

# Notice of Meeting

## Finance Advisory Committee Meeting

A Finance Advisory Committee Meeting of Byron Shire Council will be held as follows:

Venue	Conference Room, Station Street, Mullumbimby
Date	Thursday, 18 August 2022
Time	2.00pm

Esmeralda Davis  
[A/ Director Corporate and Community Services](#)

I2022/1040  
Distributed 11/08/22



**BYRON**  
SHIRE  
COUNCIL

## CONFLICT OF INTERESTS

**What is a “Conflict of Interests”** - A conflict of interests can be of two types:

**Pecuniary** - an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated.

**Non-pecuniary** – a private or personal interest that a Council official has that does not amount to a pecuniary interest as defined in the Code of Conduct for Councillors (eg. A friendship, membership of an association, society or trade union or involvement or interest in an activity and may include an interest of a financial nature).

**Remoteness** – a person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to a matter or if the interest is of a kind specified in the Code of Conduct for Councillors.

**Who has a Pecuniary Interest?** - a person has a pecuniary interest in a matter if the pecuniary interest is the interest of the person, or another person with whom the person is associated (see below).

**Relatives, Partners** - a person is taken to have a pecuniary interest in a matter if:

- The person’s spouse or de facto partner or a relative of the person has a pecuniary interest in the matter, or
- The person, or a nominee, partners or employer of the person, is a member of a company or other body that has a pecuniary interest in the matter.

N.B. “Relative”, in relation to a person means any of the following:

- (a) the parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descends or adopted child of the person or of the person’s spouse;
- (b) the spouse or de facto partners of the person or of a person referred to in paragraph (a)

**No Interest in the Matter** - however, a person is not taken to have a pecuniary interest in a matter:

- If the person is unaware of the relevant pecuniary interest of the spouse, de facto partner, relative or company or other body, or
- Just because the person is a member of, or is employed by, the Council.
- Just because the person is a member of, or a delegate of the Council to, a company or other body that has a pecuniary interest in the matter provided that the person has no beneficial interest in any shares of the company or body.

### Disclosure and participation in meetings

- A Councillor or a member of a Council Committee who has a pecuniary interest in any matter with which the Council is concerned and who is present at a meeting of the Council or Committee at which the matter is being considered must disclose the nature of the interest to the meeting as soon as practicable.
- The Councillor or member must not be present at, or in sight of, the meeting of the Council or Committee:
  - (a) at any time during which the matter is being considered or discussed by the Council or Committee, or
  - (b) at any time during which the Council or Committee is voting on any question in relation to the matter.

**No Knowledge** - a person does not breach this Clause if the person did not know and could not reasonably be expected to have known that the matter under consideration at the meeting was a matter in which he or she had a pecuniary interest.

**Non-pecuniary Interests** - Must be disclosed in meetings.

There are a broad range of options available for managing conflicts & the option chosen will depend on an assessment of the circumstances of the matter, the nature of the interest and the significance of the issue being dealt with. Non-pecuniary conflicts of interests must be dealt with in at least one of the following ways:

- It may be appropriate that no action be taken where the potential for conflict is minimal. However, Councillors should consider providing an explanation of why they consider a conflict does not exist.
- Limit involvement if practical (eg. Participate in discussion but not in decision making or vice-versa). Care needs to be taken when exercising this option.
- Remove the source of the conflict (eg. Relinquishing or divesting the personal interest that creates the conflict)
- Have no involvement by absenting yourself from and not taking part in any debate or voting on the issue as of the provisions in the Code of Conduct (particularly if you have a significant non-pecuniary interest)

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## RECORDING OF VOTING ON PLANNING MATTERS

### Clause 375A of the Local Government Act 1993 – Recording of voting on planning matters

- (1) In this section, **planning decision** means a decision made in the exercise of a function of a council under the Environmental Planning and Assessment Act 1979:
  - (a) including a decision relating to a development application, an environmental planning instrument, a development control plan or a development contribution plan under that Act, but
  - (b) not including the making of an order under that Act.
- (2) The general manager is required to keep a register containing, for each planning decision made at a meeting of the council or a council committee, the names of the councillors who supported the decision and the names of any councillors who opposed (or are taken to have opposed) the decision.
- (3) For the purpose of maintaining the register, a division is required to be called whenever a motion for a planning decision is put at a meeting of the council or a council committee.
- (4) Each decision recorded in the register is to be described in the register or identified in a manner that enables the description to be obtained from another publicly available document, and is to include the information required by the regulations.
- (5) This section extends to a meeting that is closed to the public.

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## OATH AND AFFIRMATION FOR COUNCILLORS

Councillors are reminded of the oath of office or affirmation of office made at or before their first meeting of the council in accordance with Clause 233A of the Local Government Act 1993. This includes undertaking the duties of the office of councillor in the best interests of the people of Byron Shire and the Byron Shire Council and faithfully and impartially carrying out the functions, powers, authorities and discretions vested under the Act or any other Act to the best of one's ability and judgment.

# BYRON SHIRE COUNCIL

## BUSINESS OF MEETING

### 1. APOLOGIES

### 2. DECLARATIONS OF INTEREST – PECUNIARY AND NON-PECUNIARY

### 3. ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

3.1 Adoption of Minutes from 19 May Meeting ..... 5

### 4. STAFF REPORTS

#### **Corporate and Community Services**

4.1 Budget Review - 1 April to 30 June 2022..... 10

4.2 Carryovers for inclusion in the 2022-2023 Budget ..... 87

**ADOPTION OF MINUTES FROM PREVIOUS MEETINGS**

**Report No. 3.1 Adoption of Minutes from 19 May Meeting**

**Directorate:** Corporate and Community Services

5 **Report Author:** James Brickley, Manager Finance

**File No:** I2022/1025

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10 **RECOMMENDATION:**

**That the minutes of the Finance Advisory Committee Meeting held on 19 May 2022 be confirmed.**

15 **Attachments:**

1 Minutes 19/05/2022 Finance Advisory Committee, I2022/546 , page 7  

## BYRON SHIRE COUNCIL

### ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

3.1

#### **Report**

The attachment to this report provides the minutes of the Finance Advisory Committee Meeting of 19 May 2022 .

#### **Report to Council**

- 5 The minutes were reported to Council on 23 June 2022.

# Minutes

## Finance Advisory Committee Meeting

Venue	Conference Room, Station Street, Mullumbimby
Date	Thursday, 19 May 2022
Time	2.00pm

Esmeralda Davis  
Acting Director Corporate and Community Services

I2022/546



# BYRON SHIRE COUNCIL

ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

3.1 - ATTACHMENT 1

## BYRON SHIRE COUNCIL

FINANCE ADVISORY COMMITTEE MEETING MINUTES

19 MAY 2022

**Minutes of the Finance Advisory Committee Meeting held on Thursday, 19 May 2022**

**File No:** I2022/546

PRESENT: Cr M Swivel, Cr S Balson, Cr A Pugh, Cr A Hunter

Staff: Mark Arnold (General Manager)

Esmeralda Davis (A/Director Corporate and Community Services)

Phil Holloway (Director Infrastructure Services)

James Brickley (Manager Finance)

*The Committee determined that it will rotate the Chairperson for each meeting.*

*Cr Pugh (Chair) opened the meeting at 1.52pm and acknowledged that the meeting was being held on Bundjalung Country.*

### APOLOGIES:

There were no apologies.

### DECLARATIONS OF INTEREST – PECUNIARY AND NON-PECUNIARY

There were no declarations of interest.

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### ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

**Report No. 3.1      Adoption of Minutes from Previous Meeting 18 August 2021**  
**File No:              I2022/536**

### Committee Recommendation:

**That committee noted the minutes of the Finance Advisory Committee Meeting held on 18 February 2021.** (Hunter/Swivel)

*The recommendation was put to the vote and declared carried.*

### BUSINESS ARISING FROM PREVIOUS MINUTES

There was no business arising from previous minutes.

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**BYRON SHIRE COUNCIL**

ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

3.1 - ATTACHMENT 1

**BYRON SHIRE COUNCIL**

FINANCE ADVISORY COMMITTEE MEETING MINUTES

19 MAY 2022

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**STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES**

**Report No. 4.1      Budget Review - 1 January 2022 to 31 March 2022**  
**File No:              I2022/531**

**Committee Recommendation:**

**That the Finance Advisory Committee recommends to Council:**

- 1. That Council authorises the itemised budget variations as shown in Attachment 2 (#E2022/43292) which include the following results in the 31 March 2022 Quarterly Review of the 2021/2022 Budget:**
  - a) General Fund – \$354,500 decrease to the Estimated Unrestricted Cash Result**
  - b) General Fund - \$9,405,900 increase in reserves**
  - c) Water Fund - \$1,021,300 increase in reserves**
  - d) Sewerage Fund - \$100,400 increase in reserves**
- 2. That Council adopts the revised General Fund Estimated Unrestricted Cash Result of \$126,500 for the 2021/2022 financial year as at 31 March 2022.**

(Pugh/Swivel)

*The recommendation was put to the vote and declared carried.*

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*There being no further business the meeting concluded at 2.34pm.*

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

**Report No. 4.1      Budget Review - 1 April to 30 June 2022**

**Directorate:** Corporate and Community Services

5 **Report Author:** James Brickley, Manager Finance

**File No:** I2022/990

**Summary:**

10 This report is prepared in accordance with the format required by Regulation 203 of the *Local Government (General) Regulation 2021* to inform Council of the estimated financial position for the 2021/2022 financial year, reviewed as at 30 June 2022. Whilst this report has been prepared, it is not a statutory requirement to do so but assists in the completion of the annual financial statements.

15 This report contains an overview of the proposed budget variations for the General Fund, Water Fund and Sewerage Fund. The specific details of these proposed variations are included in Attachments 1 and 2 for Council's consideration and authorisation.

20 The report also provides an indication of the financial position of Council at 30 June 2022. It should be noted that the figures provided are subject to completion and audit of the Council's Financial Statements for 2021/2022. Any major variances will be included as part of the report adopting the financial statements in November 2022.

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25 **RECOMMENDATION:**

1. **That Council authorises the itemised budget variations as shown in Attachment 2 (#E2022/77197) which includes the following results in the 30 June 2022 Quarterly Review of the 2021/2022 Budget:**

- 30
- a) **General Fund - \$126,500 decrease in Unrestricted Cash Result**
  - b) **General Fund - \$27,657,600 increase in reserves**
  - c) **Water Fund - \$4,366,600 increase in reserves**
  - d) **Sewerage Fund - \$8,070,200 increase in reserves.**

35 2. **That Council adopts the revised General Fund Estimated Unrestricted Cash Result of \$0 for the 2021/2022 financial year.**

**Attachments:**

- 40
- 1 Budget Variations for General, Water and Sewerage Funds, E2022/77196 , page 17  
  - 2 Itemised Listing of Budget Variations for General, Water and Sewerage Funds, E2022/77197 , page 77  

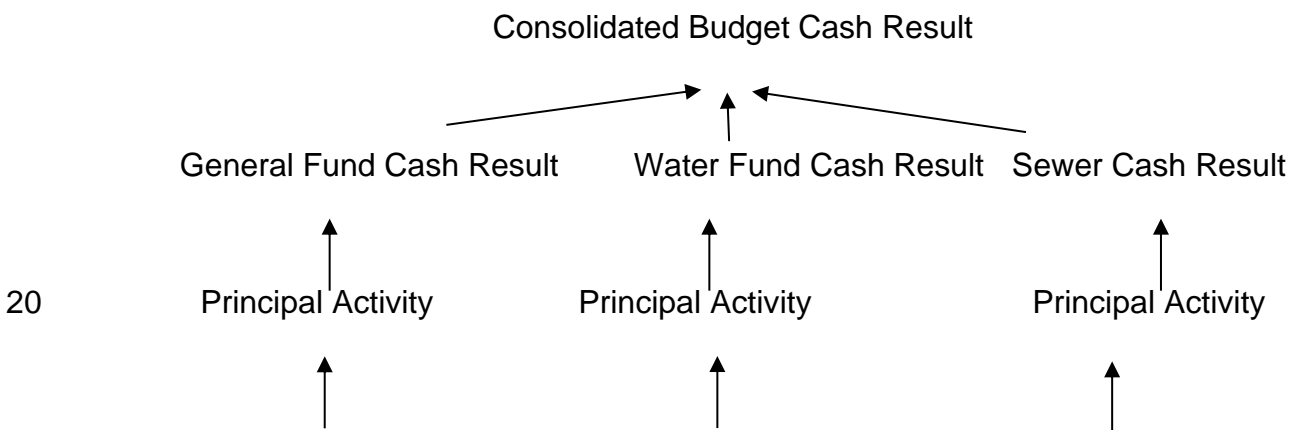
# BYRON SHIRE COUNCIL

## Report

5 Council adopted the 2021/2022 budget on 24 June 2021 via Resolution **21-243**. Council also considered and adopted the budget carryovers from the 2020/2021 financial year, to be incorporated into the 2021/2022 budget at its Ordinary Meeting held on 26 August 2021 via Resolution **21-315**. Since that date, Council has reviewed the budget taking into consideration the 2020/2021 Financial Statement results and progress through all quarters of the 2021/2022 financial year. This report considers the June 2022 Quarter Budget Review.

10 The details of the budget review for the Consolidated, General, Water and Sewer Funds are included in Attachment 1, with an itemised listing in Attachment 2. This aims to show the consolidated budget position of Council, as well as a breakdown by Fund and Principal Activity. The document in Attachment 1 is also effectively a publication outlining a review of the budget and is intended to provide Councillors with more detailed information to assist with decision making regarding Council's finances.

15 Contained in the document at Attachment 1 is the following reporting hierarchy:



Operating Income	Operating Expenditure	Capital income	Capital Expenditure
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25 The pages within Attachment 1 are presented (from left to right) by showing the original budget as adopted by Council on 24 June 2021 plus the adopted carryover budgets from 2020/2021 followed by any budget adjustments prior to this report and the revote (or adjustment for this review) and then the revised position projected for 30 June 2022 as at 30 June 2022.

30 On the far right of the Principal Activity, there is a column titled "Note". If this is populated by a number, it means that there has been an adjustment in the quarterly review. This number then corresponds to the notes at the end of the Attachment 1 which provides an explanation of the variation.

There is also information detailing restricted assets (reserves) to show Council's estimated balances as at 30 June 2022 for all Council's reserves.

35 A summary of Capital Works is also included by Fund and Principal Activity.

## BYRON SHIRE COUNCIL

### STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.1

The additional budget schedules in the format issued by the Office of Local Government usually included in the Quarterly Budget Review reports as Attachment 3 have not been completed given this Quarterly Budget Review is not a statutory requirement.

### CONSOLIDATED RESULT

- 5 The following table provides a summary of the overall Council budget on a consolidated basis inclusive of all funds' budget movements for the 2021/2022 financial year projected to 30 June 2022.

2021/2022 Budget Review Statement as at 30 June 2022	Original Estimate (Including Carryovers) 1/7/2021	Adjustments to 30 June 2022 including Resolutions*	Proposed 30 June 2022 Review Revotes	Revised Estimate 30/6/2022
Operating Revenue	93,504,500	2,439,700	7,267,900	103,212,100
Operating Expenditure	97,728,100	7,711,700	(5,318,100)	100,121,700
<b>Operating Result – Surplus/Deficit</b>	<b>(4,223,600)</b>	<b>(5,272,000)</b>	<b>12,586,000</b>	<b>3,090,400</b>
Add: Capital Revenue	28,841,500	(8,297,600)	4,404,200	24,948,100
<b>Change in Net Assets</b>	<b>24,617,900</b>	<b>(13,569,600)</b>	<b>16,990,200</b>	<b>28,038,500</b>
Add: Non Cash Expenses	15,779,900	1,750,500	0	17,530,400
Add: Non-Operating Funds Employed	13,500,000	(10,942,500)	(1,057,500)	1,500,000
Subtract: Funds Deployed for Non-Operating Purposes	(80,385,700)	22,203,600	24,035,200	(34,146,900)
<b>Cash Surplus/(Deficit)</b>	<b>(26,487,900)</b>	<b>(558,000)</b>	<b>39,967,900</b>	<b>12,922,000</b>
Restricted Funds – Increase / (Decrease)	(26,487,900)	(166,900)	40,094,400	13,439,600
<b>Forecast Result for the Year – Surplus/(Deficit) – Unrestricted Cash</b>	<b>0</b>	<b>(391,100)</b>	<b>(126,500)</b>	<b>(517,600)</b>

- 10 In terms of the General Fund projected Unrestricted Cash Result the following table provides a reconciliation of the estimated position as at 30 June 2022:

## BYRON SHIRE COUNCIL

### STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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<b>Opening Balance – 1 July 2021</b>	<b>\$517,600</b>
Plus original budget movement and carryovers	0
Council Resolutions July – September Quarter	0
September Budget Review	271,800
Council Resolutions October – December Quarter	0
December Budget Review	(308,400)
Council Resolutions January – March Quarter	0
March Budget Review	(354,500)
Council Resolutions April – June Quarter	0
Recommendations within this Review – increase/(decrease)	(126,500)
<b>Forecast Unrestricted Cash Result – Surplus/(Deficit) – 30 June 2022</b>	<b>(517,600)</b>
<b>Estimated Unrestricted Cash Result Closing Balance – 30 June 2022</b>	<b>\$0</b>

- 5 The General Fund financial position overall has decreased as a result of this budget review, bringing the forecast unrestricted cash result for the year to a deficit of \$517,600. Essentially Council now has no unrestricted cash. This is below Council's target of \$1,000,000 but given the circumstances outlined below in the section 'Specific Cash Position' is acceptable. The proposed budget changes are detailed in Attachment 1.

#### Council Resolutions

There were no Council resolutions that impacted the budget result in the April 2022 to June 2022 quarter.

#### Budget Adjustments

- 10 The budget adjustments identified in Attachments 1 and 2 for the General Fund have been summarised by Council Directorate in the following table:

<b>Budget Directorate</b>	<b>Revenue Increase/ (Decrease) \$</b>	<b>Expenditure Increase/ (Decrease) \$</b>	<b>Unrestricted Cash Increase/ (Decrease) \$</b>
General Manager	(66,700)	(66,700)	0
Corporate & Community Services	1,223,200	1,372,800	(149,600)
Infrastructure Services	(1,564,800)	(1,694,100)	129,300
Sustainable Environment & Economy	734,600	840,800	(106,200)
<b>Total Budget Movements</b>	<b>326,300</b>	<b>452,800</b>	<b>(126,500)</b>

#### Budget Adjustment Comments

- 15 General Fund budget adjustments are identified in detail at Attachment 1 and 2. More detailed notes on these are provided in Attachment 1 with the majority of budget revotes proposed to reflect actual results achieved.

# BYRON SHIRE COUNCIL

## STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.1

The major consideration with this budget review is the reduction in expenditure associated with projects not completed and under-expenditure. This report also considers the implications of carryover items from the 2021/2022 financial year for work not completed to be added to the 2022/2023 Budget Estimates.

### 5 Specific Cash Position

On reconciling Council's total cash and investment position at 30 June 2022 compared to the reserve movements outlined in this Budget Review, there is an indication that Council will have no unrestricted cash at year end. This can be attributed to the ongoing effect of the COVID-19 Pandemic and ongoing support measures Council had in place for the community, especially in the first half of the 2021/2022 financial year. Coupled with the Flood Events of February/March 2022 and Council's expenditure for the initial emergency response and subsequent expenditure on repairing infrastructure which will take a number of years.

The nature of Natural Disaster Funding which, due to timing of grant receipts and expenditure has required Council to act as a 'Bank' to a degree, has impacted Council's cash flow at 30 June 2022. Specifically at 30 June 2022 Council has expended the following amounts, yet to be reimbursed, associated with the February/March 2022 Flood Event totalling \$7,178,924:

- Transport for NSW (\$10,187,833 less payments of \$5,000,000) \$5,187,833
- Public Works Advisory – Kerbside Waste Cleanup \$1,403,570
- Public Works Advisory – Buildings \$113,487
- Public Works Advisory – Open Spaces Cleanup \$328,868
- Resilience NSW – Recovery Centre \$145,166

Since 30 June 2022, Council has received further payments from Transport for NSW of \$3,400,000 and from Public Works Advisory \$1,370,280 in July.

Council is looking to have finalised the 2021/2022 financial year with total cash and investments of \$78,296,544. However it is currently estimating based off this quarterly budget review to have total reserves of \$84,403,211. Essentially the overall cash position financial year end means that Council cannot fund its overall reserve position by \$6,106,667. If Council had received the majority of funds due from flood recovery associated works at financial year end, it would be able to fund the overall reserve position.

It is a matter of timing of the cashflow but also highlights the need to minimise the amount of claims outstanding for Natural Disaster funding at financial year end. It is expected the cashflow position will recover during the 2022/2023 financial year.

As Council cannot have reserve funds exceeding available cash and investments, it is proposed not to reduce the notional reserve balances but to create a new reserve called 'Flood Recovery Reserve Cashflow' as a negative reserve to represent the difference

5 between Council’s final reserve position that will be presented in the Financial Statements and the available cash and investments to demonstrate no unrestricted cash position at 30 June 2022 consistent with this Quarterly Budget Review. As the cashflow position improves this reserve will move towards a zero balance which should be the outcome no later than when Council has completed all works associated with recovery from the February/March 2022 Flood Events over the next few years.

It goes without saying from a financial perspective, the 2021/2022 financial year has been a difficult one for Council with its efforts to maintain ‘business as usual’ amongst a Pandemic and two Natural Disaster events.

10 **Strategic Considerations**

**Community Strategic Plan and Operational Plan**

CSP Objective	CSP Strategy	DP Action	Code	OP Activity
<b>1: Effective Leadership</b> We have effective decision making and community leadership that is open and informed	1.3: Ethical and efficient management of resources	1.3.1: Financial Management - Ensure the financial integrity and sustainability of Council through effective financial management	1.3.1.2	Provide Quarterly Budget Reviews to Council for adoption.

**Legal/Statutory/Policy Considerations**

In accordance with Section 203 of the Local Government (General) Regulation 2021 the Responsible Accounting Officer of a Council must:-

- 15 (1) *Not later than 2 months after the end of each quarter (except the June quarter), the responsible accounting officer of a council must prepare and submit to the council a budget review statement that shows, by reference to the estimate of income and expenditure set out in the statement of the council’s revenue policy included in the operational plan for the relevant year, a revised estimate of the income and*
- 20 *expenditure for that year.*
- (2) *A budget review statement must include or be accompanied by:*
- (a) *a report as to whether or not the responsible accounting officer believes that the statement indicates that the financial position of the council is satisfactory, having regard to the original estimate of income and expenditure, and*
- 25 (b) *if that position is unsatisfactory, recommendations for remedial action.*
- (1) *A budget review statement must also include any information required by the Code to be included in such a statement.*

5 As indicated above, Council is not required to complete a budget review for the June quarter but one has been completed to assist in the calculation of reserve funds, cash position, and to provide initial financial outcomes for the year to assist the completion of the annual financial statements.

## **Financial Considerations**

The 30 June 2022 Quarter Budget Review of the 2021/2022 Budget Estimates forecasts a stable outcome to the estimated budget attributable to the General Fund assuming all revotes of income and expenditure reported for Council's consideration are approved.

10 Overall, the short term financial position still needs to be carefully monitored on an ongoing basis. Notwithstanding the issues outlined under the section "Specific Cash Position" and the impact of funding reserves, cashflow management for Council is becoming more important as it works to operate on a 'business as usual' footing whilst initially spending significant amounts of money repairing infrastructure damaged from the February/March  
15 2022 flood events and then seeking reimbursement from the NSW Government through Natural Disaster Funding arrangements over the next few years.

Note that the financial outcomes outlined in this Budget Review should be considered in the context that they are indicative. Council is yet to finalise its financial statements for the year ended 30 June 2022 which will also be subject to external independent audit.

20 It is expected that Council will receive a report regarding the formal adoption of its financial statements for the year ended 30 June 2022 at its Ordinary Meeting on 24 November 2022.

### **Statement by Responsible Accounting Officer**

25 This report indicates that the short term financial position of the Council is satisfactory for the 2021/2022 financial year, having consideration of the original estimate of income and expenditure at the 30 June 2022 Quarter Budget Review, the ongoing impacts of the COVID-19 Pandemic during part of the 2021/2022 and the February/March 2022 Flood events with ongoing recovery costs.































































































































































**Report No. 4.2      Carryovers for inclusion in the 2022-2023 Budget**

**Directorate:** Corporate and Community Services

**Report Author:** James Brickley, Manager Finance

5 **File No:** I2022/1032

**Summary:**

10 This report is prepared for the Committee to consider in relation to the proposed carryover Budget allocations for works and services, either commenced and not completed, or not commenced but allocated in the 2021/2022 financial year for inclusion in the 2022/2023 Budget Estimates.



This report will also be considered by Council at its Meeting held on 25 August 2022.

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15 **RECOMMENDATION:**

**That the Committee recommends Council approves the works and services (with respective funding) shown in Attachment 1 (#E2022/76668) to be carried over from the 2021/2022 financial year and that the carryover budget allocations be adopted as budget revotes for inclusion in the 2022/2023 Budget Estimates.**

20 **Attachments:**

1 Budget Carryovers for inclusion in 2022-23 Budget, General, Water and Sewer Funds, E2022/76668 , page 98  

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# BYRON SHIRE COUNCIL

## STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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### Report

Each year Council allocates funding for works and services across all budget programs. For various reasons, some of these works and services are incomplete at the end of the financial year. The funding for these works and services is restricted or reserved at the end of the financial year to be carried over to the following year for completion.

This report identifies all the works and services proposed to be carried over to the 2022/2023 Budget Estimates and the respective funding of each, relating to works and services not completed during the course of the 2021/2022 financial year. The specific details including funding sources of all carryover works and services that are the subject of this report are outlined in Attachment 1.

The works and services are fully funded and have no impact on Council's Unrestricted Cash Result or the 2022/2023 Budget Estimates result.

As in previous years there is a significant amount of carryovers with total carryovers for 2021/2022 amounting to \$24,899,600. This is a large increase when compared to previous years but is attributable to the following:

- The disruption of February/March 2022 flood events and subsequent recovery response.
- Council's ongoing receipt of grant funding not necessarily flood related.

Table 1 below outlines a comparison of carryovers from previous financial years:

**Table 1 - Value of budget carryovers 2018/19 – 2022/23**

Fund	2018/19 (\$)	2019/20 (\$)	2020/21 (\$)	2021/22 (\$)	2022/23 (\$)
General	9,004,500	6,024,800	7,875,500	10,719,000	17,539,200
Water	879,500	301,900	1,118,800	840,300	3,318,000
Sewer	2,473,500	625,400	1,129,200	1,695,500	4,042,400
<b>Total</b>	<b>12,357,500</b>	<b>6,952,100</b>	<b>10,123,500</b>	<b>13,254,800</b>	<b>24,899,600</b>

#### General Fund

The value of works carried over to 2022/2023 for the General Fund has increased by over 64% from the 2021/2022 amount (\$6,820,200). Of the \$17,539,200 of General Fund carryovers, just over 52% (\$9,197,200) is attributable to Local Roads and Drainage projects not completed in 2021/2022 to be carried forward to 2022/2023. This percentage



## BYRON SHIRE COUNCIL

### STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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is more than the carryovers attributable to Local Roads and Drainage from 2021/2022 (40%). The extent of carryovers in the General Fund is also relevant to the number of, and size of grant funded works. Approximately \$10.663 million of the General Fund carryovers are funded from unexpended or approved grants.

5 Major carryover items in General Fund are as follows:

<b>Item</b>	<b>Amount \$</b>
Feb 2022 Flood Event DPIE - Resilience	965,000
Preparing Australian Communities – Byron Drainage Study	465,500
Election Commitment Grant Major Patching	463,800
Election Commitment Grant Reseal Program	476,100
Local Roads Reseals	339,700
Gilmore Crescent	492,300
Byron Bay Drainage Upgrade	326,400
Coolamon Scenic Drive 16.5km section	530,100
Safer Roads Program - Myocum - Myocum Rd	624,400
Rifle Range Rd Upgrade	1,180,900
Mullumbimby Local Roads Rehabilitation	498,800
Fed & State Stimulus - Rifle Range Rd	537,500
Sandhills Wetlands Project	1,446,300
Suffolk Park Football Club Change Rooms	485,000

## BYRON SHIRE COUNCIL

### STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.2

Former Mullumbimby Hospital Remediation	1,500,000
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#### Water and Sewer Funds

Carryovers for the Water Fund have increased by \$2,477,700 and increased for the Sewer Fund by \$2,346,900 compared to the carryover for the 2021/2022 financial year. Details of these carryovers are included in Attachment 1.

- 5 The following table outlines the project status with comments provided by Infrastructure Services of Local Roads & Drainage capital works carryovers for Councillors' information, where works are in progress or contracts have been awarded at the time of writing this report.

**Table 2 – Schedule of Carryover works current status**

Ledger #	Project	Carryover \$	Status
44286.032	Streets as Shared Spaces - Market Relocation	242,800.00	Grant funded project, design underway and construction of stage 1 planned for October 2022.
44288.001	ECG Major Patching Program	463,800.00	Works programmed to be completed as per funding deadline of August 2022.
44289.001	ECG Pavement Asphalt Overlay Program	109,300.00	Works programmed to be completed as per funding deadline of August 2022.
44290.001	ECG Reseal Program	476,100.00	Works programmed to be completed as per funding deadline of August 2022.
44283.085	Stuart St Tincogan St Intersection	18,700.00	Grant funded works. Design works ongoing and construction planned.
44283.087	Carlyle St, Byron Bay	7,700.00	Grant funded works. Design works ongoing and construction planned.

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Ledger #	Project	Carryover \$	Status
44283.088	Main Arm Rd	39,700.00	Grant funded works. Design works ongoing and construction planned.
44283.059	The Pocket Road Stage 2 (Ch 2,810 - 3,69	145,600.00	Construction works underway.
44283.101	A&I Estate - Bayshore Drive Reconstruction	132,000.00	Grant funded works. Design works ongoing and construction planned.
44284.004	Brunswick Heads - South Arm Carpark	5,100.00	Grant funded works. Design works ongoing and construction planned.
44283.113	Fern St (Station to Dalley)	26,900.00	Grant funded works. Design works ongoing and construction planned.
44283.127	Station Street	25,400.00	Grant funded works. Design works ongoing and construction planned.
44281.018	S/Park - Bangalow Rd/Tennyson St Missing Links	183,600.00	Invoices yet to be paid
4338.001	Local Roads Reseals (Rev)	339,700.00	Re-sheeting programmed for delivery in early 2022/23. Other grant projects have funded works have taken priority in 2021/22.
44003.042	Access ramps and footpaths Works	35,300.00	Works programmed for delivery in early 2022/23.

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Ledger #	Project	Carryover \$	Status
44003.145	Design & Options Study BA001 and BA023	8,800.00	Design currently being finalised.
44026.018	Bridge Inspections	84,600.00	Funds to be reallocated to 44026.026 in 2022/23 to achieve efficiencies in completing essential bridge maintenance works.
44026.022	Upper Main Arm Bridge - Main Arm Road	40,100.00	Grant funded works awaiting outcome of variation request.
44026.023	Sherringtons Bridge - Sherringtons Lane	40,600.00	Grant funded works awaiting outcome of variation request.
44026.024	Englises Bridge - Englises Road	45,500.00	Carry over of grant funds already received. Now funded by natural disaster funding.
44281.013	Mullumbimby to Brunswick Heads Cycleway	56,100.00	Grant funded works. Design works ongoing and construction planned.
44281.017	Ewingsdale Road Shared Path Missing Link Upgrade - Byron Bay	130,700.00	Works mostly complete and will be finalised early in 2022/23.
44282.021	44 Kingsley Lane - Kerb and Gutter	9,300.00	Works mostly complete and will be finalised early in 2022/23.
44282.023	SGB Street Drainage Upgrade - Pacific Es	1,200.00	Works mostly complete and will be finalised early in 2022/23.
44282.031	Reflections Holiday Park Drainage	149,100.00	Works mostly complete and will be finalised early in 2022/23.

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Ledger #	Project	Carryover \$	Status
44282.032	SGB Street Drainage Upgrade - Clifford St	130,300.00	Works commenced and will be finalised early in 2022/23.
44282.035	Rajah Road Flood Flow Path - construction	56,700.00	Construction ready and programmed for construction in 2022/23.
44282.036	SGB Street Drainage Upgrade - Gloria Street (east) - Design	15,000.00	Design has commenced and will be complete in 2022/23.
44282.042	Byron Bay Drainage Upgrade	326,400.00	Grant funded works. Design currently out to tender.
44282.043	Overland Flow Path-32 Coomburra Crescent	40,000.00	Design has commenced and will be complete in 2022/23.
44283.039	Johnston Lane Causeway - Private Works	126,300.00	Grant funded works awaiting outcome of variation request. Construction ready.
44283.040	Causeways, Culvert and Bridge Renewal In	81,500.00	These funds are required to support the grant funded Upper Main Arm Road Causeway No.2 renewal - funds to be moved into this project.
44283.041	Bangalow Sportsfield Access Road	14,800.00	Design ongoing and awaiting further information.
44283.049	Gravel Resheeting	296,200.00	Resheeting programmed for delivery in early 2022/23. Other grant projects have funded works have taken priority in 2021/22.

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Ledger #	Project	Carryover \$	Status
44283.066	Coolamon Scenic Drive 16.5km section,	530,100.00	Works commenced and will be finalised early in 2022/23.
44283.084	Stuart Street	115,800.00	Works mostly complete - Awaiting payment of final invoices.
44283.106	Safer Roads Program - Myocum - Myocum Rd	624,400.00	Works mostly complete and will be finalised early in 2022/23.
44283.107	Fixing Country Roads - Myocum Rd Upgrade	130,000.00	Works mostly complete and will be finalised early in 2022/23.
44283.108	National Parks Access Rd Sealing	226,400.00	Works programmed for delivery in early 2022/23.
44283.109	Rifle Range Rd Upgrade	1,180,900.00	Grant funded works awaiting outcome of variation request. Construction ready.
44283.115	Broken Head Reserve Road Traffic Control Works	190,500.00	Works programmed for delivery in early 2022/23. Funds to be combined with budget in 2022/23.
44283.116	Seven Mile Beach Road Traffic Control Works Stage 1	6,800.00	Works programmed for delivery in early 2022/23. Funds to be combined with budget in 2022/23.
44283.124	Fixing Local Roads - Ocean Shores Resurfacing	174,700.00	Grant funded works programmed for delivery in 2022/23.
44283.128	Murwillumbah Rd Mullum - Pedestrian Cros	173,300.00	Grant funded works programmed for delivery in 2022/23.

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Ledger #	Project	Carryover \$	Status
44283.129	Mullumbimby Local Roads Rehabilitation	498,800.00	Grant funded works programmed for delivery in 2022/23.
44283.132	Fed & State Stimulus - Rifle Range Rd	537,500.00	Grant funded works awaiting outcome of variation request. Construction ready.
44283.131	Koonyum Range Road Sealing	14,900.00	To be completed in 2022/23.
44285.013	Heavy Patching	14,300.00	Resheeting programmed for delivery in early 2022/23. Other grant projects have funded works have taken priority in 2021/22.
44286.015	Retaining Wall Works Program	10,500.00	Resheeting programmed for delivery in early 2022/23. Other grant projects have funded works have taken priority in 2021/22.
44286.017	Esplanade Beach Access and Parking Impro	36,900.00	Design underway and programmed for completion in 2022/23.
44286.028	Broken Head Reserve Rd Speed Zone Changes	6,800.00	Programmed for implementation as part of 44283.115.
44286.029	Coorabell PS Line Marking	14,000.00	Grant funded works programmed for delivery in 2022/23.
44286.031	Jarvis Land Transfer Agreement	100,000.00	Finalisation of transfer delayed but planned for 2022/23.

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	<b>Total</b>	<b>8,491,500</b>	
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5 In accordance with Section 211 of the Local Government (General) Regulation 2021, Council conducted an Extraordinary Meeting to approve expenditure on 30 June 2022 via Resolution **22-332** to create the 2022/2023 Budget. The expenditure items that are the subject of this report were not included in the 2022/2023 Budget Estimates, but now need to be. The intent of this report is to seek Council approval to revoke the carryovers from the 2021/2022 financial year and to adopt the budget carryovers for inclusion in the 2022/2023 Budget Estimates.

10 At its meeting held on 28 March 2013 the Strategic Planning Committee considered Report 4.3 on Council's financial position for the 2012/2013 financial year. The recommendations from this meeting were adopted by Council at its Ordinary Meeting held on 18 April 2013 through resolution **13-164**. Committee recommendation SPC 4.3 in part 5 included the following process to be applied to the consideration of any amount identified as a carryover to the 2013/14 and future Budgets and funded from general revenues:

15 *That Council determines that any general revenue funded allocated expenditure, not expended in a current financial year NOT be automatically carried over to the next financial year before it is reviewed, and priorities established.*

This report will also be considered by Council at its Meeting held on 25 August 2022.

## Strategic Considerations

### Community Strategic Plan and Operational Plan

CSP Objective	CSP Strategy	DP Action	Code	OP Activity
<b>1: Effective Leadership</b> We have effective decision making and community leadership that is open and informed	1.3: Ethical and efficient management of resources	1.3.1: Financial Management - Ensure the financial integrity and sustainability of Council through effective financial management	1.3.1.2	Provide Quarterly Budget Reviews to Council for adoption.



**Legal/Statutory/Policy Considerations**

Section 211 of the Local Government (General) Regulation 2021 outlines the requirements of Council relating to authorisation of expenditure. Specifically Section 211 states:

- 5 (1) *A council, or a person purporting to act on behalf of a council, must not incur a liability for the expenditure of money unless the council at the annual meeting held in accordance with subclause (2) or at a later ordinary meeting:*  
*(a) has approved the expenditure, and*  
*(b) has voted the money necessary to meet the expenditure.*
- 10 (2) *A council must each year hold a meeting for the purpose of approving expenditure and voting money.*

**Financial Considerations**

- 15 The Financial implications of this report have been outlined above in that, should Council adopt the recommendation of the report, the 2022/2023 Budget result will not change, nor will the Unrestricted Cash Result.













