

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, 17 August 2023
Time	2.00pm

Esmeralda Davis
Director Corporate and Community Services

*I2023/1196
Distributed 10/08/23*



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 February 2023 6

4. STAFF REPORTS

Corporate and Community Services

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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:

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

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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)

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

Report No. 4.1 Carryovers for Inclusion in the 2023-2024 Budget

5 **Directorate:** Corporate and Community Services

Report Author: James Brickley, Manager Finance

File No: I2023/1178

Summary:


10 This report is prepared for the Committee to consider the carryover Budget allocations for works and services, either commenced and not completed, or not commenced but allocated in the 2022/2023 financial year for inclusion in the 2023/2024 Budget Estimates.

15 This report will be tabled at the 24 August 2023 Ordinary Meeting of Council.

RECOMMENDATION:

20 **That Council approves the works and services (with respective funding) shown in Attachment 1 (#E2023/80387) to be carried over from the 2022/2023 financial year and that the carryover budget allocations be adopted as budget revotes for inclusion in the 2023/2024 Budget Estimates.**

Attachments:

25 1 2022-23 Carryovers for inclusion in the 2023-24 Budget Estimates, E2023/80387 

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STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.1

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 2023/2024 Budget Estimates and the respective funding of each, relating to works and services not completed during the course of the 2022/2023 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 2023/2024 Budget Estimates result.

There is a significant amount of carryovers with total carryovers for 2022/2023 amounting to \$19,666,100. This is a decrease when compared to the previous year following efforts as part of the 31 March 2023 Quarterly Budget Review to reduce the 2022/2023 Budget for works and services not likely to be completed at that time, and include these in the Draft 2023/2024 Budget Estimates before they were adopted by Council.

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

Table 1 - Value of budget carryovers 2019/20 – 2023/24

Fund	2019/20 (\$)	2020/21 (\$)	2021/22 (\$)	2022/23 (\$)	2023/24 (\$)
General	6,024,800	7,875,500	10,719,000	17,539,200	15,578,200
Water	301,900	1,118,800	840,300	3,318,000	1,608,600
Sewer	625,400	1,129,200	1,695,500	4,042,400	2,479,300
Total	6,952,100	10,123,500	13,254,800	24,899,600	19,666,100

20 General Fund

The value of works carried over to 2023/2024 for the General Fund has decreased by approximately 11.2% from the 2022/2023 amount (\$1,961,000). Of the \$16,303,000 of General Fund carryovers, just over 44% (\$7,273,100) is attributable to Local Roads and Drainage projects not completed in 2022/2023 to be carried forward to 2023/2024. This percentage is less than the carryovers attributable to Local Roads and Drainage from 2022/2023 (52%). The extent of carryovers in the General Fund is also relevant to the number of, and size of grant funded works, and the ongoing flood recovery works. Of the

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General Fund carryovers, \$10,750,600 in funding is provided from unexpended or approved grants.

Major carryover items in General Fund greater than \$300,000 are as follows:

Item	Amount \$
Feb 2022 Flood Event DPIE - Resilience	632,100
DPIE Local Council Support Package	1,545,500
Rifle Range Rd Upgrade	1,952,900
Mullumbimby Local Roads Rehabilitation	337,000
Fed & State Stimulus - Rifle Range Rd	537,200
ECG Reseal Program	1,183,900
Sandhills Wetlands Project	1,223,900
SPNP Mullumbimby Rec - Sporting Amenities	366,700
Bangalow Sports Grounds Lighting Renewal	382,900
Mullumbimby Leagues Club Fields	350,000
Council Chambers Refurbishment	354,700

Water and Sewer Funds

- 5 Carryovers for the Water Fund have decreased by \$1,709,400 and decreased for the Sewer Fund by \$1,563,100 compared to the carryovers for the 2022/2023 financial year. Details of these carryovers are included in Attachment 1.

Major carryover items in Water Fund greater than \$100,000 are as follows:

Item	Amount \$
DWMP Improvements	134,400
Paterson Street Reservoir Design	100,000
Ewingsdale Road Watermain	191,000
Tuckeroo Supply Main	379,700

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Major carryover items in Sewerage Fund greater than \$100,000 are as follows:

Item	Amount \$
Energy Efficiency Improvements	128,300
Inflow/Infiltration Reduction (except Mullumbimby)	698,400
Telemetry System	179,100
Byron Bay – SPS Renewal	132,500
Inflow/Infiltration Reduction Mullumbimby	556,500
Ocean Shores to BVSTP Transfer Pump	110,700

Strategic Considerations

Community Strategic Plan and Operational Plan

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

- 5 Section 211 of the Local Government (General) Regulation 2021 outlines the requirements of Council relating to authorisation of expenditure. Specifically Section 211 states:
- 10 (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.*
- (2) *A council must each year hold a meeting for the purpose of approving expenditure and voting money.*

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5 In accordance with Section 211 of the Local Government (General) Regulation 2021, Council conducted an Ordinary Meeting to approve expenditure on 22 June 2023 via Resolution **23-280** to create the 2023/2024 Budget. The expenditure items that are the subject of this report were not included in the 2023/2024 Budget Estimates, but now need to be. The intent of this report is to seek Council approval to revoke the carryovers from the 2022/2023 financial year and to adopt the budget carryovers for inclusion in the 2023/2024 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.*

Financial Considerations

20 The Financial implications of this report have been outlined above in that, should Council adopt the recommendation of the report, the 2023/2024 Budget result will not change, nor will the Unrestricted Cash Result. Each carryover item presented in Attachment 1 also identifies its respective available funding source(s).

Report No. 4.2 Budget Review - 1 April to 30 June 2023

Directorate: Corporate and Community Services

Report Author: James Brickley, Manager Finance

File No: I2023/1186

5 **Summary:**

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 30 June 2023.

10 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.

The report also provides an indication of the financial position of Council at 30 June 2023. It should be noted that the figures provided are subject to completion and audit of the Council's Financial Statements for 2022/2023. Any major variances will be included as part
15 of the report adopting the financial statements in October 2023.

RECOMMENDATION:



20 **That Council:**

1. **Authorises the itemised budget variations as shown in Attachment 2 (#E2023/80644) which include the following results in the 30 June 2023 Quarterly Review of the 2022/2023 Budget:**

- 25
- a) **General Fund – \$0 movement to the Estimated Unrestricted Cash Result**
 - b) **General Fund - \$14,926,000 increase in reserves**
 - c) **Water Fund - \$2,135,500 increase in reserves**
 - d) **Sewerage Fund - \$2,736,700 increase in reserves**

2. **Adopts the revised General Fund Estimated Unrestricted Cash Result of \$0 for the 2022/2023 financial year as at 30 June 2023**

30 **Attachments:**

- 1 Budget Variations for General, Water and Sewerage Funds, E2023/80642 
- 2 Itemised Listing of Budget Variations for General, Water and Sewerage Funds, E2023/80644 

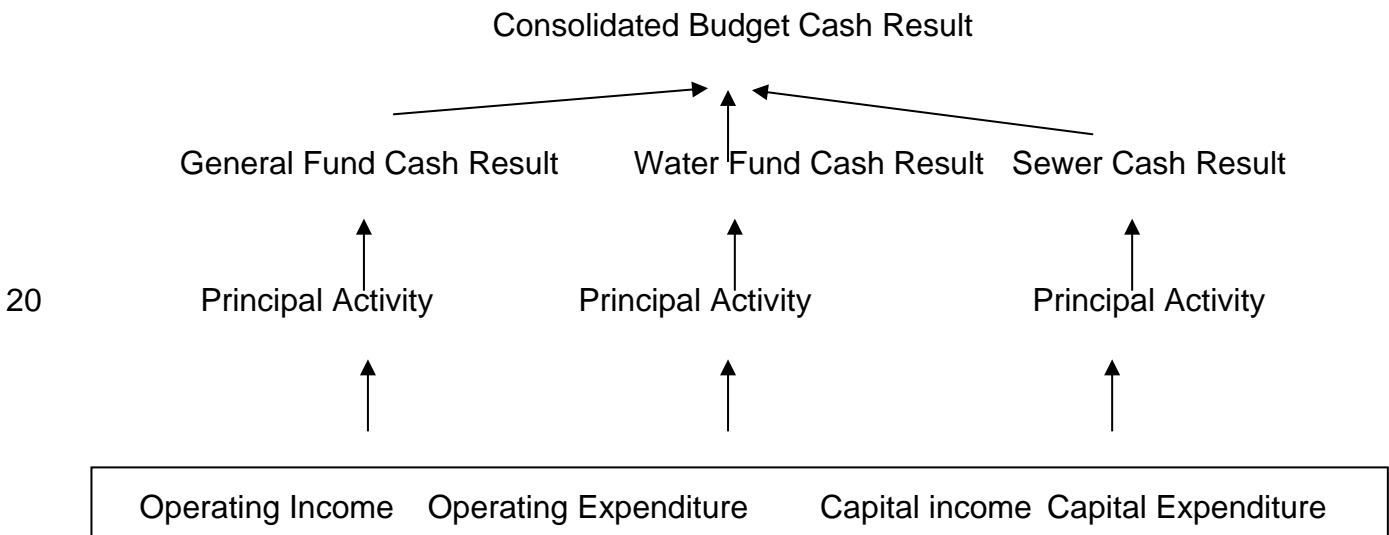
35

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 June 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 adjustments prior to this QBR, and the revote (or adjustment for this review) and then the revised position projected for 30 June 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.

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

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Office of Local Government Budget Review Guidelines:

5 On 10 December 2010, the Office of Local Government issued Quarterly Budget Review Guidelines via Circular 10-32. Reports to Council concerning Quarterly Budget Reviews normally provide statements in accordance with these guidelines as a separate attachment. Given that there is no statutory obligation for Council to produce a Quarterly Budget Review as at 30 June each financial year, the statements required by the guidelines have not been produced for this specific report.

CONSOLIDATED RESULT

10 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.

2022/2023 Budget Review Statement as at 30 June 2023	Original Estimate (Including Carryovers) 1/7/2022	Adjustments to 30 Jun 2023 including Resolutions*	Proposed 30 June 2023 Review Revotes	Revised Estimate 30/6/2023
Operating Revenue	98,653,200	21,138,000	8,554,000	128,345,200
Operating Expenditure	111,603,900	16,561,700	565,200	128,730,800
Operating Result – Surplus/Deficit	(12,950,700)	4,576,300	7,988,800	(385,600)
Add: Capital Revenue	37,235,900	(15,863,700)	(434,000)	20,938,200
Change in Net Assets	24,285,200	(11,287,400)	7,554,800	20,552,600
Add: Non Cash Expenses	18,455,700	2,033,900	0	20,489,600
Add: Non-Operating Funds Employed	20,800,000	(18,800,000)	(1,988,200)	11,800
Subtract: Funds Deployed for Non-Operating Purposes	(99,493,500)	38,364,400	14,231,600	(46,897,500)
Cash Surplus/(Deficit)	(35,952,600)	10,310,900	19,798,200	(5,843,500)
Restricted Funds – Increase / (Decrease)	(35,747,600)	10,105,900	19,798,200	(5,843,500)
Forecast Result for the Year – Surplus/(Deficit) – Unrestricted Cash Result	(205,000)	205,000	0	0

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GENERAL FUND

In terms of the General Fund projected Unrestricted Cash Result the following table provides a reconciliation of the estimated position as at 30 June 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
March QBR – increase/(decrease)	205,000
Council Resolutions April – June Quarter	0
Recommendations within this Review – increase/(decrease)	0
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 April to June 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) \$	Unrestricted Cash Increase/ (Decrease) \$
General Manager	(35,500)	(35,500)	0
Corporate & Community Services	2,054,800	1,951,900	102,900
Infrastructure Services	2,564,600	2,878,600	(314,000)
Sustainable Environment & Economy	(256,700)	(467,800)	211,100
Total Budget Movements	4,327,200	4,327,200	0

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Budget Adjustment Comments

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.

- 5 The major consideration with this budget review is the reduction in expenditure associated with projects not completed and under-expenditure. Council will also be considering a report to this Ordinary Council Meeting regarding carryover items from the 2022/2023 financial year for work not completed to be added to the 2023/2024 Budget Estimates. This report also considers the implications of that report.

10 WATER FUND

After completion of the 2022/2023 Financial Statements the Water Fund as at 30 June 2023 has a capital works reserve of \$8,953,800 and held \$1,844,900 in section 64 developer contributions.

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

Capital Works Reserve

Opening Reserve Balance at 1 July 2022	\$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
Resolutions April - June Quarter – increase / (decrease)	1,358,400
June Quarterly Review Adjustments – increase / (decrease)	1,300,600
Forecast Reserve Movement for 2022/2023 – Increase / (Decrease)	(2,950,400)
Estimated Reserve Balance at 30 June 2023	\$6,003,400

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

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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
Resolutions April - June Quarter – increase / (decrease)	512,000
June Quarterly Review Adjustments – increase / (decrease)	834,900
Forecast Reserve Movement for 2022/2023 – Increase / (Decrease)	(124,000)
Estimated Reserve Balance at 30 June 2023	\$1,720,900

Movements for Water Fund can be seen in Attachment 1 with a proposed estimated increase to reserves (including S64 Contributions) overall of \$2,135,500 from the 30 June 2023 Quarter Budget Review.

SEWERAGE FUND

- 5 After completion of the 2022/2023 Financial Statements the Sewer Fund as at 30 June 2023 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)	(255,900)
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	452,300
Resolutions April - June Quarter – increase / (decrease)	0
June Quarterly Review Adjustments – increase / (decrease)	496,800
Forecast Reserve Movement for 2022/2023 – Increase / (Decrease)	(886,600)
Estimated Reserve Balance at 30 June 2023	\$1,815,000

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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
Resolutions April - June Quarter – increase / (decrease)	0
June 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
Resolutions April - June Quarter – increase / (decrease)	0
June Quarterly Review Adjustments – increase / (decrease)	1,967,400
Forecast Reserve Movement for 2022/2023 – Increase / (Decrease)	(1,747,300)
Estimated Reserve Balance at 30 June 2023	\$5,432,800

Unexpended Grants

Opening Reserve Balance at 1 July 2021	\$766,900
Plus original budget reserve movement	0

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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)
Resolutions April - June Quarter – increase / (decrease)	0
June Quarterly Review Adjustments – increase / (decrease)	272,500
Forecast Reserve Movement for 2022/2023 – Increase / (Decrease)	272,500
Estimated Reserve Balance at 30 June 2023	\$272,500

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 \$2,736,700 from the 30 June 2023 Quarter Budget Review.

Legal Expenses

- 5 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.

The table that follows indicates the allocated budget and actual legal expenditure within Council on a fund basis as at 30 June 2023.

10 Total Legal Income & Expenditure as at 30 June 2023

Program	2022/2023 Budget (\$)	Actual (\$)	Percentage To Revised Budget
Income			
Legal Expenses Recovered	0	30,000	0%
Total Income	0	30,000	0%
Expenditure			
General Legal Expenses	328,100	394,035	120.10%
Total Expenditure General Fund	328,100	394,035	120.10%

Community Strategic Plan and Operational Plan

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

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(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.*

10

(2) *A budget review statement must include or be accompanied by:*

15

(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 Implications

20 The 30 June 2023 Quarter Budget Review of the 2022/2023 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. Overall, the short term financial position still needs to be carefully monitored on an ongoing basis.

25 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 2023 which will also be subject to external independent audit.

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.2

It is expected that Council will receive a report regarding the formal adoption of its financial statements for the year ended 30 June 2023 at its Ordinary Meeting in October 2023.

Flood Recovery Expenditure

5 Within these results and of some concern is the ongoing cash flow impact of the flood recovery works. Once again, Council is significantly awaiting reimbursement from the State Government of funds in excess of \$7million at 30 June 2023. This has been reflected in the reserve schedule to demonstrate a negative balance equivalent to what is due to Council in expenditure incurred. Council will need to carefully monitor this going forward as it is not of sufficient scale to fund expenditure on the significant Essential Public
10 Asset Repair (EPAR) works that will be coming up unless more regular funding from the State Government is provided to reimburse claims.

The Audit Office of NSW in their year end management letter for the 2021/2022 financial year raised Council's ability to meet its commitments due to the use of available cash to fund works whilst awaiting reimbursement. It is likely Council may receive a similar
15 outcome for the 2022/2023 financial year as the amount outstanding is higher. It is unfortunate at this point that Council has not been in receipt of more regular payments to meet expenditure even though it is lodging claims.