

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, 8 August 2024
Time	9.00am

Esmeralda Davis
Director Corporate and Community Services

*I2024/1096
Distributed 01/08/24*



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 9 May 2024..... 6

4. STAFF REPORTS

Corporate and Community Services

- 4.1 Carryovers for Inclusion in the 2024-2025 Budget..... 8
4.2 Budget Review - 1 April to 30 June 2024..... 13

ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

**Report No. 3.1 Adoption of Minutes of the Finance
Advisory Committee Meeting held 9 May
2024**

5

Directorate: Corporate and Community Services

File No: I2024/735

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RECOMMENDATION:

That the minutes of the Finance Advisory Committee Meeting held on 9 May 2024 be confirmed.

15 **Attachments:**

1 Minutes 09/05/2024 Finance Advisory Committee, I2024/692 

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 9 May 2024.

Report to Council

- 5 The minutes were reported to Council on

Comments

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

24-001 **Resolved** that Council adopts the following Committee recommendation:

Report No. 4.1 Budget Review - 1 January 2024 to 31 March 2024

File No: I2024/679

Committee Recommendation 4.1.1

That Council:

1. Authorises the itemised budget variations as shown in Attachment 2 (#E2024/48670) which include the following results in the 31 March 2024 Quarterly Review of the 2023/2024 Budget:
 - a) General Fund - \$250,000 increase to the Estimated Unrestricted Cash Result
 - b) General Fund - \$7,008,200 increase in reserves
 - c) Water Fund - \$1,321,800 increase in reserves
 - d) Sewerage Fund - \$952,900 increase in reserves
2. Adopts the revised General Fund Estimated Unrestricted Cash of \$0 for the 2023/2024 financial year as at 31 March 2024. (Lyon/Ndiaye)

BYRON SHIRE COUNCIL

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 2024/2025 Budget Estimates and the respective funding of each, relating to works and services not completed during the course of the 2023/2024 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 2024/2025 Budget Estimates result.

There is a significant number of carryovers with the total for 2023/2024 amounting to \$18,460,300. This is a decrease when compared to the previous year following efforts as part of the 31 March 2024 Quarterly Budget Review to reduce the 2023/2024 Budget for works and services not likely to be completed at that time and include these in the Draft 2024/2025 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 2020/21 – 2024/25

Fund	2020/21 (\$)	2021/22 (\$)	2022/23 (\$)	2023/24 (\$)	2024/25 (\$)
General	7,875,500	10,719,000	17,539,200	15,578,200	14,708,400
Water	1,118,800	840,300	3,318,000	1,608,600	2,079,600
Sewer	1,129,200	1,695,500	4,042,400	2,479,300	1,672,300
Total	10,123,500	13,254,800	24,899,600	19,666,100	18,460,300

20 General Fund

The value of works carried over to 2024/2025 for the General Fund has decreased by approximately 6.5% from the 2023/2024 amount (\$869,800). Of the \$14,708,400 of General Fund carryovers, just over 51% (\$7,555,200) is attributable to Local Roads and Drainage projects not completed in 2023/2024 to be carried forward to 2024/2025. This percentage is more than the carryovers attributable to Local Roads and Drainage from 2023/2024 (42%). The extent of carryovers in the General Fund is also relevant to the

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.1

number of, and size of grant funded works. Of the General Fund carryovers, \$9,833,800 in funding is provided from unexpended or approved grants.

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

Item	Amount \$
Local Roads Reseals	434,400
Byron Bay Drainage Upgrade	546,800
Flood Pump Generator Power Supply – SGB	364,700
A&I Estate - Bayshore Drive Reconstruction	941,400
Rifle Range Rd Upgrade	2,004,700
Main Arm Valley Safety Works	365,200
Sandhills Wetlands Project	1,677,100
Cavanbah Centre Car Park Repair	412,200

Natural Disaster Budget Carryovers

- 5 The budget for Natural Disaster works in 2023/24 have not been carried over. Instead, there is a proposal to revise the 2024/25 Infrastructure Recovery Budget at the during the 30 September 2024 Quarterly Budget Review, based on proposed works subject to Essential Public Asset Restoration (EPAR) approval which are scheduled to take place in 2024/25. The rationale for this is not to necessarily create the budget amounting to the total cost of the EPAR, when the EPAR project extends beyond a year. It is a better outcome to identify an expected budget relevant to the level of work proposed to be completed in 2024/25 plus reconcile to approved EPARS.

Water and Sewer Funds

- 15 Carryovers for the Water Fund have increased by \$471,000 and decreased for the Sewer Fund by \$807,000 compared to the carryovers for the 2023/2024 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 \$
Fletcher Street Watermain Renewal	174,400
Bangalow Road upgrade - 710m DN100 - DN2	865,800
Old Mullumbimby Site - relocation of wat	576,900

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.1

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

Item	Amount \$
Inflow/Infiltration Reduction (except Mullumbimby)	384,900
Microwave Link for STP's	100,000
Mullumbimby Inflow/Infiltration Reduction	420,100
Ocean Shores SPS Renewal	266,300

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.

5 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:

- 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.*
- 15 (2) *A council must each year hold a meeting for the purpose of approving expenditure and voting money.*

In accordance with Section 211 of the Local Government (General) Regulation 2021, Council conducted an Ordinary Meeting to approve expenditure on 27 June 2024 via Resolution **24-328** to create the 2024/2025 Budget. The expenditure items that are the

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.1

subject of this report were not included in the 2024/2025 Budget Estimates, but now need to be. The intent of this report is to seek Council approval to revoke the carryovers from the 2023/2024 financial year and to adopt the budget carryovers for inclusion in the 2024/2025 Budget Estimates.

- 5 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:
- 10

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.

- 15 There are no proposed budget carryovers contained within this report subject to any general revenue funding.

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 2024

Directorate: Corporate and Community Services

Report Author: James Brickley, Manager Finance

File No: I2024/1093

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 2023/2024 financial year, reviewed as at 30 June 2024.



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 2024. It should be noted that the figures provided are subject to completion and audit of the Council's Financial Statements for 2023/2024. Any major variances will be included as part
15 of the report adopting the financial statements in October 2024.

RECOMMENDATION:

- 20 1. **That Council authorises the itemised budget variations as shown in Attachment 2 (#E2024/89025) which include the following results in the 30 June 2024 Quarterly Review of the 2023/2024 Budget:**
- a) **General Fund – \$429,000 movement to the Estimated Unrestricted Cash Result**
 - 25 b) **General Fund - \$54,423,800 increase in reserves**
 - c) **Water Fund - \$2,734,400 increase in reserves**
 - d) **Sewerage Fund - \$5,413,800 increase in reserves**
2. **That Council adopts the revised General Fund Estimated Unrestricted Cash Result of \$429,000 for the 2023/2024 financial year as at 30 June 2024.**

30 **Attachments:**

- 1 Budget Variations for General, Water and Sewerage Funds, E2024/89022 
- 2 Itemised Listing of Budget Variations for General, Water and Sewerage Funds, E2024/89025 

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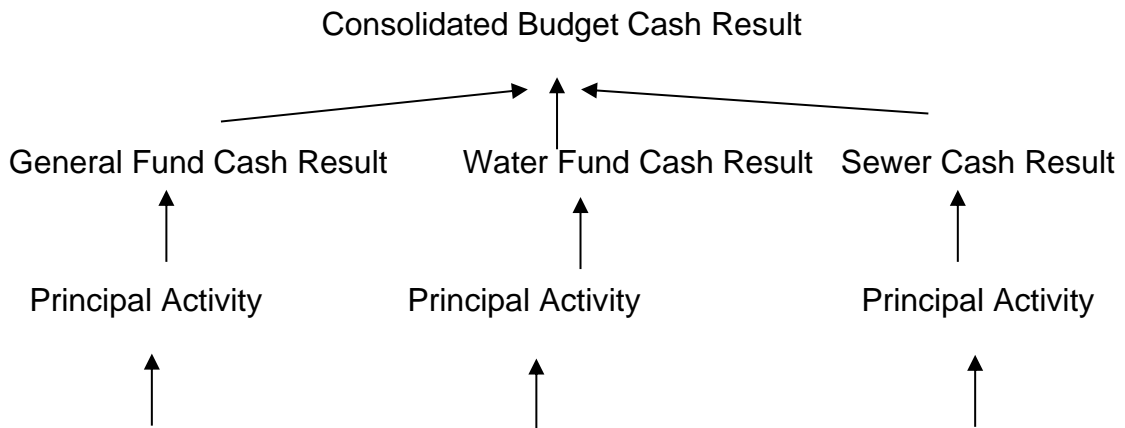
Report

Council adopted the 2023/2024 budget on 22 June 2023 via Resolution 23-280. Council also considered and adopted the budget carryovers from the 2022/2023 financial year, to be incorporated into the 2023/2024 budget at its Ordinary Meeting held on 24 August 2023 via Resolution 23-414. Since that date, Council has reviewed the budget taking into consideration the audited 2022/2023 Financial Statement results and progress through the 2023/2024 financial year. This report considers the June 2024 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:

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Operating Income	Operating Expenditure	Capital income	Capital Expenditure
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The pages within Attachment 1 are presented (from left to right) by showing the original budget as adopted by Council on 30 June 2023 plus the adopted carryover budgets from 2022/2023 followed by adjustments prior to this QBR, and the revote (or adjustment for this review) and then the revised position projected for 30 June 2024.

On the far right of the Principal Activity, there is a column titled "Note". If this is populated by a number, it indicates 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 2024 for all Council's reserves.

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

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.2

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 2023/2024 financial year projected to 30 June 2024.

2023/2024 Budget Review Statement as at 30 June 2024	Original Estimate (Including Carryovers) 1/7/2023	Adjustments to 30 June 2024 including Resolutions*	Proposed 30 June 2024 Review Revotes	Revised Estimate at 30/6/2024
Operating Revenue	117,955,300	(6,509,100)	14,657,000	126,103,200
Operating Expenditure	127,753,000	(7,131,000)	(2,552,700)	118,069,300
Operating Result – Surplus/Deficit	(9,797,700)	621,900	17,209,700	8,033,900
Add: Capital Revenue	155,394,600	(103,080,500)	20,771,100	73,085,200
Change in Net Assets	145,596,900	(102,458,600)	37,980,800	81,119,100
Add: Non Cash Expenses	20,523,000	0	0	20,523,000
Add: Non-Operating Funds Employed	10,487,100	(4,686,600)	(44,300)	5,756,200
Subtract: Funds Deployed for Non-Operating Purposes	(204,353,500)	119,251,100	25,064,500	(60,037,900)
Cash Surplus/(Deficit)	(27,746,500)	12,105,900	63,001,000	47,360,400
Restricted Funds – Increase / (Decrease)	(27,311,500)	11,670,900	62,572,000	46,931,400
Forecast Result for the Year – Surplus/(Deficit) – Unrestricted Cash Result	(435,000)	435,000	429,000	429,000

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 30 June 2024:

Opening Balance – 1 July 2023	\$0
Plus original budget movement and carryovers	(435,000)
Council Resolutions July – September Quarter	185,000
September Quarterly Budget Review	0
Council Resolutions October – December Quarter	(1,200)
December Quarterly Budget Review	1,200
Council Resolutions January – March Quarter	0
Recommendations within this Review – increase/(decrease)	250,000
Council Resolutions April – June Quarter	0
Recommendations within this Review – increase/(decrease)	429,000
Estimated Unrestricted Cash Result Closing Balance – 30 June 2024	\$429,000

- 5 The General Fund financial position overall has increased as a result of this budget review, leaving the forecast unrestricted cash result for the year at \$429,000. 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	(78,000)	122,000	(200,000)
Corporate & Community Services	4,460,700	4,242,800	217,900
Infrastructure Services	24,454,500	24,146,000	308,500
Sustainable Environment & Economy	1,232,600	1,130,000	102,600
Total Budget Movements	30,069,800	29,640,800	429,000

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.2

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 2023/2024 financial year for work not completed to be added to the 2024/2025 Budget Estimates. This report also considers the implications of that report.
- 10 There were some significant budget movements in the last quarter of the financial year with some of these relating to Council receiving significant grant payments that have now been restricted including a further \$15.774million in advance payments associated with the AGRN 1012 Flood Recovery Works, \$4.200million for the Sandhills Wetlands Project, receipt of \$1.520million for finalisation of the AGRN 1012 IRW Claim. Council also
- 15 finalised new loan borrowings in June 2024 of \$5.800million that assisted in improving the cash position at year end. The NSW Grants Commission also paid Council 75% of the 2025 Financial Assistance Grant in advance on 28 June 2024 amounting to \$3.699million.

WATER FUND

- 20 After completion of the 2022/2023 Financial Statements the Water Fund as at 30 June 2023 had a capital works reserve of \$5,702,300 and held \$1,720,900 in section 64 developer contributions.

The estimated Water Fund reserve balances as at 30 June 2024, and forecast in this Quarter Budget Review, are derived as follows:

Capital Works Reserve

Opening Reserve Balance at 1 July 2023	\$5,702,300
Plus original budget reserve movement	(3,260,600)
Resolutions July - September Quarter – increase / (decrease)	(690,700)
September Quarterly Review Adjustments – increase / (decrease)	(1,208,600)
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	251,000
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	1,033,700
Resolutions April - June Quarter – increase / (decrease)	0
June Quarterly Review Adjustments – increase / (decrease)	2,208,900
Forecast Reserve Movement for 2023/2024 – Increase / (Decrease)	(1,666,300)

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.2

Estimated Reserve Balance at 30 June 2024	\$4,036,000
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Section 64 Developer Contributions

Opening Reserve Balance at 1 July 2023	\$1,720,900
Plus original budget reserve movement	(2,193,300)
Resolutions July - September Quarter – increase / (decrease)	(917,900)
September Quarterly Review Adjustments – increase / (decrease)	2,291,800
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	31,400
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	288,100
Resolutions April - June Quarter – increase / (decrease)	0
June Quarterly Review Adjustments – increase / (decrease)	525,500
Forecast Reserve Movement for 2023/2024 – Increase / (Decrease)	25,600
Estimated Reserve Balance at 30 June 2024	\$1,746,500

Movements for Water Fund can be seen in Attachment 1 with a proposed estimated increase to reserves (including S64 Contributions) overall of \$2,734,400 from the 30 June 2024 Quarter Budget Review.

5 SEWERAGE FUND

After completion of the 2022/2023 Financial Statements the Sewer Fund as at 30 June 2023 had a capital works reserve of \$3,935,500 and plant reserve of \$896,200. It also held \$5,448,900 in section 64 developer contributions and a \$272,500 unexpended grant.

Capital Works Reserve

Opening Reserve Balance at 1 July 2023	\$3,935,500
Plus original budget reserve movement	(504,300)
Resolutions July - September Quarter – increase / (decrease)	(1,613,600)
September Quarterly Review Adjustments – increase / (decrease)	(666,600)
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	2,479,100
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	338,500
Resolutions April - June Quarter – increase / (decrease)	0

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.2

June Quarterly Review Adjustments – increase / (decrease)	3,305,900
Forecast Reserve Movement for 2023/2024 – Increase / (Decrease)	3,339,000
Estimated Reserve Balance at 30 June 2024	\$7,274,500

Plant Reserve

Opening Reserve Balance at 1 July 2023	\$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 2023/2024 – Increase / (Decrease)	0
Estimated Reserve Balance at 30 June 2024	\$896,200

It is proposed to create a reserve for Property Development -Temporary Housing funded from income received for temporary housing on Sewer Fund land.

5 Property Development Reserve – Temporary Housing

Opening Reserve Balance at 1 July 2023	\$0
Plus original budget reserve movement	136,200
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

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.2

June Quarterly Review Adjustments – increase / (decrease)	0
Forecast Reserve Movement for 2023/2024 – Increase / (Decrease)	136,200
Estimated Reserve Balance at 30 June 2024	\$136,200

Public Works – March 2022 Flood Event Grant

Opening Reserve Balance at 1 July 2023	\$272,500
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)	211,300
Resolutions April - June Quarter – increase / (decrease)	0
June Quarterly Review Adjustments – increase / (decrease)	(230,700)
Forecast Reserve Movement for 2023/2024 – Increase / (Decrease)	253,100
Estimated Reserve Balance at 30 June 2024	\$253,100

Section 64 Developer Contributions

Opening Reserve Balance at 1 July 2023	\$5,448,900
Plus original budget reserve movement	(610,000)
Resolutions July - September Quarter – increase / (decrease)	(865,700)
September Quarterly Review Adjustments – increase / (decrease)	193,300
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	1,135,100
Resolutions January - March Quarter – increase / (decrease)	0
March Quarterly Review Adjustments – increase / (decrease)	403,100
Resolutions April - June Quarter – increase / (decrease)	0
June Quarterly Review Adjustments – increase / (decrease)	2,338,600
Forecast Reserve Movement for 2023/2024 – Increase / (Decrease)	2,594,400
Estimated Reserve Balance at 30 June 2024	\$8,043,300

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.2

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 \$5,413,800 from the 30 June 2024 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.

10 The table below indicates the allocated budget and actual legal expenditure within Council on a fund basis as at 30 June 2024. It is proposed to increase the Legal Services reserve by \$200,000 at this Quarterly Budget Review to cover any unexpected expenditure in the 2024/2025 financial years and beyond.

Total Legal Income & Expenditure as at 30 June 2024

Program	2023/2024 Budget (\$)	Actual (\$)	Percentage To Revised Budget
Income			
Legal Expenses Recovered	0	48,800	0%
Total Income	0	48,800	0%
Expenditure			
General Legal Expenses	210,000	308,050	147.69%
Total Expenditure General Fund	210,000	308,050	147.69%

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

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

- 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*
- 10 *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*
- 15 *(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 2024 Quarter Budget Review of the 2023/2024 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 but the pleasing note is the projection of being able to end the financial year with \$429,000 in unrestricted cash, in addition to setting aside \$200,000 in the legal services

25 reserve.

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 2024 which will also be subject to external independent audit.

30 It is expected that Council will receive a report regarding the formal adoption of its financial statements for the year ended 30 June 2024 at its Ordinary Meeting in October 2024.