

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 May 2023
Time	2.00pm

Esmeralda Davis
Director Corporate and Community Services

I2023/736
Distributed 11/05/23



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)

Committee members are reminded that they should declare and manage all conflicts of interest in respect of any matter on this Agenda, in accordance with the [Code of Conduct](#).

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.

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 of the Finance Advisory Committee Meeting held 16
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ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

**Report No. 3.1 Adoption of Minutes of the Finance
Advisory Committee Meeting held 16
February 2023**

5

Directorate: Corporate and Community Services

Report Author: Storm Townsend, Executive Assistant Corporate & Community
Services



File No: I2023/568

10

RECOMMENDATION:

15 **That the minutes of the Finance Advisory Committee Meeting held on 16 February
2023 be confirmed.**

Attachments:

1 20 Minutes 16/02/2023 Finance Advisory Committee, I2023/197 , page 8  

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 16 February 2023 .

Report to Council

- 5 The minutes were reported to Council on 23 March 2023. Council endorsed all the Committee's recommendations at Resolutions [23-064 to 23-065](#).

Comments

In accordance with the Committee Recommendations, Council resolved the following:

23-001 Resolved that Council adopts the following Committee Recommendations:

Report No. 4.1 Budget Review - 1 October 2022 to 31 December 2022

File No: I2023/170

Committee Recommendation 4.1.1

That Council:

1. Authorises the itemised budget variations as shown in Attachment 2 (#E2023/13829) which include the following results in the 31 December 2022 Quarterly Review of the 2022/2023 Budget:
 - a) General Fund – \$0 movement to the Estimated Unrestricted Cash Result
 - b) General Fund - \$7,342,100 increase in reserves
 - c) Water Fund - \$208,200 decrease in reserves
 - d) Sewerage Fund - \$297,500 decrease in reserves
2. Adopts the revised General Fund Estimated Unrestricted Cash Result of (\$205,000) for the 2022/2023 financial year as at 31 December 2022.
3. Receives a report to the Council Ordinary Meeting in April 2023 on infrastructure recovery program identifying major projects, cash flow gaps and funding sources.

(Lyon/Westheimer)

Minutes of Meeting

Finance Advisory Committee Meeting

Venue	Conference Room, Station Street, Mullumbimby
Date	Thursday, 16 February 2023
Time	2.00pm



BYRON SHIRE COUNCIL

ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

3.1 - ATTACHMENT 1

BYRON SHIRE COUNCIL

ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

3.1 - ATTACHMENT 1

BYRON SHIRE COUNCIL

FINANCE ADVISORY COMMITTEE MEETING MINUTES

16 FEBRUARY 2023

Minutes of the Finance Advisory Committee Meeting held on Thursday, 16 February 2023

File No: I2023/197

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

Staff: Mark Arnold (General Manager)
Esmeralda Davis (Director Corporate and Community Services)
Phil Holloway (Director Infrastructure Services)
James Brickley (Manager Finance)
Storm Townsend / Amber Evans Crane (Minute takers)

Cr Swivel opened the meeting at 2:08 PM and acknowledged that the meeting was being held on Bundjalung Country.

ATTENDANCE VIA AUDIO-VISUAL LINK:

There were no attendances via audio-visual link.

APOLOGIES:

An apology was received from Cr Balson.

DECLARATIONS OF INTEREST – PECUNIARY AND NON-PECUNIARY

There were no declarations of interest.

ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

Report No. 3.1 Adoption of Minutes of the Finance Advisory Committee Meeting held 17 November 2022

File No: I2023/19

Committee Recommendation:

That the Minutes of the Finance Advisory Committee Meeting held on 17 November 2022 be confirmed. (Hunter/Pugh)

The recommendation was put to the vote and declared carried.

Note: The minutes of the meeting held on 17 November 2022 were noted, and the Committee Recommendations adopted by Council, at the Ordinary Meeting held on 15 December 2022.

FAC Finance Advisory Committee Meeting

page 3

BYRON SHIRE COUNCIL

FINANCE ADVISORY COMMITTEE MEETING MINUTES

16 FEBRUARY 2023

BUSINESS ARISING FROM PREVIOUS MINUTES

There was no business arising from previous minutes.

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

Report No. 4.1 Budget Review - 1 October 2022 to 31 December 2022
File No: I2023/170

Committee Recommendation:

That Council:

- 1. Authorises the itemised budget variations as shown in Attachment 2 (#E2023/13829) which include the following results in the 31 December 2022 Quarterly Review of the 2022/2023 Budget:**
 - a) General Fund – \$0 movement to the Estimated Unrestricted Cash Result**
 - b) General Fund - \$7,342,100 increase in reserves**
 - c) Water Fund - \$208,200 decrease in reserves**
 - d) Sewerage Fund - \$297,500 decrease in reserves**
- 2. Adopts the revised General Fund Estimated Unrestricted Cash Result of (\$205,000) for the 2022/2023 financial year as at 31 December 2022.**
- 3. Receives a report to the Council Ordinary Meeting in April 2023 on infrastructure recovery program identifying major projects, cash flow gaps and funding sources. (Swivel/Hunter)**

The recommendation was put to the vote and declared carried.

There being no further business the meeting concluded at 3:26 PM.

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

Report No. 4.1 Review Consitution of Finance Advisory Committee

5 **Directorate:** Corporate and Community Services

Report Author: Storm Townsend, Executive Assistant Corporate & Community Services

File No: I2023/565

Summary:

10 Attached is the draft Constitution for the Finance Advisory Committee, for the Committee's review and endorsement.

15 **RECOMMENDATION:**

That the Finance Advisory Committee recommend to Council to adopt the draft Committee Constitution at Attachment E2021/147963.

Attachments:

20 1 Draft Finance Advisory Committee Constitution 2022, E2021/147963 , page 14  

Report

The Finance Advisory Committee is requested to review and ratify the Committee Constitution (attached).

5 Strategic Considerations

Community Strategic Plan and Operational Plan

CSP Objective	CSP Strategy	DP Action	Code	OP Activity
1: Effective Leadership We have effective decision making and community leadership that is open and informed	1.1: Enhance trust and accountability through open and transparent leadership	1.1.2: Governance - Ensure legislative compliance and support Councillors to carry out their civic duties	1.1.2.4	Deliver Council meeting secretariat – including agenda preparation, minutes and council resolutions monitoring

Recent Resolutions

- 22-026

Legal/Statutory/Policy Considerations

- 10 The Constitution has been prepared with reference to Council’s Code of Conduct and Code of Meeting Practice.

The Committee is an advisory Committee of the Council. The objectives of the Committee are outlined in the Constitution. The role of the Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to the Constitution.

15 Financial Considerations

Not applicable

Consultation and Engagement

Not applicable.



BYRON SHIRE COUNCIL
FINANCE ADVISORY COMMITTEE
CONSTITUTION
DRAFT

INFORMATION ABOUT THIS DOCUMENT

(INTERNAL USE ONLY)

Date Adopted by Council	29 September 2016	Resolution No.	16-482
Responsibility	Director Corporate and Community Services		
Review Timeframe	Each Term of Council		
Last Review Date:	dd mm yyyy	Next Scheduled Review Date	December 2024

Document History

Doc No.	Date Amended	Details Comments eg Resolution No.
E2016/90734	29 September 2016	Constitution as adopted by Council 29/9/16
E2021/147963	10 May 2023	For presentation to the Finance Advisory Committee for adoption by Council

Further Document Information and Relationships

Related Legislation	Section 355, Local Government Act (1993)
Related Policies	Code of Conduct 2016 Work Health Safety Policy Code of Meeting Practice
Related Procedures/ Protocols, Statements, documents	

Constitution: Finance Advisory Committee

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Report No. 4.2 Budget Review - 1 January 2023 to 31 March 2023

Directorate: Corporate and Community Services

Report Author: James Brickley, Manager Finance

5 **File No:** I2023/723

Summary:

10 This report has been prepared to comply with Section 203 of the *Local Government (General) Regulation 2021* and to inform Council and the community of Council's estimated financial position for the 2022/2023 financial year, reviewed as at 31 March 2023.

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 Attachment 1 and 2 for Council's consideration and authorisation.

15 Attachment 3 contains the Integrated Planning and Reporting Framework (IP&R) Quarterly Budget Review Statement (QBRS) as outlined by the Office of Local Government in circular 10-32.

20 **RECOMMENDATION:**

1. **That Council authorises the itemised budget variations as shown in Attachment 2 (#E2023/45418) which include the following results in the 31 March 2023 Quarterly Review of the 2022/2023 Budget:**

25 a) **General Fund – \$205,000 increase to the Estimated Unrestricted Cash Result**

b) **General Fund - \$8,342,800 increase in reserves**

c) **Water Fund - \$658,900 increase in reserves**

d) **Sewerage Fund - \$227,400 increase in reserves**

30 2. **That Council adopts the revised General Fund Estimated Unrestricted Cash Result of \$0 for the 2022/2023 financial year as at 31 March 2023**



Attachments:

1 Budget Variations for General, Water and Sewerage Funds, E2023/45417 , page 37  

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.2

- 2 Itemised Listing of Budget Variations for General, Water and Sewerage Funds, E2023/45418 , page 103 [↓](#) 
- 3 Integrated Planning and Reporting Framework (IP&R) required Quarterly Review Statements, E2023/45419 , page 111 [↓](#) 

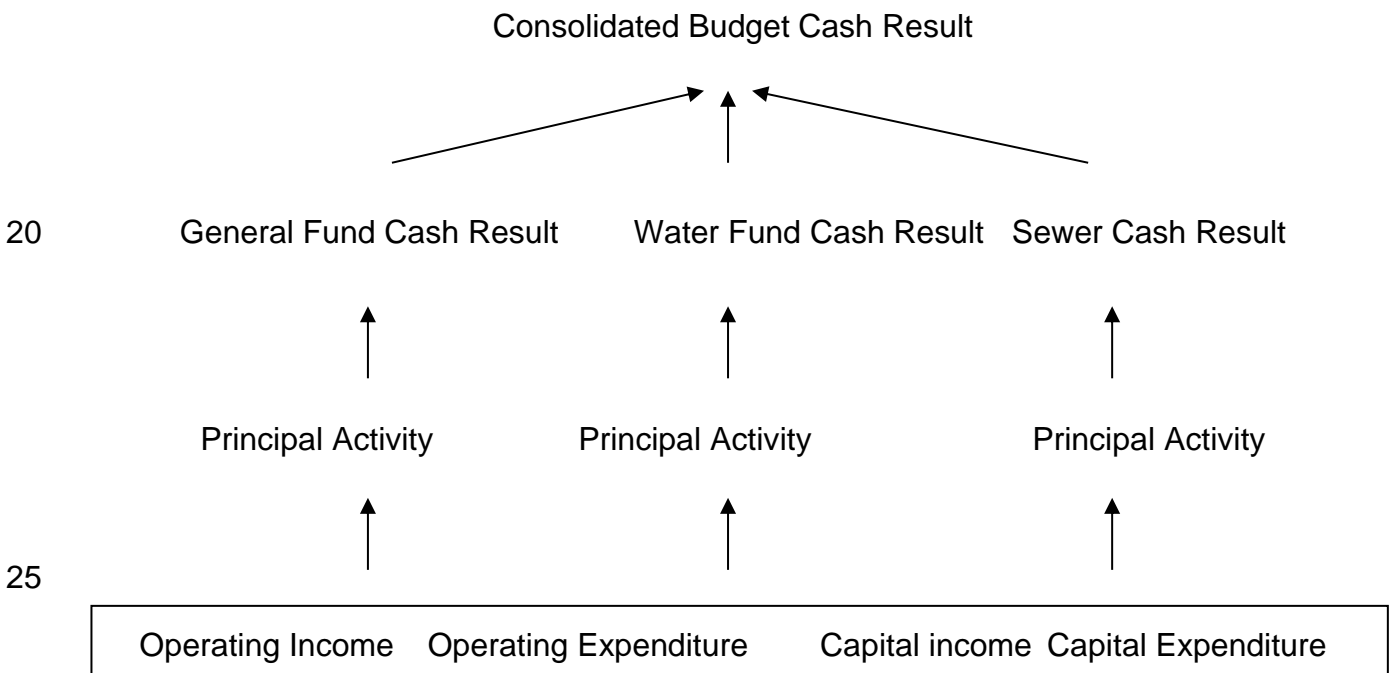
5

Report

Council adopted the 2022/2023 budget on 30 June 2022 via Resolution **22-332**. Council also considered and adopted the budget carryovers from the 2021/2022 financial year, to be incorporated into the 2022/2023 budget at its Ordinary Meeting held on 25 August 2022 via Resolution **22-391**. Since that date, Council has reviewed the budget taking into consideration the audited 2021/2022 Financial Statement results and progress through the first three quarters of the 2022/2023 financial year. This report considers the March 2023 Quarter Budget Review.

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.

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



The pages within Attachment 1 are presented (from left to right) by showing the original budget as adopted by Council on 30 June 2022 plus the adopted carryover budgets from 2021/2022 followed by the resolutions between July and March and the revote (or adjustment for this review) and then the revised position projected for 30 June 2023 as at 31 March 2023.

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 2023 for all Council's reserves.

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

Office of Local Government Budget Review Guidelines:

10 The Office of Local Government on 10 December 2010 issued the new Quarterly Budget Review Guidelines via Circular 10-32, with the reporting requirements to apply from 1 July 2011. This report includes a Quarterly Budget Review Statement (refer Attachment 3) prepared by Council in accordance with the guidelines.

The Quarterly Budget Review Guidelines set a minimum standard of disclosure, with these standards being included in the Local Government Code of Accounting Practice and Financial Reporting as mandatory requirements for Councils to address.

15 Since the introduction of the new planning and reporting framework for NSW Local Government, it is now a requirement for Councils to provide the following components when submitting a Quarterly Budget Review Statement (QBR):-

- A signed statement by the Responsible Accounting Officer on Council's financial position at the end of the year based on the information in the QBR
- Budget review income and expenses statement in one of the following formats:
 - 20 ○ Consolidated
 - By fund (e.g. General, Water, Sewer)
 - By function, activity, program etc. to align with the management plan/operational plan
- Budget Review Capital Budget
- Budget Review Cash and Investments Position
- 25 • Budget Review Key performance indicators
- Budget Review Contracts and Other Expenses

The above components are included in Attachment 3 and outlined below:

Income and Expenditure Budget Review Statement by Type

30 This shows Council's income and Expenditure by type. This has been split by Fund. Adjustments are shown, looking from left to right. These adjustments are commented on through the last 14 pages of Attachment 1.

Capital Budget Review Statement

35 This statement identifies in summary Council's capital works program on a consolidated basis and then split by Fund. It also identifies how the capital works program is funded. As this is the first quarterly review for the reporting period, the Statement may not necessarily indicate the total progress achieved on the delivery of the capital works program.

Cash and Investments Budget Review Statement

5 This statement reconciles Council's restricted funds (reserves) against available cash and investments. Council has attempted to indicate an actual position as at 31 March 2023 of each reserve to show a total cash position of reserves with any difference between that position and total cash and investments held as available cash and investments. It should be recognised that the figure is at a point in time and may vary greatly in future quarterly reviews depending on cash flow movements.

Key Performance Indicators (KPI's)

At this stage, the KPI's within this report are:

- 10 ○ **Debt Service Ratio** - This assesses the impact of loan principal and interest repayments on the discretionary revenue of Council.
- **Rates and Annual Charges Outstanding Ratio** – This assesses the impact of uncollected rates and annual charges on Councils liquidity and the adequacy of recovery efforts
- 15 ○ **Asset Renewals Ratio** – This assesses the rate at which assets are being renewed relative to the rate at which they are depreciating.

These may be expanded in future to accommodate any additional KPIs that Council may adopt to use in the future.

- 20 ○ **Contracts and Other Expenses** - This report highlights any contracts Council entered into during the January to March quarter that are greater than \$50,000.

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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CONSOLIDATED RESULT

The following table provides a summary of the overall Council budget on a consolidated basis inclusive of all Funds' budget movements for the 2022/2023 financial year projected to 30 June 2023 but revised as at 31 March 2023.

2022/2023 Budget Review Statement as at 31 March 2023	Original Estimate (Including Carryovers) 1/7/2022	Adjustments to 31 Mar 2023 including Resolutions*	Proposed 31 March 2023 Review Revotes	Revised Estimate 30/6/2023 at 31/03/2023
Operating Revenue	98,653,200	17,691,500	3,446,500	119,791,200
Operating Expenditure	111,603,900	15,042,900	1,170,400	127,817,200
Operating Result – Surplus/Deficit	(12,950,700)	2,648,600	2,276,100	(8,026,000)
Add: Capital Revenue	37,235,900	(3,727,100)	(12,203,300)	21,305,500
Change in Net Assets	24,285,200	(1,078,500)	(9,927,200)	13,279,500
Add: Non Cash Expenses	18,455,700	2,033,900	0	20,489,600
Add: Non-Operating Funds Employed	20,800,000	1,200,000	(20,000,000)	2,000,000
Subtract: Funds Deployed for Non-Operating Purposes	(99,493,500)	(3,217,300)	39,361,300	(63,349,500)
Cash Surplus/(Deficit)	(35,952,600)	(1,061,900)	9,434,100	(27,580,400)
Restricted Funds – Increase / (Decrease)	(35,747,600)	(1,061,900)	9,229,100	(27,580,400)
Forecast Result for the Year – Surplus/(Deficit) – Unrestricted Cash Result	(205,000)	0	205,000	0

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.2

GENERAL FUND

In terms of the General Fund projected Unrestricted Cash Result the following table provides a reconciliation of the estimated position as at 31 March 2023:

Opening Balance – 1 July 2022	\$0
Plus original budget movement and carryovers	(205,000)
Council Resolutions July – September Quarter	(2,000)
September QBR – increase/(decrease)	0
Council Resolutions October – December Quarter	2,000
December QBR – increase/(decrease)	0
Council Resolutions January – March Quarter	0
Recommendations within this Review – increase/(decrease)	205,000
Estimated Unrestricted Cash Result Closing Balance – 30 June 2023	\$0

- 5 The General Fund financial position overall has increased as a result of this budget review, leaving the forecast cash result for the year at \$0. The proposed budget changes are detailed in Attachment 1 and summarised further in this report below.

Council Resolutions

There were no council resolutions that affected the budget result in the January to March quarter.

10 Budget Adjustments

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

Budget Directorate	Revenue Increase/ (Decrease) \$	Expenditure Increase/ (Decrease) \$	Accumulated Surplus (Working Funds) Increase/ (Decrease) \$
General Manager	224,200	224,200	0
Corporate & Community Services	858,300	593,600	264,700
Infrastructure Services	(10,868,800)	(10,790,800)	(78,000)
Sustainable Environment & Economy	258,600	240,300	18,300
Total Budget Movements	(9,527,700)	(9,732,700)	205,000

Budget Adjustment Comments

5 Within each of the Budget Directorates of the General Fund, are a series of budget adjustments identified in detail at Attachment 1 and 2. More detailed notes on these are provided in Attachment 1 but in summary the major additional items included are summarised below by Directorate and are included in the overall budget adjustments table above.

General Manager

- 10 • In the General Managers program, it is proposed to increase operating expenditure by \$125,500 due to increased legal fee expenditure. This can be funded from legal fees recovered (\$25,500) and a transfer from the Legal Service Reserve of \$100,000.
- In the People & Culture program, it is proposed to increase operating income by \$98,700 due a rebate received from Statecover. This can be transferred to the People & Culture Reserve for future use.

15 Corporate and Community Services

- In the Councillor Services program, it is proposed to decrease operating expenditure due to various subscriptions costing less than the budgets allocated.
- 20 • In the General Purpose Revenue program, it is proposed to increase operating income due to the increased interest revenue that Council is receiving for investments due to increases in interest rates by the Reserve Bank. The budget can be increased by \$728,200, with \$261,000 of this attributable to developer contributions. It is also proposed to increase interest on the bank account by \$60,000 due to the increased rates as well. Of note here is also additional interest revenue being allocated to
25 Reserve to repay in part a long outstanding liability to the Quarry Reserve.
- In the Financial Services program, it is proposed to decrease operating income as the actual income expected for section 603 certificates will be less than the budget due to a decrease in sales within the Shire. It is proposed to decrease operating expenditure
30 due to actual Bank Charges being less than the budget (\$30,000) and an increase in sundry administrative costs that are slightly more than the budget due to the subscription costs for Eftsure (\$5,000).
- 35 • In the Corporate Services program, it is proposed to increase operating income and expenditure by \$27,400 due to income received from Councils' insurer to cover the costs to replace flood damaged CCTV. It is also proposed to increase operating expenditure by a further \$17,600 due to a slight increase in insurance premiums paid (\$11,800), an increase in fees payable for the Audit, Risk and Improvement Committee (ARIC) (\$10,000), an additional budget for the copyright licence subscription (\$5,800)
40 and a decrease to the Youth Leadership Program which will not be undertaken this financial year (\$10,000).

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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- 5 • In the Community Development program, it is proposed to increase operating income and expenditure by \$127,700 due to a grant received from the Northern Rivers Joint Organisations (NRJO) to host flood anniversary events (\$91,700) and the reimbursement of costs for the Community Recovery Officer from NSW Reconstruction Authority (previously Resilience NSW) (\$36,000).
- In the Public Libraries program, it is proposed to increase operating expenditure due to a separate budget being added for building insurance that was previously charged to the Facilities Management Budget Program.

10 **Infrastructure Services**

- In the Supervision and Administration program, it is proposed to decrease operating expenditure due to the budget allocated for the Civil Construction Tender Panel no longer being required.
- 15 • In the Depot Services program, it is proposed to increase operating income as a contribution to the Plant reserve is required from the Waste (\$18,300) and Open Space (\$46,100) programs due to the Plant fund contributing to the costs for vehicles within those programs. There are offsetting costs in the Waste and Open Space programs. Operating expenditure increased due to a budget required for building insurance
20 (\$18,500).
- In the Local Roads and Drainage program, there are a number of adjustments outlined under Note 16 on pages 53 to 57 in the Budget Variations explanations section of Attachment 1. Further disclosure is included in the second, third and fourth pages of
25 Attachment 2 under the budget program heading Local Roads and Drainage.
- In the Open Space and Recreation program, there are a number of adjustments outlined under Note 18 on pages 57 to 59 in the Budget Variations explanations section of Attachment 1. Further disclosure is included in the fourth page of Attachment 2
30 under the budget program heading Open Space & Recreation. Of note here also is funds received from Public Works Advisory for flood recovery expenditure incurred last financial year and their treatment.
- In the Waste & Recycling program, it is proposed to increase operating income due to a grant received for Clean Energy. It is proposed to decrease operating expenditure due to a decrease in costs associated with the properties at 3 and 29 Manse Road
35 (\$50,000) as the majority of works this budget was intended for have been included as capital expenditure in the 2024 financial year, a decrease in support service costs (\$1,200), an increase in building insurance (\$2,300), and an increase in the purchase of plant due to a contribution for the purchase of a new vehicle (\$18,800). It is proposed to
40 decrease capital expenditure due to the Rehabilitation of Myocum Landfill (\$42,600), the On-Site Leachate Management Project (\$200,000), Upgrade and renewal at the BRRC + MQRRC (\$106,500) and the Stormwater Management Plan (\$100,000) not being completed this financial year and being moved to 2023/04.
45

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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- In the Cavanbah Centre program, it is proposed to increase operating income and expenditure by \$27,000 due to the 2023 Active Fest being held at the centre. It is also proposed to increase operating expenditure by a further \$12,500 due to building insurance costs
5
- In the First Sun Holiday Park program, it is proposed to increase operating expenditure due to an increase in building insurance costs (\$18,900) and a support service cost adjustment (\$100). It is proposed to decrease capital expenditure due to the rail corridor land purchase not expected to occur this financial year (\$1,500,000) and a decrease against cabins (\$80,000) and lodgings (\$150,000) due to upgrades that will be programmed to occur across the park at a later date.
10
- In the Suffolk Park Holiday Park program, it is proposed to increase operating expenditure due to an increase in building insurance costs (\$8,500) and a support service cost adjustment (\$100). It is proposed to add a budget of \$158,000 due to the purchase of a permanent site within the park.
15
- In the Facilities Management program, it is proposed to decrease operating expenditure due to the budgets for the Mullumbimby Hospital maintenance (\$38,000) and remediation (\$360,000) being moved to the 2023/24 financial year. This is offset by an increase in building insurance (\$51,200), an increase to the works to be undertaken at Durrumbul Hall (\$90,000) where costs for the flooring replacement exceed the existing budget, adjustments to bring the budgets of various community building reserve funded works to match actuals (\$200) and a support service cost decrease of \$200.
20
25
It is proposed to decrease capital expenditure due to the Byron Community Hub (\$5,873,000) and the Airfield Building Renewals (\$171,600) being moved to the 2023/24 financial year and increasing the budgets for the Brunswick Valley Community Centre roof replacement (\$70,000) and Brunswick Heads Memorial Hall ramp upgrade (\$35,900) where the actual cost of the works exceeds the existing budget.

30 **Sustainable Environment and Economy**

- In the Development & Certification program, it is proposed to decrease operating income due to actual income for DA's being considerably less than the budget (\$250,000) as a result of less applications. It is proposed to increase operating income by \$100,000 due to increased fees received for footpath dining which can be transferred to the footpath dining reserve
35
- In the Planning Policy & Natural Environment program, it is proposed to increase operating income and expenditure by \$185,000 due to a grant received for Solar LED Signs for Koala Road Strike Mitigation. It is proposed to decrease operating expenditure by \$44,500 due to the Mullumbimby Masterplan Project Plan (\$13,000), the Bangalow Village Plan (\$14,000) and Lot 12 and Lot 107 Bayshore Dr (\$17,500) budget being moved to 2023/24.
40
- In the Environment & Compliance program, it is proposed to increase operating income due to actual fine income being higher than the budget (\$265,600). It is proposed to increase operating income and expenditure by \$2,500 due to income derived from a fine
45

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received for tree removal that is to be expended on bush regeneration. It is also proposed to increase operating expenditure due to building insurance (\$1,400).

WATER FUND

5 After completion of the 2021/2022 Financial Statements the Water Fund as at 30 June 2022 has a capital works reserve of \$8,953,800 and held \$1,844,900 in section 64 developer contributions.

The estimated Water Fund reserve balances as at 30 June 2023, and forecast in this Quarter Budget Review, are derived as follows:

10 Capital Works Reserve

Opening Reserve Balance at 1 July 2021	\$8,953,800
Plus original budget reserve movement	(4,874,800)
Resolutions July - September Quarter – increase / (decrease)	0
September Quarterly Review Adjustments – increase / (decrease)	(1,036,100)
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	(279,100)
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	580,600
Forecast Reserve Movement for 2022/2023 – Increase / (Decrease)	(5,609,400)
Estimated Reserve Balance at 30 June 2023	\$3,344,400

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Section 64 Developer Contributions

Opening Reserve Balance at 1 July 2022	\$1,844,900
Plus original budget reserve movement	(1,120,100)
Resolutions July - September Quarter – increase / (decrease)	0
September Quarterly Review Adjustments – increase / (decrease)	(500,000)
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	70,900
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	78,300
Forecast Reserve Movement for 2022/2023 – Increase / (Decrease)	(1,470,900)
Estimated Reserve Balance at 30 June 2023	\$374,000

Movements for Water Fund can be seen in Attachment 1 with a proposed estimated increase to reserves (including S64 Contributions) overall of \$658,900 from the 31 March 2023 Quarter Budget Review.

5 SEWERAGE FUND

After completion of the 2021/2022 Financial Statements the Sewer Fund as at 30 June 2022 has a capital works reserve of \$2,701,600 and plant reserve of \$896,200. It also held \$7,180,100 in section 64 developer contributions and a \$766,900 unexpended grant.

Capital Works Reserve

Opening Reserve Balance at 1 July 2022	\$2,701,600
Plus original budget reserve movement	(926,200)
Resolutions July - September Quarter – increase / (decrease)	0
September Quarterly Review Adjustments – increase / (decrease)	(653,600)
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	(257,500)
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	452,300
Forecast Reserve Movement for 2022/2023 – Increase / (Decrease)	(1,385,000)
Estimated Reserve Balance at 30 June 2023	\$1,316,600

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Plant Reserve

Opening Reserve Balance at 1 July 2022	\$896,200
Plus original budget reserve movement	0
Resolutions July - September Quarter – increase / (decrease)	0
September Quarterly Review Adjustments – increase / (decrease)	0
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	0
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	0
Forecast Reserve Movement for 2022/2023 – Increase / (Decrease)	0
Estimated Reserve Balance at 30 June 2023	\$896,200

Section 64 Developer Contributions

Opening Reserve Balance at 1 July 2021	\$7,180,100
Plus original budget reserve movement	(4,591,700)
Resolutions July - September Quarter – increase / (decrease)	0
September Quarterly Review Adjustments – increase / (decrease)	375,000
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	(40,000)
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	542,000
Forecast Reserve Movement for 2022/2023 – Increase / (Decrease)	(3,714,700)
Estimated Reserve Balance at 30 June 2023	\$3,465,400

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Unexpended Grants

Opening Reserve Balance at 1 July 2021	\$766,900
Plus original budget reserve movement	0
Resolutions July - September Quarter – increase / (decrease)	0
September Quarterly Review Adjustments – increase / (decrease)	0
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	0
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	(766,900)
Forecast Reserve Movement for 2022/2023 – Increase / (Decrease)	0
Estimated Reserve Balance at 30 June 2023	\$0

Movements for the Sewerage Fund can be seen in Attachment 1 with a proposed estimated overall increase to reserves (including S64 Contributions and unexpended grants) of \$227,400 from the 31 March 2023 Quarter Budget Review.

5 **Legal Expenses**

One of the major financial concerns for Council over previous years has been legal expenses. Not only does this item represent a large expenditure item funded by general revenue, but can also be susceptible to large fluctuations.

10 The table that follows indicates the allocated budget and actual legal expenditure within Council on a fund basis as at 31 March 2023.

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Total Legal Income & Expenditure as at 31 March 2023

Program	2022/2023 Budget (\$)	Actual (\$)	Percentage To Revised Budget
Income			
Legal Expenses Recovered	0	25,500	0%
Total Income	0	25,500	0%
Expenditure			
General Legal Expenses	202,600	191,444	94.49%
Total Expenditure General Fund	202,600	191,444	94.49%

Note: At the time of preparing this report, Council has expended and committed additional expenditure of \$95,867 that brings the total legal expenditure for 2022/23 to \$287,311. Taking into account the income of \$25,500, the Legal Services budget is currently \$59,211 over budget. It is proposed to transfer \$100,000 from the Legal Services reserve within this review to cover the shortfall and any further expenditure this financial year.

5

Strategic Considerations

Community Strategic Plan and Operational Plan

CSP Objective	CSP Strategy	DP Action	Code	OP Activity
1: Effective Leadership 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

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

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- 5 (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 expenditure for that year.*
- (2) *A budget review statement must include or be accompanied by:*
- 10 (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*
- (b) *if that position is unsatisfactory, recommendations for remedial action.*
- (3) *A budget review statement must also include any information required by the Code to be included in such a statement.*

Financial Considerations

- 15 The 31 March 2023 Quarter Budget Review of the 2022/2023 Budget has increased the budget position by \$205,000. This leaves the movement against the unrestricted cash balance attributable to the General Fund to an estimated surplus of \$205,000 for the year, leaving the unrestricted cash balance attributable to the General Fund at an estimated \$0 at 30 June 2023.
- 20 It is the view of the Responsible Accounting Officer that the short term financial position of the Council is still satisfactory for the 2022/2023 financial year, having consideration of the original estimate of income and expenditure at the 31 March 2023 Quarter Budget Review.
- This opinion is based on the estimated General Fund Unrestricted Cash Result position and that the current indicative budget position for 2022/2023 outlined in this Budget Review is further improved through the remaining quarterly budget review for the 25 2022/2023 financial year. Council must remember it has a short term financial goal of maintaining \$1,000,000 in unrestricted cash.
- Of particular concern to Council is the ongoing cash flow issues around the flood recovery and the timing of receiving Natural Disaster Funding from the NSW State Government. In 30 the lead up to 30 June 2023, Council must endeavour to recover as much outstanding payments via claims to improve the cash position and funding of reserves given the forecast position of no unrestricted cash balance. Currently Council is due approximately \$4.6million in outstanding flood recovery expenditure through the NSW Reconstruction Authority, Public Works Advisory and Transport for NSW. This Budget Review is 35 assuming this funding will be mostly recovered before 30 June 2023.

