



2025–2035

Long Term Financial Plan

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Section 1 – Introduction

The Long Term Financial Plan (LTFP) is a requirement under the Integrated Planning and Reporting framework for New South Wales (NSW) Local Government and forms part of the Resourcing Strategy. The Resourcing Strategy is a document that Council is required to develop to detail the provision of resources required to implement the strategies established by the Community Strategic Plan (CSP). The Long Term Financial Plan (LTFP) can be described as a decision making and problem solving tool where long term community aspirations can be tested against financial realities.

Specifically, the requirement to develop a Long Term Financial Plan (LTFP) is a requirement of Section 403(2) of the Local Government Act 1993.

The Long Term Financial Plan (LTFP) provides a framework in which a Council can assess its revenue building capacity to meet the activities and level of services outlined in its Community Strategic Plan. It also:

- ⇒ Establishes greater transparency and accountability of Council to the Community.
- ⇒ Provides an opportunity for early identification of financial issues and any likely impacts in the longer term.
- ⇒ Provides a mechanism to solve financial problems as a whole, see how other plans fit together and understand the impact of some decisions on other plans or strategies.
- ⇒ Provides a means of measuring Council's success in implementing strategies.
- ⇒ Confirms that Council can remain financially sustainable in the longer term.

The Long Term Financial Plan (LTFP) must support or provide for the following essential elements:

- ⇒ Must be used to inform the decision making during the finalisation of the Community Strategic Plan and the development of the Delivery Program.
- ⇒ Must be for a minimum of 10 years.
- ⇒ Must be updated at least annually as part of the development of the Operational Plan.
- ⇒ Must be reviewed in detail as part of the four yearly review of the Community Strategic Plan.

The basic structure of the Long Term Financial Plan (LTFP) must include the following:

- ⇒ Projected income/expenditure and financial statements.
- ⇒ Planning assumptions used.
- ⇒ Methods of monitoring financial performance.
- ⇒ Sensitivity analysis and modelling for different scenarios

Introduction

The Long Term Financial Plan (LTFP) should be updated on a regular basis at least annually. This update is for the period 2025 to 2035 and covers all operations of Council including Council's General, Water and Sewerage Funds. There is also separate disclosure for each Fund operated by Council. Further throughout this document in Section 6, there is specific modelling regarding a base case and two scenarios.

The base case for this Long Term Financial Plan (LTFP) incorporates the current organisation structure, services and ten year capital works program provided by Byron Shire Council. This Long Term Financial Plan (LTFP) utilises the adopted 2025/2026 draft budget estimates placed on public exhibition on 9 May 2025 as the starting point.

Aside from the Base Case, this LTFP contains two additional scenarios as follows following updating the Strategic Asset Management Plan (SAMP) relating to Transport and Building assets as the Base Case outcome:

1. Scenario 1 is to address the asset renewal shortfall for Transport and Building assets. The SAMP is indicating a total shortfall of \$14.6million over ten years represented by \$10.4million for Transport assets and \$4.2million for Building assets.
2. Scenario 2 is to address Scenario 1 above plus the current infrastructure backlog for Transport and Building assets. The current infrastructure backlog is \$80.7million and Buildings is \$11.7million for a total backlog of \$92.4million to be addressed over a 30 year time period.

Subsequent pages to this document detail the Long Term Financial Plan (LTFP) for Byron Shire Council for the period 2025 to 2035 taking into consideration the assumptions detailed in Section 3 – Modelling Assumptions and the scenario parameters outlined directly above. This includes disclosure of the Base Case Scenario and modelling as to the impacts of the identified additional scenarios.

Section 2 – Historical Financial Statistics

As a snapshot, the following table provides consolidated historical financial information for Byron Shire Council for the five year period from 2019/2020 to 2023/2024 on a Consolidated basis including General, Water and Sewerage Fund Operations combined:

Statistic	2019/2020 \$'000	2020/2021 \$'000	2021/2022 \$'000	2022/2023 \$'000	2023/2024 \$'000
Revenue/Expenditure					
Total Operating Revenue	117,974	113,928	125,823	152,538	158,618
Total Operating Expenditure	94,196	104,460	114,750	120,957	115,998
Operating Result – Surplus/(Deficit)	23,778	9,468	11,073	31,581	42,620
Operating Result before capital grants & contributions – Surplus/(Deficit)	(8,243)	(13,936)	(9,911)	2,021	3,996
General Rate Income	24,092	25,887	26,662	27,623	29,096
Financial Assistance Grant	3,312	3,317	4,602	5,122	3,877
Interest Expense on Loans	3,305	3,046	2,891	2,728	2,634
Depreciation Expense	15,685	17,529	19,134	20,155	21,878
Cash and Investments					
Externally Restricted Cash	49,194	46,297	53,646	48,836	89,573
Internally Restricted Cash	26,644	25,658	24,660	23,119	29,629
Unrestricted Cash	725	517	0	0	400
Total Cash and Investments	76,562	72,473	78,306	71,955	119,202

Statistic	2019/2020 \$'000	2020/2021 \$'000	2021/2022 \$'000	2022/2023 \$'000	2023/2024 \$'000
Other Non Current Assets/Liabilities					
Outstanding Loan Principal	62,835	61,058	58,769	54,207	55,905
Written Down Value of Property, Plant and Equipment	992,431	1,094,182	1,278,365	1,432,077	1,470,188
Performance Indicators – Consolidated Fund					
Operating Performance Ratio	(7.09%)	(6.87%)	(5.41%)	4.37%	4.28%
Own Source Revenue	65.41%	72.50%	65.79%	62.73%	66.73%
Unrestricted Current Ratio	3.08	2.41	3.52	2.51	3.75
Debt Service Cover Ratio	1.99	2.18	2.44	3.81	4.26
Rates and Charges Outstanding Ratio	7.32%	8.33%	9.60%	11.91%	12.99%
Buildings and Infrastructure Renewals Ratio	96.28%	107.26%	121.89%	233.48%	210.90%

Section 3 – Modelling Assumptions

The 2025-2035 Long Term Financial Plan for Byron Shire Council has provided a Base Case Scenario outcome utilising assumptions. The following assumptions are generally applied to the Base Case Outcome outlined in Section 4 of this document with some assumptions updated where new information has become available:

- ⇒ Unrestricted cash balance target (goal) of \$1,000,000 for the General Fund as a measure of short term liquidity. 2025/2026 Financial Year Draft Budget provides the base financial year as per the draft budget placed on public exhibition on 9 May 2025.
- ⇒ Projections are based on a 'Business as Usual' footing. Whilst the Byron Shire Council area has been greatly impacted from the flooding events of February/March 2022, which the recovery from will take years and influence Council's financial outcomes during the life of this Plan up to 2028. Whilst Council has completed all Emergency Works and Immediate Repair Works with relevant claims lodged with Government, the major reconstruction works are underway and Government funding approvals have been sought. The impact of these works are reflected in the Base Case.
- ⇒ Unregulated fees and charges be increased in line with Consumer Price Index (CPI) as a minimum.
- ⇒ Rate pegging for 2025/2026 identified at 5.00% approved by the Independent Pricing and Regulatory Tribunal (IPART) with remaining future years of the LTFP identified at 3.50% including a 1.00% population growth factor.
- ⇒ Growth in Financial Assistance Grant to be set at 3.00% per annum from the 2025/2026 financial year.
- ⇒ Salary and wage indexation to be set at 3.00% annually for 2025/2026 and then generally 2.00% onwards. All other costs to be indexed by the Consumer Price Index (CPI) less continuation of an efficiency dividend. It is acknowledged that construction costs are increasing at a greater rate than the CPI but this has not been factored into this Plan.
- ⇒ Investment rates to follow indicative market investment rates available. An assessment will be made annually to compare the investment rate assumptions for reasonableness. Loan borrowing rates will be assumed at indicative borrowing rates issued by NSW Treasury Corporation.
- ⇒ New loan borrowings will only be for the following:
 - Capital works where funding for annual recurrent operational costs attributable to new assets has been factored into the budget as affordable and funded.
 - To reduce the funding gap for the renewal of existing infrastructure.
 - When it is for commercial purpose and repayments can be met from additional revenue sources.
 - The term of the loan must also accord with Council's loan borrowing policy 09/006 in that the loan borrowing term should be relevant to the useful life of the asset being funded from the loan borrowings.

In addition to the above the Byron Shire Council Long Term Financial Plan (LTFP) is assumed to have as its base case all of the outcomes identified by the Community Strategic Plan, Delivery Program, Operational Plan and other Resourcing Plans so by virtue of that is linked to those documents.

Section 4 – Financial Outcomes (Base Case)

The financial outcomes identified in the base case of the 2025-2035 Long Term Financial Plan are outlined below incorporating the assumptions outlined in Section 3 on a Consolidated basis (General Fund, Water Fund and Sewerage Fund combined):

Byron Shire Council Long Term Financial Plan 2025-2035											
Income Statement (Consolidated)											
Scenario: Base Case	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Income from Continuing Operations											
Rates & Annual Charges	66,016,700	70,435,400	72,365,500	74,403,800	76,504,000	78,668,100	80,897,900	83,195,700	85,563,500	88,004,000	90,519,100
User Charges & Fees	35,305,500	36,322,300	36,507,100	37,260,000	38,036,500	38,838,400	39,665,700	40,519,300	41,399,800	42,308,600	43,247,000
Other Revenues	2,013,800	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000
Grants & Contributions for Operating Purposes	6,437,100	8,129,500	7,602,100	7,783,600	7,960,800	8,142,600	8,329,400	8,521,200	8,718,500	8,921,000	9,129,200
Grants & Contributions for Capital Purposes	30,649,000	39,029,300	11,795,000	9,615,300	12,270,200	3,439,400	2,940,300	2,670,200	2,670,200	2,970,200	2,970,200
Interest and Investment Income	3,613,300	3,610,100	2,059,200	2,000,400	2,089,000	2,205,500	2,388,900	2,686,300	2,947,800	3,293,000	3,293,000
Other Income	2,004,800	2,167,700	2,199,700	2,241,000	2,146,800	2,189,900	2,233,600	2,278,700	2,324,500	2,370,800	2,418,300
Total Income from Continuing Operations	146,040,200	161,719,300	134,553,600	135,329,100	141,032,300	135,508,900	138,480,800	141,896,400	145,649,300	149,892,600	153,601,800
Expenses from Continuing Operations											
Employee Costs	37,377,400	37,876,400	39,635,500	40,822,100	41,690,000	42,462,200	43,300,600	44,171,700	45,061,000	45,968,600	46,893,800
Borrowing Costs	2,684,800	3,000,200	1,724,900	1,528,000	1,330,900	1,130,800	910,800	720,400	533,800	416,900	313,300
Materials and Services	61,766,900	56,855,100	56,553,800	56,809,700	57,799,700	58,100,600	58,920,200	59,738,800	60,865,900	61,414,000	62,274,200
Depreciation	20,657,300	21,877,700	22,534,000	23,210,200	23,906,400	24,623,500	25,362,200	26,123,100	26,906,600	27,713,600	28,544,900
Other Expenses	3,255,100	3,359,500	3,423,000	3,474,400	3,526,500	3,579,100	3,632,700	3,687,200	3,742,400	3,798,300	3,855,100
Total Expenses from Continuing Operations	125,741,500	122,968,900	123,871,200	125,844,400	128,253,500	129,896,200	132,126,500	134,441,200	137,109,700	139,311,400	141,881,300
Operating Result from Continuing Operations Surplus/(Deficit)	20,298,700	38,750,400	10,682,400	9,484,700	12,778,800	5,612,700	6,354,300	7,455,200	8,539,600	10,581,200	11,720,500
Net Operating Result for the year before Grants and Contributions for Capital Purposes Surplus/(Deficit)	(10,350,300)	(278,900)	(1,112,600)	(130,600)	508,600	2,173,300	3,414,000	4,785,000	5,869,400	7,611,000	8,750,300

Financial Outcomes (Base Case)

Byron Shire Council Long Term Financial Plan 2025-2035 Consolidated Funding Statement											
Scenario: Base Case	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Operating Result before Capital Amounts from Income Statement Surplus/(Deficit)	(10,350,300)	(278,900)	(1,112,600)	(130,600)	508,600	2,173,300	3,414,000	4,785,000	5,869,400	7,611,000	8,750,300
Add: Non Cash Items											
Depreciation	20,657,300	21,877,700	22,534,000	23,210,200	23,906,400	24,623,500	25,362,200	26,123,100	26,906,600	27,713,600	28,544,900
Add: Non Operating Funding Sources											
Capital Grants and Contributions	30,649,000	39,029,300	11,795,000	9,615,300	12,270,200	3,439,400	2,940,300	2,670,200	2,670,200	2,970,200	2,970,200
Proceeds from sale of Assets	200,600	0	0	0	0	0	0	0	0	0	0
Loan fund utilised	9,253,600	3,102,000	2,414,500	1,274,900	2,833,600	2,640,000	1,650,000	0	0	0	2,200,000
Repayments from Deferred Debtors	0	0	0	0	0	0	0	0	0	0	0
Funds Available	50,410,200	63,730,100	35,630,900	33,969,800	39,518,800	32,876,200	33,366,500	33,578,300	35,446,200	38,294,800	42,465,400
Less: Funds applied to											
Purchase and construction of Assets	79,224,300	61,155,100	78,511,300	28,327,400	29,085,700	19,563,000	17,523,400	16,383,500	41,952,900	17,360,200	18,497,300
Loan principal repayments	4,047,500	4,417,000	3,692,000	3,529,500	3,726,300	3,866,400	3,664,800	3,460,400	3,187,900	2,442,800	1,868,500
Total Funds Used	83,271,800	65,572,100	82,203,300	31,856,900	32,812,000	23,429,400	21,188,200	19,843,900	45,140,800	19,803,000	20,365,800
Increase/(Decrease) in Cash Position	(32,861,600)	(1,842,000)	(46,572,400)	2,112,900	6,706,800	9,446,800	12,178,300	13,734,400	(9,694,600)	18,491,800	22,099,600
Net Reserve Movement	(32,861,600)	(1,842,000)	(44,177,100)	5,037,200	8,935,200	9,673,700	11,770,900	13,525,500	(11,124,500)	16,851,200	18,643,900
Increase/(Decrease) in Unrestricted Cash	0	0	(2,395,300)	(2,924,300)	(2,228,400)	(226,900)	407,400	208,900	1,429,900	1,640,600	3,455,700

Financial Outcomes (Base Case)

More importantly is the financial outcomes of the General Fund which includes all operations and assets of the Council except for Water and Sewerage. The base case for the 2025-2035 Long Term Financial Plan is indicated below:

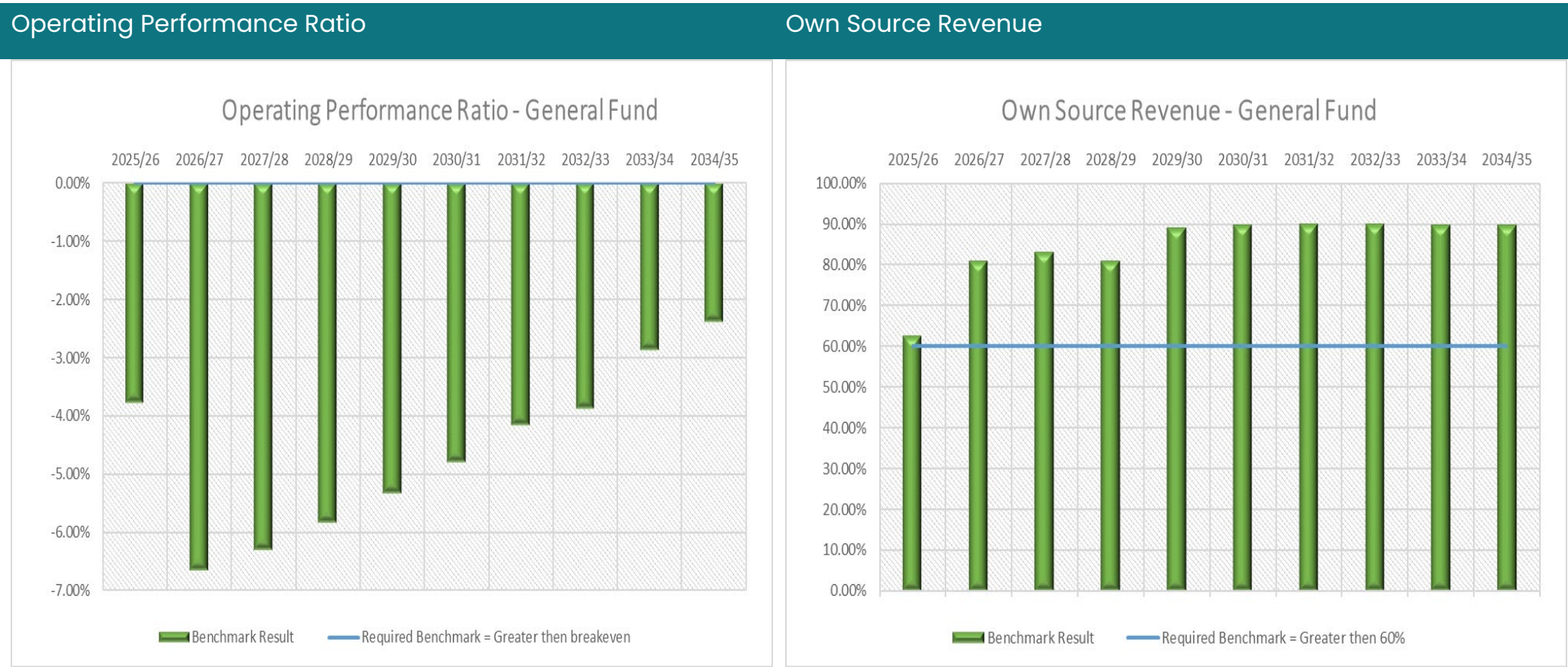
Byron Shire Council Long Term Financial Plan 2025-2035											
Income Statement (General Fund)											
Scenario: Base Case	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Income from Continuing Operations											
Rates & Annual Charges	42,996,300	45,668,400	47,046,100	48,499,200	49,999,300	51,548,100	53,146,800	54,797,300	56,501,300	58,260,700	60,077,200
User Charges & Fees	22,583,300	22,735,100	22,483,400	22,738,100	22,997,700	23,263,400	23,534,300	23,810,700	24,092,200	24,379,400	24,672,700
Other Revenues	2,013,800	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000
Grants & Contributions for Operating Purposes	6,274,800	7,967,200	7,451,000	7,628,000	7,800,400	7,977,400	8,159,100	8,345,700	8,537,600	8,734,500	8,936,900
Grants & Contributions for Capital Purposes	27,739,000	37,529,300	10,295,000	8,115,300	10,770,200	1,939,400	1,440,300	1,170,200	1,170,200	1,470,200	1,470,200
Interest and Investment Income	3,461,400	3,402,200	1,760,400	1,693,300	1,816,200	1,804,900	1,866,700	2,005,800	2,118,400	2,285,800	2,285,800
Other Income	1,651,400	1,798,200	1,827,300	1,863,900	1,901,000	1,939,100	1,977,800	2,017,700	2,058,200	2,099,200	2,141,400
Total Income from Continuing Operations	106,720,000	121,125,400	92,888,200	92,562,800	97,309,800	90,497,300	92,150,000	94,172,400	96,502,900	99,254,800	101,609,200
Expenses from Continuing Operations											
Employee Costs	32,311,200	32,642,500	34,033,900	35,044,900	35,779,100	36,433,200	37,151,000	37,899,400	38,662,900	39,442,200	40,236,600
Borrowing Costs	1,204,100	1,661,300	544,800	500,100	452,100	402,900	354,700	303,100	254,400	205,000	156,500
Materials and Contracts	38,690,400	33,901,700	33,680,600	33,664,400	34,343,600	34,311,100	34,793,200	35,269,400	36,049,600	36,245,900	36,749,900
Depreciation	15,830,500	16,558,200	17,054,900	17,566,700	18,093,600	18,636,300	19,195,400	19,771,300	20,364,300	20,975,100	21,604,200
Other Expenses	3,213,900	3,273,900	3,335,700	3,385,800	3,436,600	3,487,900	3,540,100	3,593,200	3,647,000	3,701,500	3,756,800
Total Expenses from Continuing Operations	91,250,100	88,037,600	88,649,900	90,161,900	92,105,000	93,271,400	95,034,400	96,836,400	98,978,200	100,569,700	102,504,000
Operating Result from Continuing Operations Surplus/(Deficit)	15,469,900	33,087,800	4,238,300	2,400,900	5,204,800	(2,774,100)	(2,884,400)	(2,664,000)	(2,475,300)	(1,314,900)	(894,800)
Net Operating Result for the year before Grants and Contributions for Capital Purposes Surplus/(Deficit)	(12,269,100)	(4,441,500)	(6,056,700)	(5,714,400)	(5,565,400)	(4,713,500)	(4,324,700)	(3,834,200)	(3,645,500)	(2,785,100)	(2,365,000)

Financial Outcomes (Base Case)

Byron Shire Council Long Term Financial Plan 2025-2035											
General Fund Funding Statement											
Scenario: Base Case											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Operating Result before Capital Amounts from Income Statement Surplus/(Deficit)	(12,269,100)	(4,441,500)	(6,056,700)	(5,714,400)	(5,565,400)	(4,713,500)	(4,324,700)	(3,834,200)	(3,645,500)	(2,785,100)	(2,365,000)
Add: Non Cash Items											
Depreciation	15,830,500	16,558,200	17,054,900	17,566,700	18,093,600	18,636,300	19,195,400	19,771,300	20,364,300	20,975,100	21,604,200
Add: Non Operating Funding Sources											
Capital Grants and Contributions	27,739,000	37,529,300	10,295,000	8,115,300	10,770,200	1,939,400	1,440,300	1,170,200	1,170,200	1,470,200	1,470,200
Proceeds from sale of Assets	200,600	0	0	0	0	0	0	0	0	0	0
Loan fund utilised	9,253,600	3,102,000	2,414,500	1,274,900	2,833,600	2,640,000	1,650,000	0	0	0	2,200,000
Repayments from Deferred Debtors											
Funds Available	40,754,600	52,748,000	23,707,700	21,242,500	26,132,000	18,502,200	17,961,000	17,107,300	17,889,000	19,660,200	22,909,400
Less: Funds applied to											
Purchase and construction of Assets	68,515,000	55,876,800	54,320,000	19,626,300	22,499,100	13,754,200	11,515,700	9,847,500	10,472,000	11,465,900	13,351,400
Loan principal repayments	1,601,100	1,828,800	929,300	973,600	1,021,300	983,900	1,031,700	1,082,900	1,070,300	1,029,500	926,500
Total Funds Used	70,116,100	57,705,600	55,249,300	20,599,900	23,520,400	14,738,100	12,547,400	10,930,400	11,542,300	12,495,400	14,277,900
Increase/(Decrease) in Cash Position	(29,361,500)	(4,957,600)	(31,541,600)	642,600	2,611,600	3,764,100	5,413,600	6,176,900	6,346,700	7,164,800	8,631,500
Net Reserve Movement	(29,361,500)	(4,957,600)	(29,146,300)	3,566,900	4,840,000	3,991,000	5,006,200	5,968,000	4,916,800	5,524,200	5,175,800
Increase/(Decrease) in Unrestricted Cash	0	0	(2,395,300)	(2,924,300)	(2,228,400)	(226,900)	407,400	208,900	1,429,900	1,640,600	3,455,700
Estimated Unrestricted Cash Balance	400,000	400,000	(1,995,300)	(4,919,600)	(7,148,000)	(7,374,900)	(6,967,500)	(6,758,600)	(5,328,700)	(3,688,100)	(232,400)

Financial Outcomes (Base Case)

Detailed in Section 7 of this document are definitions of five performance indicators. Applying these performance indicators to the financial outcomes of the General Fund Base Case reveals the following:

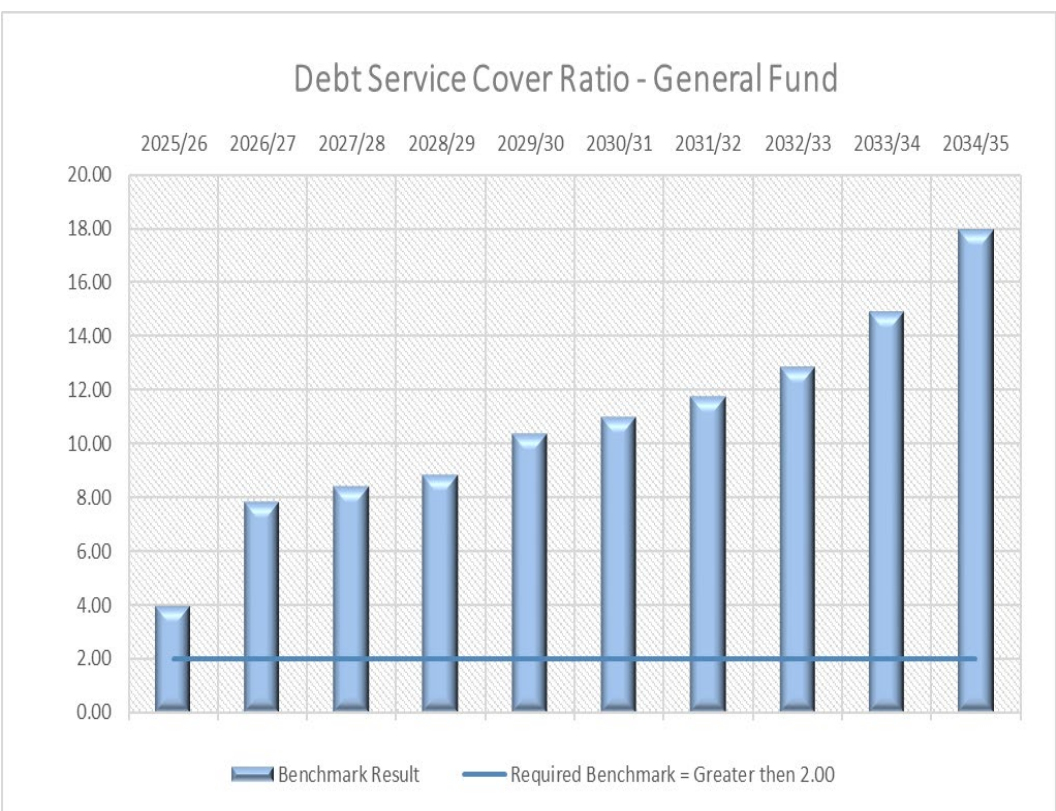
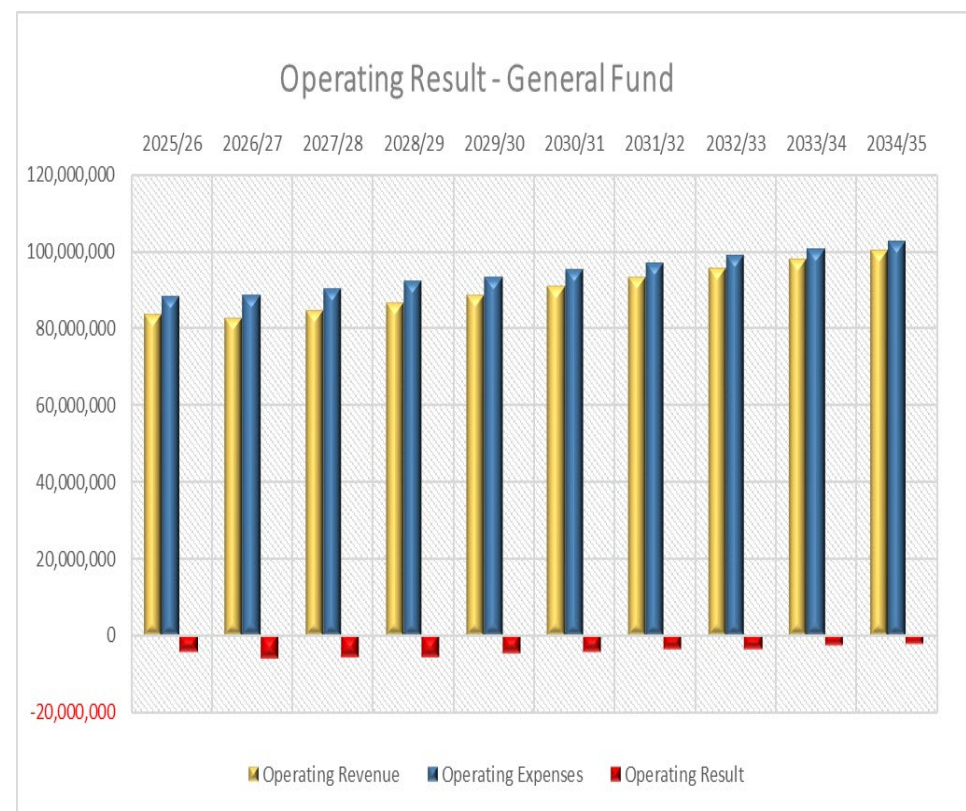


Financial Outcomes (Base Case)

Detailed in Section 7 of this document are definitions of five performance indicators. Applying these performance indicators to the financial outcomes of the General Fund Base Case reveals the following:

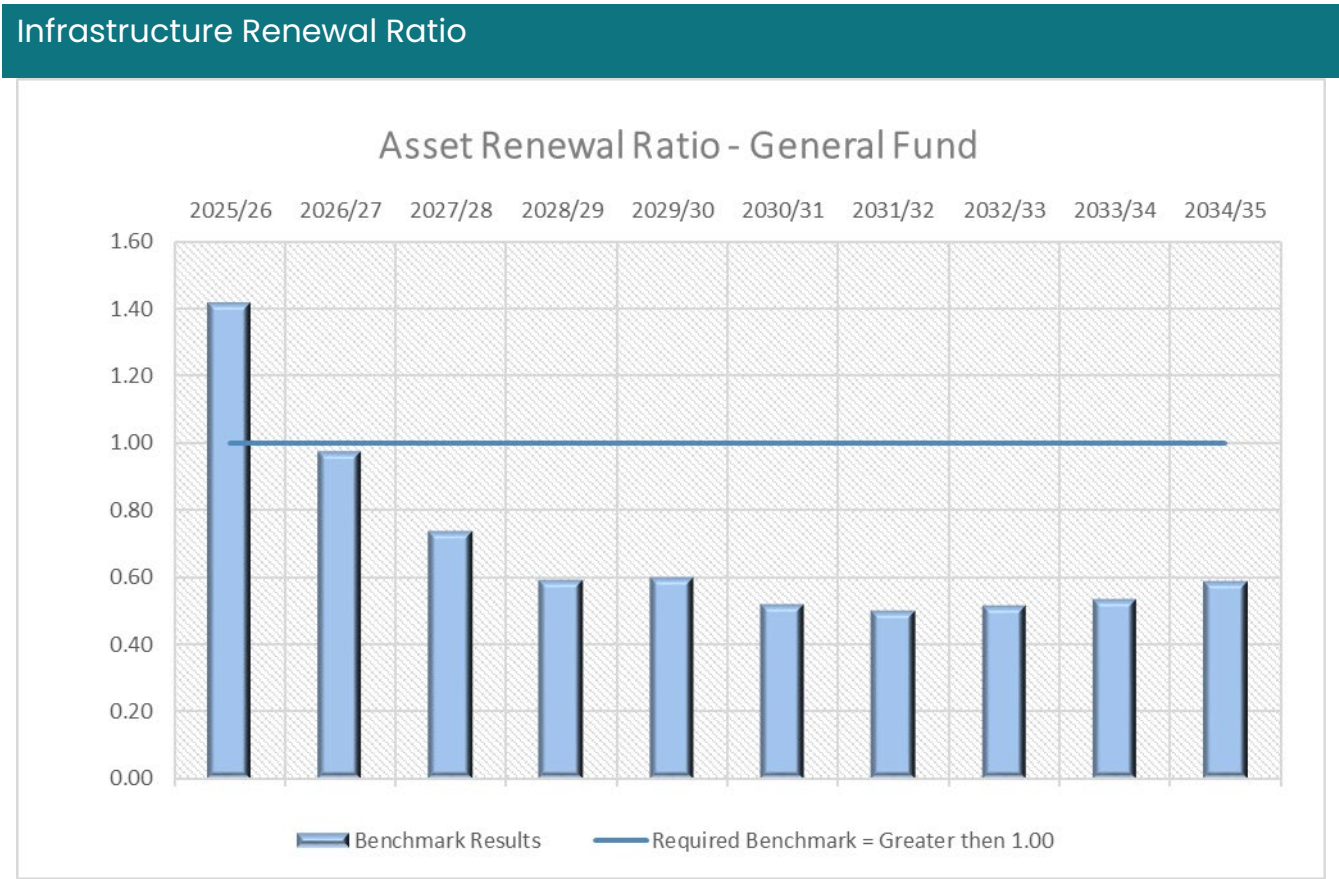
Operating Result

Debt Service Cover Ratio



Financial Outcomes (Base Case)

Detailed in Section 7 of this document are definitions of five performance indicators. Applying these performance indicators to the financial outcomes of the General Fund Base Case reveals the following:



Financial Outcomes (Base Case)

General Fund Base Case Financial Outcome Commentary

Over the last five years Council has grown significantly as an organisation to cater for the growth in the area, additional service demands, an emphasis on infrastructure renewal and development following significant levels of grant funding. It has also been impacted from the effects of COVID-19 Pandemic along with natural disasters from bushfires, the devastating February/March 2022 flood events and three natural disasters since 2022.

Council's operational expenditure at 2023/2024 has increased by 23% compared to 2019/2020. With all the demands placed on Council, there is certainly financial pressure on the General Fund which contains all of Council's service areas except Water and Sewerage.

Currently for the 2024/2025 financial year, Council is projecting a balanced budget result. One of Council's fundamental financial measures is the goal to maintain an unrestricted cash balance of \$1,000,000. Since the impact of COVID-19 and natural disasters, the unrestricted cash balance has progressively been consumed in its entirety with restoration back to \$400,000 achieved in the 2023/2024 financial year.

The Base Case scenario for the General Fund continues to show ongoing operational deficits for the life of this Plan and is not projecting a 'cash surplus' until 2027/2028 financial year. Unrestricted cash is not expected to return to surplus until 2030/2031. To ensure the projected financial outcomes for the General Fund do not materialise, Council will need to either find additional revenue sources or look at ways to reduce expenditure.

Section 5 – Modelling Assumptions – Sensitivity Analysis/Scenarios

Sensitivity Analysis

Long Term Financial Plans (LTFP) are by their nature based on assumptions and predictions. The longer the term of a plan in years the greater the impact on the relevance of assumptions used for the latter years, in terms of their accuracy, as events may occur in future years that are not known at this point in time. Consequently if assumptions are wrong, they could have a significant impact upon the Long Term Financial Plan (LTFP) results which can vary depending upon the degree of variance in assumptions. If the assumptions identified in Section 4 of this document are not correct, Council will need to reconsider the financial outcomes and whether this will impact on the ability to provide the financial resources to deliver outcomes identified in the Community Strategic Plan. It is on this basis that the Long Term Financial Plan (LTFP) will need to be regularly reviewed (at least annually).

Scenarios

A Long Term Financial Plan (LTFP) should also provide the ability to predict financial outcomes if Council chose to alter service levels within programs, increase service levels or implement significant projects. The 2023-2035 Long Term Financial Plan is modelling two scenarios from the Base Case scenario of the Consolidated Fund (including General, Water and Sewerage Funds) that include:

- Base Case Scenario – Draft 2025/2026 Budget Estimates placed on public exhibition on 9 May 2025 plus 9 year projections based on current service levels as outlined in Section 4 of this document and assumptions as outlined in Section 3 of this document.
- Scenario 1 is the Base Case Scenario above to address the asset renewal shortfall for Transport and Building assets. The SAMP is indicating a total shortfall of \$14.6million over ten years represented by \$10.4million for Transport assets and \$4.2million for Building assets. The scenario predicts the need for a Special Rate Variation from 1 July 2026 to raise \$1.46million annually as a permanent addition to income. This equates to a 4.29% Special Rate Variation in addition to the Rate Peg as of 1 July 2026 based on estimated 2026/2027 general land rate yield. The scenario does not improve the budget result as the additional revenue is allocated to asset renewal works but it does improve some of the performance ratios.
- Scenario 2 is the Base Case Scenario above plus Scenario 1 plus the current infrastructure backlog for Transport and Building assets. The current infrastructure backlog is \$80.7million and Buildings is \$11.7million for a total backlog of \$92.4million to be addressed over a 30 year time period. This scenario predicts the need for a Special Rate Variation from 1 July 2026 to raise \$3.08million annually as a permanent addition to income. Adding this outcome to Scenario 1 requires a total annual yield of \$4,540,000 that equates to a 13.34% Special Rate Variation in addition to the Rate Peg as of 1 July 2026 based on estimated 2026/2027 general land rate yield. Again this scenario does not improve the overall budget result as the additional revenue is allocated to asset renewal works but it does further improve some of the performance ratios.

Section 6 – Financial Outcomes Scenario 1 and Scenario 2

Applying Scenario 1 – Base Case + Scenario 1 – Address Infrastructure Renewal Shortfall – Transport and Buildings Assets provides the following financial outcomes for the Consolidated Fund in relation to the 2025-2035 Financial Plan

Byron Shire Council Long Term Financial Plan 2025-2035											
Income Statement (Consolidated)											
Scenario: 1 - Address Infrastructure Renewal Shortfall - Transport and Buildings											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Income from Continuing Operations											
Rates & Annual Charges	66,016,700	70,435,400	73,825,500	75,863,800	77,964,000	80,128,100	82,357,900	84,655,700	87,023,500	89,464,000	91,979,100
User Charges & Fees	35,305,500	36,322,300	36,507,100	37,260,000	38,036,500	38,838,400	39,665,700	40,519,300	41,399,800	42,308,600	43,247,000
Other Revenues	2,013,800	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000
Grants & Contributions for Operating Purposes	6,437,100	8,129,500	7,602,100	7,783,600	7,960,800	8,142,600	8,329,400	8,521,200	8,718,500	8,921,000	9,129,200
Grants & Contributions for Capital Purposes	30,649,000	39,029,300	11,795,000	9,615,300	12,270,200	3,439,400	2,940,300	2,670,200	2,670,200	2,970,200	2,970,200
Interest and Investment Income	3,613,300	3,610,100	2,059,200	2,000,400	2,089,000	2,205,500	2,388,900	2,686,300	2,947,800	3,293,000	3,293,000
Other Income	2,004,800	2,167,700	2,199,700	2,241,000	2,146,800	2,189,900	2,233,600	2,278,700	2,324,500	2,370,800	2,418,300
Total Income from Continuing Operations	146,040,200	161,719,300	136,013,600	136,789,100	142,492,300	136,968,900	139,940,800	143,356,400	147,109,300	151,352,600	155,061,800
Expenses from Continuing Operations											
Employee Costs	37,377,400	37,876,400	39,635,500	40,822,100	41,690,000	42,462,200	43,300,600	44,171,700	45,061,000	45,968,600	46,893,800
Borrowing Costs	2,684,800	3,000,200	1,724,900	1,528,000	1,330,900	1,130,800	910,800	720,400	533,800	416,900	313,300
Materials and Services	61,766,900	56,855,100	56,553,800	56,809,700	57,799,700	58,100,600	58,920,200	59,738,800	60,865,900	61,414,000	62,274,200
Depreciation	20,657,300	21,877,700	22,534,000	23,210,200	23,906,400	24,623,500	25,362,200	26,123,100	26,906,600	27,713,600	28,544,900
Other Expenses	3,255,100	3,359,500	3,423,000	3,474,400	3,526,500	3,579,100	3,632,700	3,687,200	3,742,400	3,798,300	3,855,100
Total Expenses from Continuing Operations	125,741,500	122,968,900	123,871,200	125,844,400	128,253,500	129,896,200	132,126,500	134,441,200	137,109,700	139,311,400	141,881,300
Operating Result from Continuing Operations Surplus/(Deficit)	20,298,700	38,750,400	12,142,400	10,944,700	14,238,800	7,072,700	7,814,300	8,915,200	9,999,600	12,041,200	13,180,500
Net Operating Result for the year before Grants and Contributions for Capital Purposes Surplus/(Deficit)	(10,350,300)	(278,900)	347,400	1,329,400	1,968,600	3,633,300	4,874,000	6,245,000	7,329,400	9,071,000	10,210,300

Financial Outcomes Scenario 1 and Scenario 2

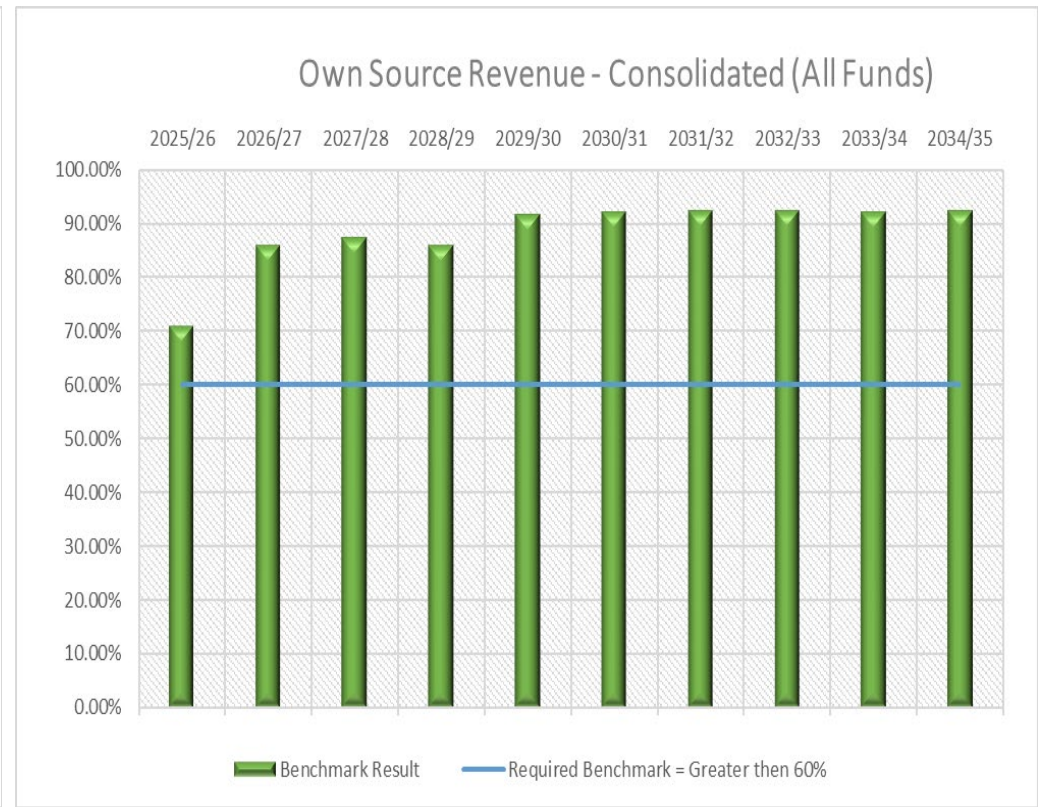
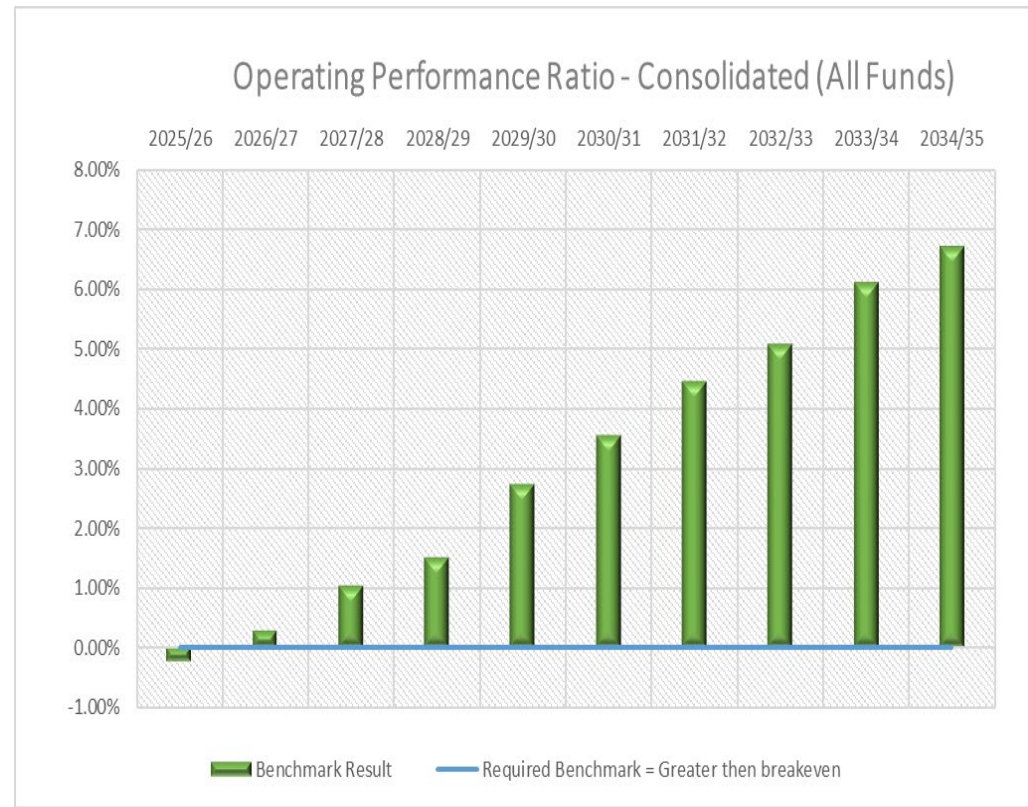
Byron Shire Council Long Term Financial Plan 2025-2035											
Consolidated Funding Statement											
Scenario: 1 - Address Infrastructure Renewal Shortfall - Transport and Buildings											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Operating Result before Capital Amounts from Income Statement Surplus/(Deficit)	(10,350,300)	(278,900)	347,400	1,329,400	1,968,600	3,633,300	4,874,000	6,245,000	7,329,400	9,071,000	10,210,300
Add: Non Cash Items											
Depreciation	20,657,300	21,877,700	22,534,000	23,210,200	23,906,400	24,623,500	25,362,200	26,123,100	26,906,600	27,713,600	28,544,900
Add: Non Operating Funding Sources											
Capital Grants and Contributions	30,649,000	39,029,300	11,795,000	9,615,300	12,270,200	3,439,400	2,940,300	2,670,200	2,670,200	2,970,200	2,970,200
Proceeds from sale of Assets	200,600	0	0	0	0	0	0	0	0	0	0
Loan fund utilised	9,253,600	3,102,000	2,414,500	1,274,900	2,833,600	2,640,000	1,650,000	0	0	0	2,200,000
Repayments from Deferred Debtors	0	0	0	0	0	0	0	0	0	0	0
Funds Available	50,410,200	63,730,100	37,090,900	35,429,800	40,978,800	34,336,200	34,826,500	35,038,300	36,906,200	39,754,800	43,925,400
Less: Funds applied to											
Purchase and construction of Assets	79,224,300	61,155,100	79,971,300	29,787,400	30,545,700	21,023,000	18,983,400	17,843,500	43,412,900	18,820,200	19,957,300
Loan principal repayments	4,047,500	4,417,000	3,692,000	3,529,500	3,726,300	3,866,400	3,664,800	3,460,400	3,187,900	2,442,800	1,868,500
Total Funds Used	83,271,800	65,572,100	83,663,300	33,316,900	34,272,000	24,889,400	22,648,200	21,303,900	46,600,800	21,263,000	21,825,800
Increase/(Decrease) in Cash Position	(32,861,600)	(1,842,000)	(46,572,400)	2,112,900	6,706,800	9,446,800	12,178,300	13,734,400	(9,694,600)	18,491,800	22,099,600
Net Reserve Movement	(32,861,600)	(1,842,000)	(44,177,100)	5,037,200	8,935,200	9,673,700	11,770,900	13,525,500	(11,124,500)	16,851,200	18,643,900
Increase/(Decrease) in Unrestricted Cash	0	0	(2,395,300)	(2,924,300)	(2,228,400)	(226,900)	407,400	208,900	1,429,900	1,640,600	3,455,700

Financial Outcomes Scenario 1 and Scenario 2

Detailed in Section 7 of this document are definitions of five performance indicators. Applying these performance indicators to the financial outcomes of Scenario 1 reveals the following:

Operating Performance Ratio

Own Source Revenue

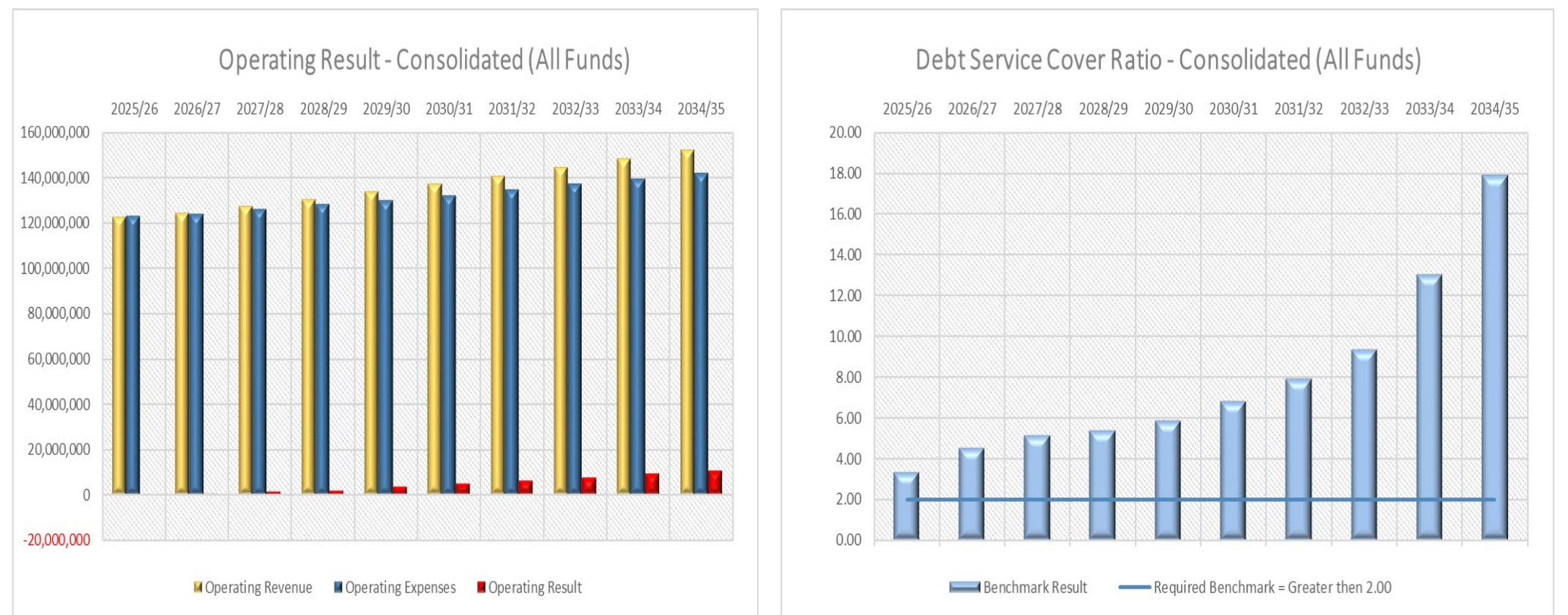


Financial Outcomes Scenario 1 and Scenario 2

Detailed in Section 7 of this document are definitions of six performance indicators. Applying these performance indicators to the financial outcomes of Scenario 1 reveals the following:

Operating Result

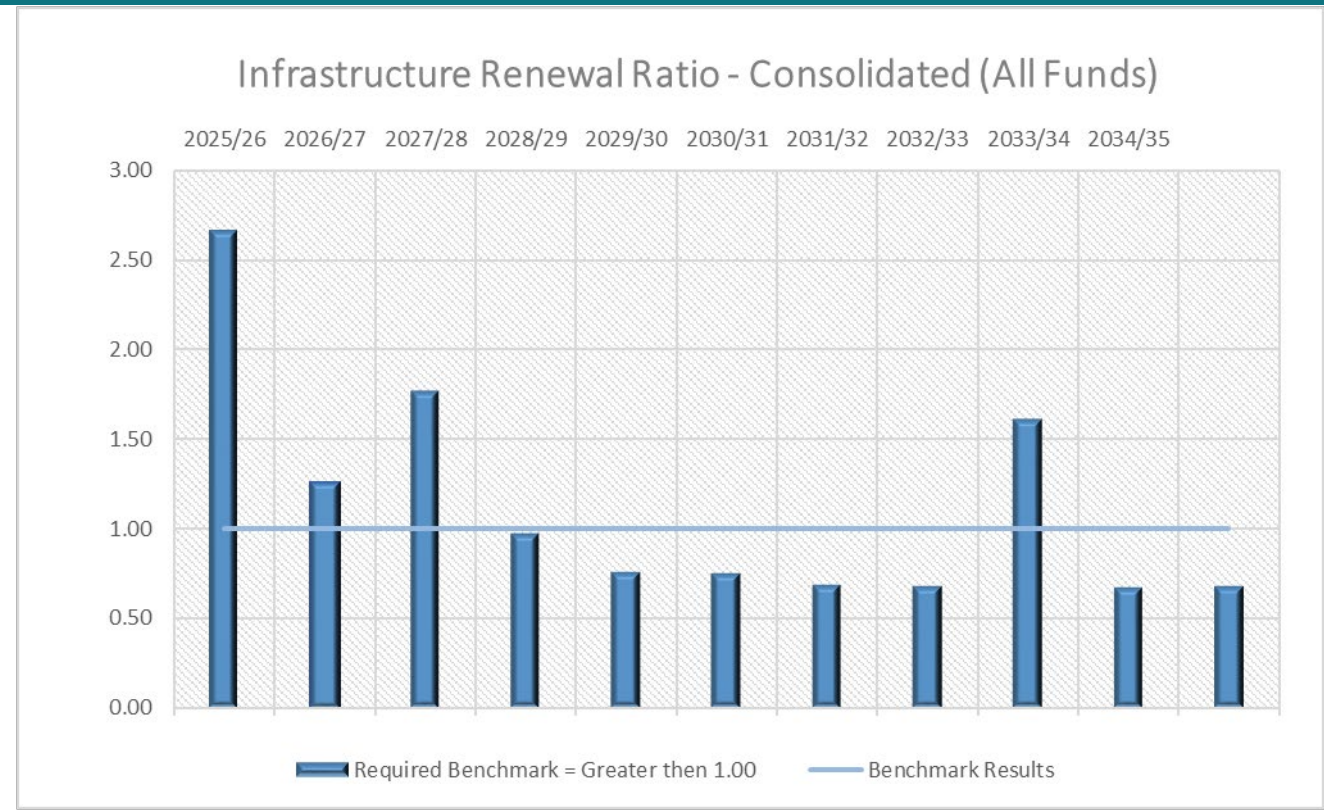
Debt Service Cover Ratio



Financial Outcomes Scenario 1 and Scenario 2

Detailed in Section 7 of this document are definitions of five performance indicators. Applying these performance indicators to the financial outcomes of Scenario 1 reveals the following:

Infrastructure Renewal Ratio



Financial Outcomes Scenario 1 and Scenario 2

Applying Scenario 2 – Base Case + Scenario 1 and Scenario 2 – Address Infrastructure Renewal Shortfall and Infrastructure Backlog Shortfall – Transport and Buildings Assets provides the following financial outcomes for the Consolidated Fund in relation to the 2025-2035 Financial Plan:

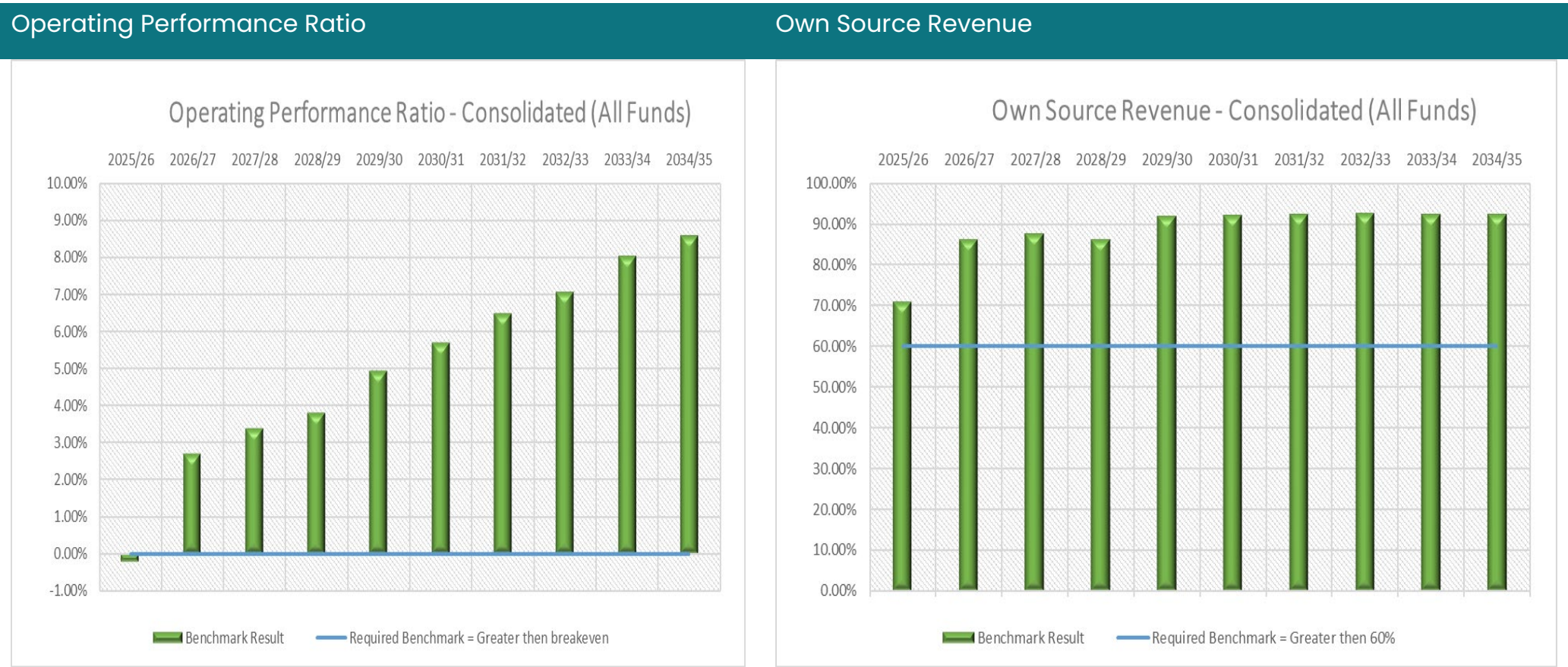
Byron Shire Council Long Term Financial Plan 2025-2035											
Income Statement (Consolidated)											
Scenario: 1 & 2 - Address Infrastructure Renewal & Backlog Shortfall - Transport and Buildings											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Income from Continuing Operations											
Rates & Annual Charges	66,016,700	70,435,400	76,905,500	78,943,800	81,044,000	83,208,100	85,437,900	87,735,700	90,103,500	92,544,000	95,059,100
User Charges & Fees	35,305,500	36,322,300	36,507,100	37,260,000	38,036,500	38,838,400	39,665,700	40,519,300	41,399,800	42,308,600	43,247,000
Other Revenues	2,013,800	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000	2,025,000
Grants & Contributions for Operating Purposes	6,437,100	8,129,500	7,602,100	7,783,600	7,960,800	8,142,600	8,329,400	8,521,200	8,718,500	8,921,000	9,129,200
Grants & Contributions for Capital Purposes	30,649,000	39,029,300	11,795,000	9,615,300	12,270,200	3,439,400	2,940,300	2,670,200	2,670,200	2,970,200	2,970,200
Interest and Investment Income	3,613,300	3,610,100	2,059,200	2,000,400	2,089,000	2,205,500	2,388,900	2,686,300	2,947,800	3,293,000	3,293,000
Other Income	2,004,800	2,167,700	2,199,700	2,241,000	2,146,800	2,189,900	2,233,600	2,278,700	2,324,500	2,370,800	2,418,300
Total Income from Continuing Operations	146,040,200	161,719,300	139,093,600	139,869,100	145,572,300	140,048,900	143,020,800	146,436,400	150,189,300	154,432,600	158,141,800
Expenses from Continuing Operations											
Employee Costs	37,377,400	37,876,400	39,635,500	40,822,100	41,690,000	42,462,200	43,300,600	44,171,700	45,061,000	45,968,600	46,893,800
Borrowing Costs	2,684,800	3,000,200	1,724,900	1,528,000	1,330,900	1,130,800	910,800	720,400	533,800	416,900	313,300
Materials and Services	61,766,900	56,855,100	56,553,800	56,809,700	57,799,700	58,100,600	58,920,200	59,738,800	60,865,900	61,414,000	62,274,200
Depreciation	20,657,300	21,877,700	22,534,000	23,210,200	23,906,400	24,623,500	25,362,200	26,123,100	26,906,600	27,713,600	28,544,900
Other Expenses	3,255,100	3,359,500	3,423,000	3,474,400	3,526,500	3,579,100	3,632,700	3,687,200	3,742,400	3,798,300	3,855,100
Total Expenses from Continuing Operations	125,741,500	122,968,900	123,871,200	125,844,400	128,253,500	129,896,200	132,126,500	134,441,200	137,109,700	139,311,400	141,881,300
Operating Result from Continuing Operations Surplus/(Deficit)	20,298,700	38,750,400	15,222,400	14,024,700	17,318,800	10,152,700	10,894,300	11,995,200	13,079,600	15,121,200	16,260,500
Net Operating Result for the year before Grants and Contributions for Capital Purposes Surplus/(Deficit)	(10,350,300)	(278,900)	3,427,400	4,409,400	5,048,600	6,713,300	7,954,000	9,325,000	10,409,400	12,151,000	13,290,300

Financial Outcomes Scenario 1 and Scenario 2

Byron Shire Council Long Term Financial Plan 2025-2035											
Consolidated Funding Statement											
Scenario: 1 & 2 - Address Infrastructure Renewal & Backlog Shortfall - Transport and Buildings											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Operating Result before Capital Amounts from Income Statement Surplus/(Deficit)	(10,350,300)	(278,900)	3,427,400	4,409,400	5,048,600	6,713,300	7,954,000	9,325,000	10,409,400	12,151,000	13,290,300
Add: Non Cash Items											
Depreciation	20,657,300	21,877,700	22,534,000	23,210,200	23,906,400	24,623,500	25,362,200	26,123,100	26,906,600	27,713,600	28,544,900
Add: Non Operating Funding Sources											
Capital Grants and Contributions	30,649,000	39,029,300	11,795,000	9,615,300	12,270,200	3,439,400	2,940,300	2,670,200	2,670,200	2,970,200	2,970,200
Proceeds from sale of Assets	200,600	0	0	0	0	0	0	0	0	0	0
Loan fund utilised	9,253,600	3,102,000	2,414,500	1,274,900	2,833,600	2,640,000	1,650,000	0	0	0	2,200,000
Repayments from Deferred Debtors	0	0	0	0	0	0	0	0	0	0	0
Funds Available	50,410,200	63,730,100	40,170,900	38,509,800	44,058,800	37,416,200	37,906,500	38,118,300	39,986,200	42,834,800	47,005,400
Less: Funds applied to											
Purchase and construction of Assets	79,224,300	61,155,100	83,051,300	32,867,400	33,625,700	24,103,000	22,063,400	20,923,500	46,492,900	21,900,200	23,037,300
Loan principal repayments	4,047,500	4,417,000	3,692,000	3,529,500	3,726,300	3,866,400	3,664,800	3,460,400	3,187,900	2,442,800	1,868,500
Total Funds Used	83,271,800	65,572,100	86,743,300	36,396,900	37,352,000	27,969,400	25,728,200	24,383,900	49,680,800	24,343,000	24,905,800
Increase/(Decrease) in Cash Position	(32,861,600)	(1,842,000)	(46,572,400)	2,112,900	6,706,800	9,446,800	12,178,300	13,734,400	(9,694,600)	18,491,800	22,099,600
Net Reserve Movement	(32,861,600)	(1,842,000)	(44,177,100)	5,037,200	8,935,200	9,673,700	11,770,900	13,525,500	(11,124,500)	16,851,200	18,643,900
Increase/(Decrease) in Unrestricted Cash	0	0	(2,395,300)	(2,924,300)	(2,228,400)	(226,900)	407,400	208,900	1,429,900	1,640,600	3,455,700

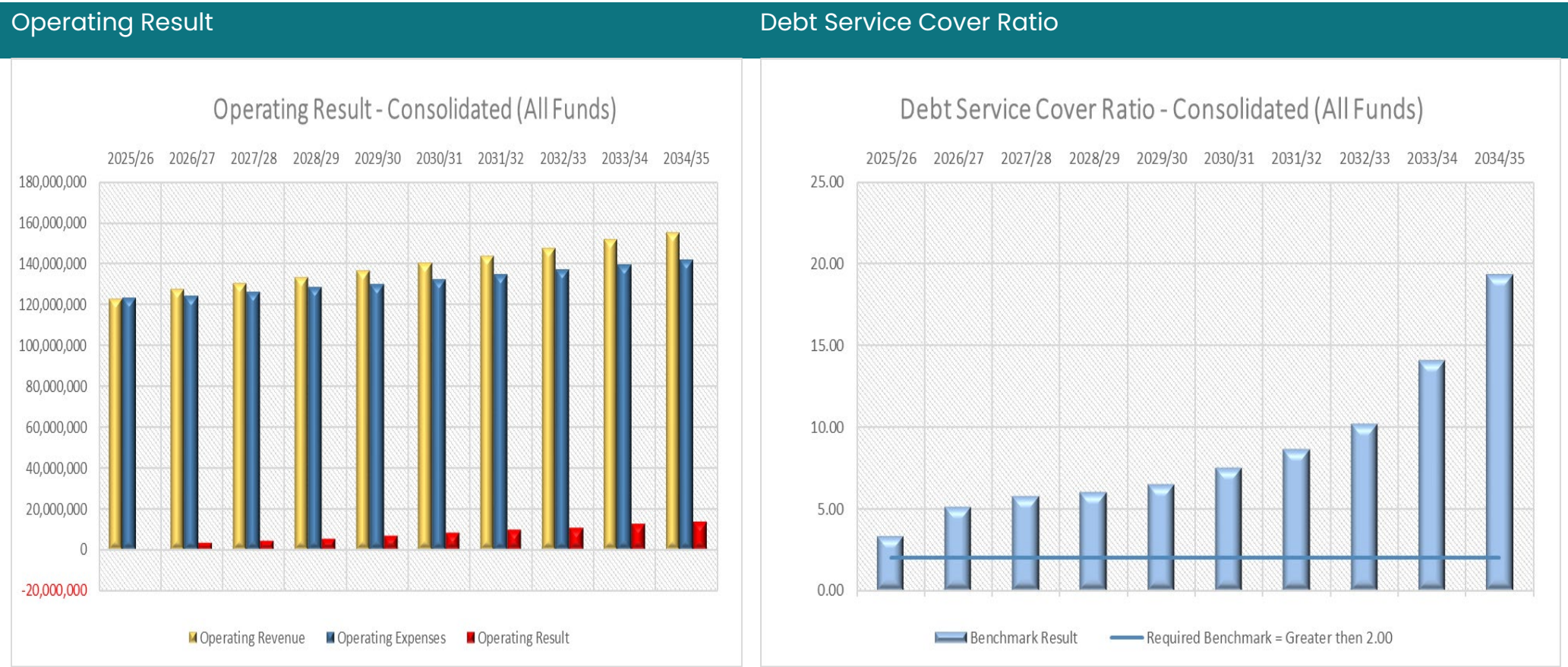
Financial Outcomes Scenario 1 and Scenario 2

Detailed in Section 7 of this document are definitions of five performance indicators. Applying these performance indicators to the financial outcomes of Scenario 1 and Scenario 2 reveals the following:



Financial Outcomes Scenario 1 and Scenario 2

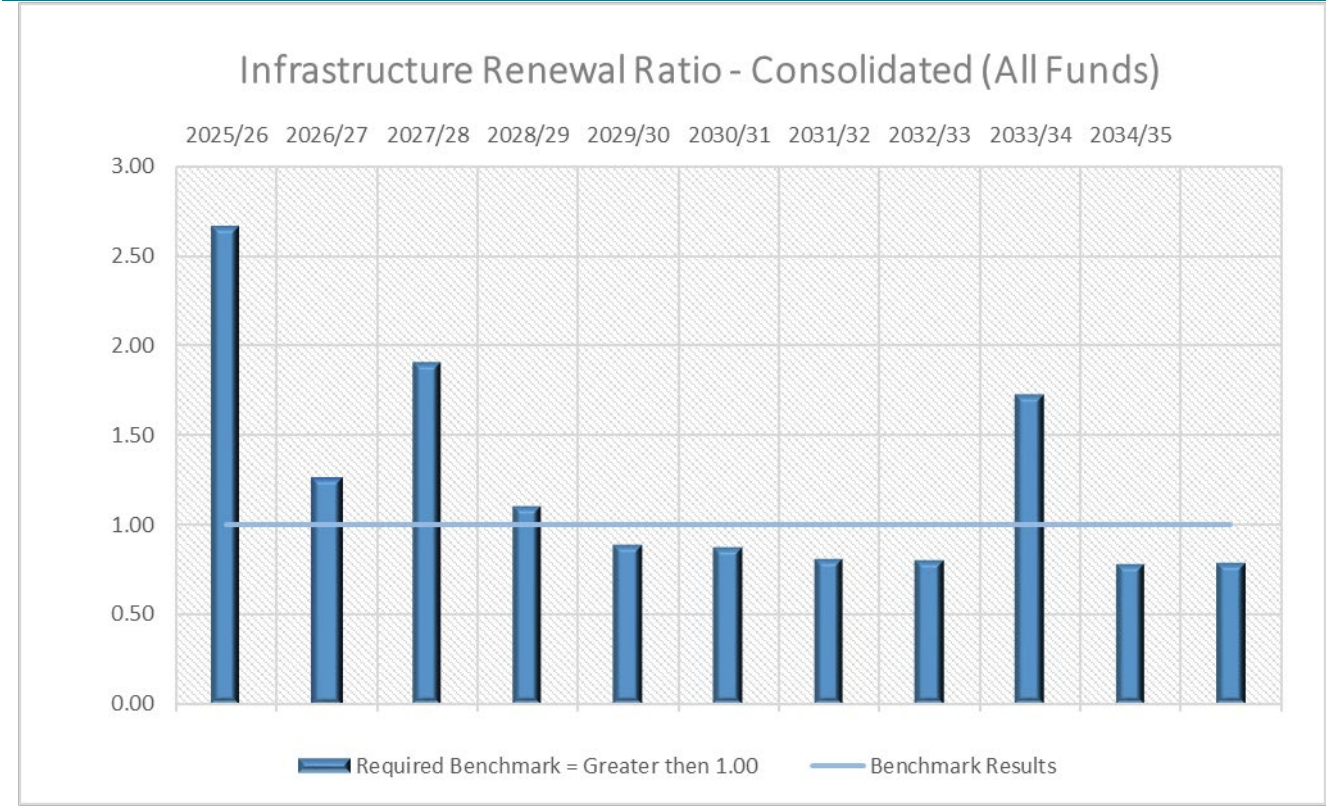
Detailed in Section 7 of this document are definitions of six performance indicators. Applying these performance indicators to the financial outcomes of Scenario 1 and Scenario 2 reveals the following:



Financial Outcomes Scenario 1 and Scenario 2

Detailed in Section 7 of this document are definitions of five performance indicators. Applying these performance indicators to the financial outcomes of Scenario 1 and Scenario 2 reveals the following:

Infrastructure Renewal Ratio



Financial Outcomes Scenario 1 and Scenario 2

Consolidated Fund Scenario 1 and Scenario 2 Outcome Comment

If comparison is made against the Operating Performance Ratio and Infrastructure Renewal Ratio performance benchmarks, the following results are achieved:

Operating Performance Ratio										
	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035
Benchmark	=>0.00%	=>0.00%	=>0.00%	=>0.00%	=>0.00%	=>0.00%	=>0.00%	=>0.00%	=>0.00%	=>0.00%
Base Case	-0.23%	-0.91%	-0.10%	0.39%	1.65%	2.52%	3.44%	4.11%	5.18%	5.81%
Scenario 1	-0.23%	0.28%	1.05%	1.51%	2.72%	3.56%	4.44%	5.07%	6.11%	6.71%
Scenario 2	-0.23%	2.69%	3.39%	3.79%	4.91%	5.68%	6.49%	7.06%	8.02%	8.56%

Infrastructure Renewal Ratio										
	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035
Benchmark	>1.00	>1.00	>1.00	>1.00	>1.00	>1.00	>1.00	>1.00	>1.00	>1.00
Base Case	1.26	1.70	0.91	0.69	0.69	0.63	0.62	1.56	0.62	0.62
Scenario 1	1.26	1.76	0.97	0.76	0.75	0.68	0.68	1.61	0.67	0.67
Scenario 2	1.26	1.90	1.10	0.88	0.87	0.81	0.80	1.72	0.78	0.78

The results above for the Operating Performance Ratio demonstrate through additional operating revenue capitalised for renewal works shows that the benchmark is met in Scenario 1 and 2 two years earlier than the Base Case. The Infrastructure Renewal Ratio benchmark remains consistent across the Base Case, Scenario 1 and 2 but Scenario 1 and 2 demonstrate incremental increased benchmark improvement due to the extra funding invested into addressing Transport and Building Asset renewal shortfall (Scenario 1) and renewal plus backlog shortfall (Scenario 2).

Section 7 – Key Performance Indicator Definitions

It is important with any Long Term Financial Plan (LTFP) to establish Key Performance Indicators (KPI)s that are relevant and set against benchmarks to highlight any forecasted trends that require attention if projected results fall below acceptable benchmarks. To assist the evaluation of the Byron Shire Council Long Term Financial Plan 2025-2035, the following six performance benchmarks are identified to measure the performance of the Consolidated Fund and General Fund.

Benchmark	Calculation Basis	Description	Benchmark Requirement
Operating Performance Ratio	$\frac{\text{Total continuing operating revenue (excl capital grants and contributions less operating expenses)}}{\text{Total continuing operating revenue (excl capital grants and contributions)}}$	Provides an indication of how a Council generates income and allocates expenditure. It is an indicator of continued capacity to meet ongoing expenditure commitments.	Greater than or equal to break-even
Own Source Revenue Ratio	$\frac{\text{Total continuing operating revenue less all grants and contributions}}{\text{Total continuing operating revenue inclusive of capital grants and contributions}}$	Measures the degree of reliance on external funding sources ie grants and contributions. Councils with a higher own source revenue have a greater ability to control or manage their own operating performance and financial sustainability.	Greater than 60%
Operating Result	$\frac{\text{Total continuing operating revenue less capital grants and contributions}}{\text{Total operating expenditure}}$	Measures whether Council is generating sufficient operating revenue to fund day to day expenses and the annual depreciation of its assets	Greater than \$0

Key Performance Indicator Definitions

Benchmark	Calculation Basis	Description	Benchmark Requirement
Debt Service Cover Ratio	$\frac{\text{Operating result before capital excluding interest and depreciation}}{\text{Loan principal repayments plus interest costs}}$	This ratio measures the availability of operating cash to service debt including interest, principal and lease payments	Greater than 2.00
Asset Renewal Ratio	$\frac{\text{Asset renewals}}{\text{Depreciation, amortisation and impairment}}$	Measures the proportion spent on asset renewals and compares to the same assets deterioration.	Greater than 100%

Specific performance measure outcomes using the indicators defined in this section are presented in the following sections of the document as follows:

1. Section 4 – Financial Outcomes for the Base Case
2. Section 6 – Financial Outcomes for Base Case + Scenario 1 & 2 – additional funding for Asset Renewal and Asset Backlog for Transport and Building Assets as outlined in the Strategic Asset Management Plan (SAMP).