										
Reservoirs Upgrade - Pineapple Rd		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
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	27,000	0
Reservoirs Upgrade - Coopers Shoot		0	0	0	0	0	0	0	26,000	0
Reservoirs Upgrade - Knockrow		0	0	0	0	0	0	0	20,000	283,000
Reservoirs Upgrade - Brunswick Heads		0	0	0	0	0	0	0	0	0
Reservoirs Upgrade - High St		0	0	0	0	0	0	0	0	0
Reservoirs Upgrade - St Helena		0	0	0	0	0	0	0	0	0
Reservoir Duplication - St Helena		0	0	0	0	0	0	0	500,000	0
ICS - Distribution Network		0	0	150,000	250,000	150,000	0	0	0	0
<b>Treatment Plants</b>										
<b>Nightcap WTP</b>										
Nightcap WTP PLC SB Upgrade	1,400,000	0	0	0	0	0	0	0	0	0
Nightcap WTP Ozone		500,000	0	0	0	0	0	0	0	0
Nightcap WTP BAC Renewals		0	363,000	0	0	0	0	0	0	0
Nightcap WTP BAC Filter Media Renewal		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		41,000	0	0	0	0	0	0	0	0
Nightcap WTP DAFF	644,000	0	172,000	0	0	4,000	0	4,000	150,000	0
Nightcap WTP Stairs and Corrosion Repairs		0	0	0	0	0	0	0	0	0
Nightcap WTP DAFF Filter Media		0	0	378,000	378,000	0	0	0	0	0
Nightcap WTP Saturator		0	0	0	0	0	0	0	0	0
Nightcap WTP Disinfection		0	0	0	0	0	0	0	0	0
Nightcap WTP Lime pH Correction		0	61,000	0	0	0	0	0	0	0
Nightcap WTP Jetty Corrosion		0	0	0	0	0	0	0	0	0
Nightcap WTP Raw Water Pump		0	0	0	0	0	0	0	0	0
Nightcap WTP Raw Water Structure		0	0	200,000	0	0	0	0	0	0
Nightcap WTP RWJ Corrosion		0	0	0	0	0	0	0	0	0
Nightcap WTP Site Services		0	0	0	0	0	0	425,000	36,000	0
Nightcap WTP Septic Renewal		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
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
<b>Emigrant Creek WTP</b>										
Emigrant Creek WTP - ICS		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
Emigrant Creek WTP Air System		250,000	0	0	0	35,000	0	0	0	0
Emigrant Creek WTP BAC		0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Bisulphite Dosing		0	25,000	0	0	0	0	0	0	0
Emigrant Creek WTP Caustic pH Correction		0	39,000	0	0	0	0	0	0	0
Emigrant Creek WTP CEB		0	41,000	0	0	0	0	0	0	0
Emigrant Creek WTP Coagulation		0	15,000	0	0	0	0	0	0	0
Emigrant Creek WTP Control Systems - Treatment		0	0	0	0	0	0	0	0	50,000
Emigrant Creek WTP Fe/Mn Removal		0	15,000	0	0	0	0	0	0	0
Emigrant Creek WTP Filtered Water		13,000	0	0	0	0	0	0	0	0
Emigrant Creek WTP Flootation		13,000	0	0	0	0	0	0	0	0
Emigrant Creek WTP HCl Dosing		24,000	0	0	0	0	0	0	0	0
Emigrant Creek WTP Lime pH Correction		15,000	0	0	0	0	0	0	0	0
Emigrant Creek WTP Membrane Filtration		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
Emigrant Creek WTP Ozone		0	0	0	400,000	0	0	0	0	0
Emigrant Creek WTP Raw Water		0	0	0	0	35,000	0	0	0	0
Emigrant Creek WTP Raw Water		0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Service Water		0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Site Services		0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Steel Tanks		0	0	0	0	0	0	0	0	0
Emigrant Creek WTP Sludge		58,000	0	0	0	0	0	0	0	0
Emigrant Creek WTP Sludge		0	0	0	50,000	0	0	0	0	0
Emigrant Creek WTP Treated Water		0	0	12,000	0	0	0	0	0	0
Emigrant Creek WTP UF Skid Membranes		0	0	0	0	0	0	0	0	165,800
Emigrant Creek WTP Chemical Storage Area Roof Sheeting	75,000									
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
<b>Buildings</b>										
Admin Building		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
Depot Procurement		0	0	0	0	0	0	0	0	0
<b>ICT</b>										
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									
IT - Mobiles	27,000									
IT - Switches	113,000									
IT - Telephony	0	0	0	0	0	0	0	0	0	0
IT - New AV Equipment	30,000									
IT - Intranet	100,000									
IT - BPM Software	50,000									
IT - WiFi	150,000									
IT - Digital Transformation	550,000	1,100,000	650,000							
IT - Future Improvements	11,500	11,500	11,500	12,000	14,000	14,000	14,000	14,000	14,000	0
Instruments and Minor Items Capitalised	437,700	320,200	313,500	284,200	267,200	272,500	278,000	283,600	289,300	295,100
	<b>20,175,300</b>	<b>29,809,100</b>	<b>34,130,700</b>	<b>14,582,000</b>	<b>29,928,100</b>	<b>39,123,000</b>	<b>15,563,400</b>	<b>13,536,700</b>	<b>11,897,600</b>	<b>2,893,600</b>

**Tables 22 to 26: Capital works program** (continued)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Capital Works - Retail Water Supply	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Description</b>										
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
	<b>2,782,400</b>	<b>297,600</b>	<b>221,000</b>	<b>228,400</b>	<b>233,800</b>	<b>239,300</b>	<b>244,800</b>	<b>250,300</b>	<b>255,900</b>	<b>261,500</b>

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Capital Works - Flood Mitigation	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Description</b>										
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
Lismore Levee(funded by LCC)	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
	<b>156,400</b>	<b>214,700</b>	<b>164,400</b>	<b>175,100</b>	<b>270,800</b>	<b>296,500</b>	<b>343,200</b>	<b>304,900</b>	<b>304,700</b>	<b>305,500</b>

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Capital Works - Weed Biosecurity	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Description</b>										
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
	<b>0</b>	<b>21,000</b>	<b>0</b>	<b>22,000</b>	<b>44,000</b>	<b>44,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Capital Works - Property	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Description</b>										
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
	<b>2,266,900</b>	<b>2,568,600</b>	<b>2,569,400</b>	<b>70,200</b>	<b>71,900</b>	<b>73,600</b>	<b>74,400</b>	<b>76,200</b>	<b>76,700</b>	<b>77,200</b>

## 6. Scenario modelling

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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 the planned price path to 5% increases from 2024/25 onwards. Alternatively, planned loan borrowings could be reduced from \$180 million to \$140 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%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

Rous would produce operating deficits across the ten years with estimated reserves of \$21.8 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								
	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
<b>Operating Income</b>										
Flood Mitigation	1,192,200	1,205,000	1,239,500	1,283,400	1,327,200	1,364,800	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	3,450,350	3,761,300	3,930,900	4,090,600	4,258,600	4,438,400	4,628,100	4,828,000	5,039,000	5,260,500
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	200,400	99,600	85,100	139,100	173,500	173,400	173,300	173,100	172,900	172,700
Bulk Water Supply	22,702,300	23,709,900	24,830,700	25,900,100	27,050,300	28,396,500	29,811,000	31,275,500	32,784,800	34,505,000
Fleet Operations	126,400	115,900	108,200	104,000	96,700	93,100	91,800	92,600	93,500	94,400
<b>Total Operating Income</b>	<b>29,393,550</b>	<b>30,501,500</b>	<b>31,783,500</b>	<b>33,122,000</b>	<b>34,525,500</b>	<b>36,106,700</b>	<b>37,768,700</b>	<b>39,488,800</b>	<b>41,267,300</b>	<b>43,268,600</b>
<b>Operating Expense</b>										
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	4,127,600	4,283,300	4,440,500	4,604,000	4,774,200	4,951,600	5,136,300	5,328,600	5,529,200
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	30,465,000	32,175,400	33,274,700	34,890,600	36,660,300	37,997,400	38,345,600	38,602,200	37,573,300
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
<b>Total Operating Expense</b>	<b>38,177,400</b>	<b>38,237,400</b>	<b>39,952,800</b>	<b>41,226,800</b>	<b>43,059,300</b>	<b>45,045,400</b>	<b>46,688,200</b>	<b>47,239,800</b>	<b>47,776,300</b>	<b>46,995,800</b>
<b>Operating Result</b>	<b>(8,783,850)</b>	<b>(7,735,900)</b>	<b>(8,169,300)</b>	<b>(8,104,800)</b>	<b>(8,533,800)</b>	<b>(8,938,700)</b>	<b>(8,919,500)</b>	<b>(7,751,000)</b>	<b>(6,509,000)</b>	<b>(3,727,200)</b>
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
<b>Operating Result Excluding Non Cash</b>	<b>(495,750)</b>	<b>1,003,300</b>	<b>852,600</b>	<b>1,210,700</b>	<b>1,282,900</b>	<b>1,142,500</b>	<b>1,330,200</b>	<b>2,799,300</b>	<b>4,194,900</b>	<b>7,107,000</b>
Add: Capital Income	4,386,000	15,912,100	15,597,600	16,761,900	5,032,200	5,212,500	5,390,800	5,579,100	5,774,400	5,774,700
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	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	10,015,700	8,107,900	6,745,500	630,900	167,700	157,400	246,500	258,900	1,205,300
Add: Transfer from Reserve	10,317,950	1,626,000	73,400	47,300	143,000	4,687,200	1,394,300	3,411,800	10,575,300	8,400
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Estimated Reserves Whole Organisation**

Description	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
Estimated Reserves Whole Organisation	16,212,100	24,601,800	32,636,300	39,334,500	39,822,400	35,302,900	34,066,000	30,900,700	20,584,300	21,781,200
Net Reserve Movement	(9,210,800)	8,389,700	8,034,500	6,698,200	487,900	(4,519,500)	(1,236,900)	(3,165,300)	(10,316,400)	1,196,900

## 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:** A reduction in the planned price path to 5% increases from 2027/28 onwards. Alternatively, planned loan borrowings could be reduced from \$180 million to \$175 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%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

Operating results would achieve surplus from 2032/33 onwards, 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**

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
<b>Operating Income</b>										
Flood Mitigation	1,192,200	1,205,000	1,239,500	1,283,400	1,327,200	1,364,800	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	3,450,350	3,816,800	4,048,500	4,277,700	4,455,100	4,644,700	4,844,700	5,055,500	5,277,900	5,511,400
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	200,400	99,600	85,100	139,100	173,500	173,400	173,300	173,100	172,900	172,700
Bulk Water Supply	22,706,400	24,085,400	25,669,800	27,316,000	28,597,700	30,060,100	31,526,400	33,048,200	34,618,900	36,404,200
Fleet Operations	126,400	115,900	108,200	104,000	96,700	93,100	91,800	92,600	93,500	94,400
<b>Total Operating Income</b>	<b>29,397,650</b>	<b>30,932,500</b>	<b>32,740,200</b>	<b>34,725,000</b>	<b>36,269,400</b>	<b>37,976,600</b>	<b>39,700,700</b>	<b>41,489,000</b>	<b>43,340,300</b>	<b>45,418,700</b>
<b>Operating Expense</b>										
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	4,746,100	4,923,400	5,108,300	5,300,800	5,501,400	5,710,500
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	33,114,400	34,382,800	35,532,400	35,777,800	36,090,900	35,126,300
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
<b>Total Operating Expense</b>	<b>37,952,400</b>	<b>37,564,300</b>	<b>38,762,100</b>	<b>39,901,700</b>	<b>41,425,200</b>	<b>42,917,100</b>	<b>44,379,900</b>	<b>44,836,500</b>	<b>45,437,800</b>	<b>44,730,100</b>
<b>Operating Result</b>	<b>(8,554,750)</b>	<b>(6,631,800)</b>	<b>(6,021,900)</b>	<b>(5,176,700)</b>	<b>(5,155,800)</b>	<b>(4,940,500)</b>	<b>(4,679,200)</b>	<b>(3,347,500)</b>	<b>(2,097,500)</b>	<b>688,600</b>
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
<b>Operating Result Excluding Non Cash</b>	<b>(266,650)</b>	<b>2,107,400</b>	<b>3,000,000</b>	<b>4,138,800</b>	<b>4,660,900</b>	<b>5,140,700</b>	<b>5,570,500</b>	<b>7,202,800</b>	<b>8,606,400</b>	<b>11,522,800</b>
Add: Capital Income	4,386,000	7,912,100	7,597,600	7,761,900	5,032,200	5,212,500	5,390,800	5,579,100	5,774,400	5,774,700
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	4,255,600	5,231,600	6,386,100	6,194,500	5,278,300	6,261,200	7,048,100	7,687,600	7,998,100	8,321,500
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	2,907,600	1,878,000	3,151,600	3,515,700	224,800	2,370,600	587,200	325,000	5,101,600
Add: Transfer from Reserve	10,153,150	1,610,700	50,000	2,912,400	130,500	1,375,200	28,200	6,000	6,822,200	8,400
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Estimated Reserves Whole Organisation**

Description	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
Estimated Reserves Whole Organisation	16,376,900	17,673,800	19,501,800	19,741,000	23,126,200	21,975,800	24,318,200	24,899,400	18,402,200	23,495,400
Net Reserve Movement	(9,046,000)	1,296,900	1,828,000	239,200	3,385,200	(1,150,400)	2,342,400	581,200	(6,497,200)	5,093,200



### 6.3. Return to cyclical interest rates scenario

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

**What the model means:** : No changes to the planned price path as long-term cost savings on borrowings are balanced out by a reduction in short-term investment revenue. The price path required is shown in *Table 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 from 2031/32 onwards, 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**

**Rous County Council - Whole of Organisation**

Name	Long-Term Financial Plan									
	Operational Plan	Delivery Program								
	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 Estimate
<b>Operating Income</b>										
Flood Mitigation	1,192,200	1,205,000	1,232,400	1,274,900	1,317,500	1,354,100	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	3,450,350	3,816,800	4,043,500	4,272,300	4,517,100	4,782,000	5,065,600	5,369,300	5,694,700	5,756,200
Richmond Water Laboratories	0	0	0	0	0	0	0	0	0	0
Property	200,400	99,600	83,600	121,700	141,300	140,600	139,900	139,100	138,300	137,400
Bulk Water Supply	22,702,300	24,066,900	25,488,400	27,128,100	28,931,300	30,953,300	33,116,100	35,460,000	37,892,600	38,285,300
Fleet Operations	126,400	115,900	98,200	93,600	86,900	84,300	83,300	83,600	84,000	84,500
<b>Total Operating Income</b>	<b>29,393,550</b>	<b>30,914,000</b>	<b>32,522,400</b>	<b>34,481,200</b>	<b>36,597,900</b>	<b>38,938,200</b>	<b>41,440,300</b>	<b>44,140,300</b>	<b>46,953,000</b>	<b>47,463,200</b>
<b>Operating Expense</b>										
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
<b>Total Operating Expense</b>	<b>38,177,400</b>	<b>38,237,400</b>	<b>39,602,800</b>	<b>40,780,900</b>	<b>42,439,800</b>	<b>44,086,600</b>	<b>45,597,600</b>	<b>46,072,300</b>	<b>46,636,600</b>	<b>45,887,400</b>
<b>Operating Result</b>	<b>(8,783,850)</b>	<b>(7,323,400)</b>	<b>(7,080,400)</b>	<b>(6,299,700)</b>	<b>(5,841,900)</b>	<b>(5,148,400)</b>	<b>(4,157,300)</b>	<b>(1,932,000)</b>	<b>316,400</b>	<b>1,575,800</b>
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
<b>Operating Result Excluding Non Cash</b>	<b>(495,750)</b>	<b>1,415,800</b>	<b>1,941,500</b>	<b>3,015,800</b>	<b>3,974,800</b>	<b>4,932,800</b>	<b>6,092,400</b>	<b>8,618,300</b>	<b>11,020,300</b>	<b>12,410,000</b>
Add: Capital Income	4,386,000	7,912,100	7,597,600	7,761,900	5,032,200	5,212,500	5,390,800	5,579,100	5,774,400	5,774,700
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
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Estimated Reserves Whole Organisation**

Description	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate	2028 Estimate	2029 Estimate	2030 Estimate	2031 Estimate	2032 Estimate	2033 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