

# 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, 20 February 2025
Time	2:00 PM

Esmeralda Davis  
Director Corporate and Community Services

I2025/179  
Distributed 17/02/25

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## 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](#).**

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## RECORDING OF VOTING ON PLANNING MATTERS

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

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

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## OATH AND AFFIRMATION FOR COUNCILLORS

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

# BYRON SHIRE COUNCIL

## BUSINESS OF MEETING

### 1. APOLOGIES

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

### 3. MINUTES FROM PREVIOUS MEETINGS

- 3.1 Adoption of Minutes of the Finance Advisory Committee Meeting held 8 August 2024 ..... 6

### 4. STAFF REPORTS

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

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**MINUTES FROM PREVIOUS MEETINGS**

**Report No. 3.1 Adoption of Minutes of the Finance  
Advisory Committee Meeting held 8 August  
2024**

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**Directorate:** Corporate and Community Services

**File No:** I2025/168

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**RECOMMENDATION:**

**That the minutes of the Finance Advisory Committee Meeting held on 8 August 2024 be noted.**

15 **Attachments:**

1 Minutes 08/08/2024 Finance Advisory Committee, I2024/1122 

# BYRON SHIRE COUNCIL

## MINUTES FROM PREVIOUS MEETINGS

3.1

### **Report**

The attachment to this report provides the minutes of the Finance Advisory Committee Meeting of 8 August 2024.

#### 5 **Report to Council**

The minutes were reported to Council on

#### **Comments**

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

10 **24-434 Resolved** that Council notes the minutes of the Finance Advisory Committee Meeting held on 8 August 2024. (Lyon/Ndiaye)

**24-435 Resolved** that Council adopts the following Committee recommendation:

15 Report No. 3.1 Adoption of Minutes of the Finance Advisory Committee Meeting held 9 May 2024  
File No: I2024/735  
Committee Recommendation 3.1.1

That the minutes of the Finance Advisory Committee Meeting held on 9 May 2024 be confirmed. (Lyon/Ndiaye)

**24-436 Resolved** that Council adopts the following Committee recommendation:

20 Report No. 4.1 Carryovers for Inclusion in the 2024-2025 Budget  
File No: I2024/1089  
Committee Recommendation 4.1.1

25 That Council approves the works and services (with respective funding) shown in Attachment 1 (#E2024/88511) to be carried over from the 2023/2024 financial year and that the carryover budget allocations be adopted as budget revotes for inclusion in the 2024/2025 Budget Estimates. (Lyon/Ndiaye)

**24-437 Resolved** that Council adopts the following Committee recommendation:

30 Report No. 4.2 Budget Review - 1 April to 30 June 2024  
File No: I2024/1093  
Committee Recommendation 4.2.1

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:

# BYRON SHIRE COUNCIL

## MINUTES FROM PREVIOUS MEETINGS

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- 5
- a) General Fund – \$429,000 movement to the Estimated Unrestricted Cash Result
  - 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. (Lyon/Ndiaye).



STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

**Report No. 4.1      Budget Review - 1 October to 31 December 2024**

5    **Directorate:**                      Corporate and Community Services  
**Report Author:**                  James Brickley, Manager Finance  
**File No:**                              I2025/134

**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 2024/2025 financial year, reviewed as at 31 December 2024.

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

20    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.

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**RECOMMENDATION:**

**That Council:**

- 25    1.    **Authorises the itemised budget variations as shown in Attachment 2 (#E2025/15611) which include the following results in the 31 December 2024 Quarterly Review of the 2024/2025 Budget:**
- 27        a)    **General Fund – \$75,500 decrease to the Estimated Unrestricted Cash Result**
  - 30        b)    **General Fund - \$9,502,200 increase in reserves**
  - c)    **Water Fund - \$671,600 increase in reserves**
  - d)    **Sewerage Fund - \$1,405,200 increase in reserves**
- 32    2.    **Adopts the revised General Fund Estimated Unrestricted Cash Surplus of \$400,000 for the 2024/2025 financial year as at 31 December 2024.**

**Attachments:**

- 35    1      Budget Variations for General, Water and Sewerage Funds, E2025/15610 

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## STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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- 2 Itemised Listing of Budget Variations for General, Water and Sewerage Funds, E2025/15611
- 3 Integrated Planning and Reporting Framework (IP&R) required Quarterly Review Statements, E2025/15612

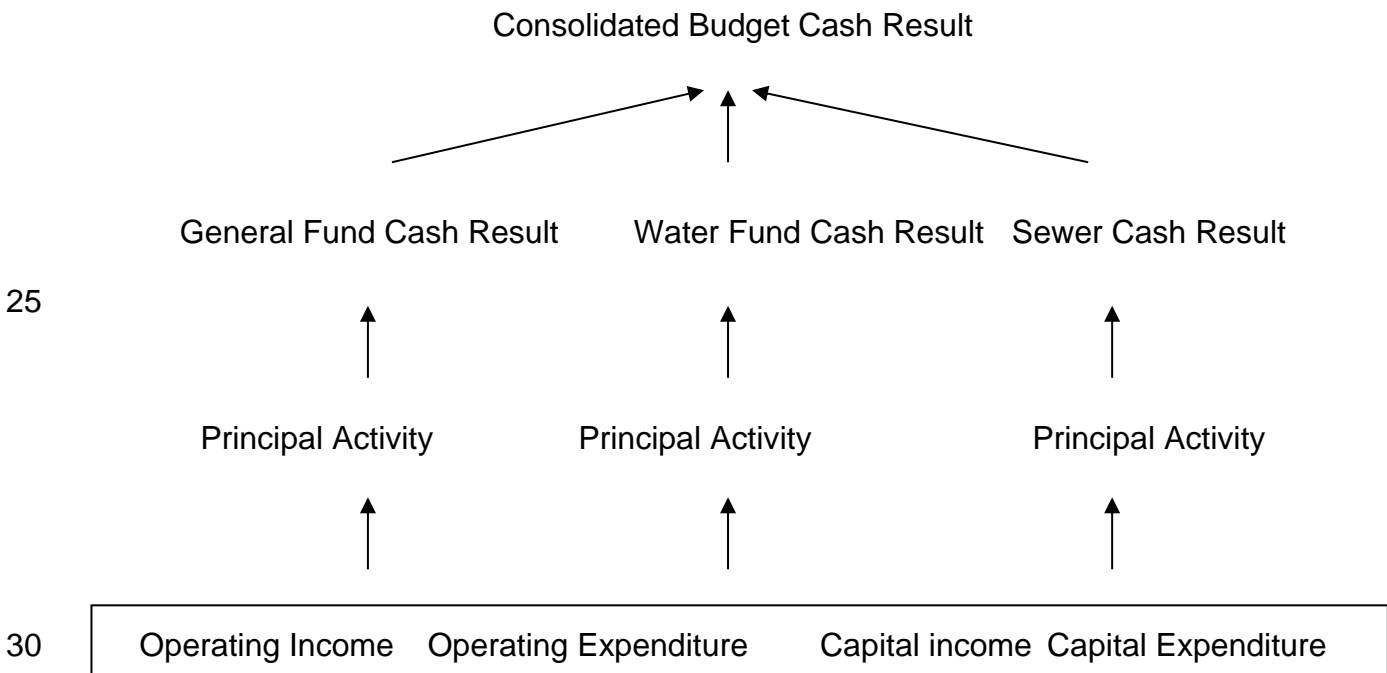
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### Report

10 Council adopted the 2024/2025 budget on 27 June 2024 via Resolution **24-328**. Council also considered and adopted the budget carryovers from the 2023/2024 financial year, to be incorporated into the 2024/2025 budget at its Ordinary Meeting held on 15 August 2024 via Resolution **24-380** and the September Quarterly Budget review adopted by Council at its ordinary meeting held on 28 November 2024 via resolution **24-545**. Since that date, Council has reviewed the budget and progress through the first half of the 2024/2025 financial year. This report considers the December 2024 Quarter Budget Review (QBR).

15 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.

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



35 The pages within Attachment 1 are presented (from left to right) by showing the original budget as adopted by Council on 30 June 2024 plus the adopted carryover budgets from 2023/2024, followed by the resolutions between July and December and the revote (or

# BYRON SHIRE COUNCIL

## STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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adjustment for this review) and next, the revised position projected for 30 June 2025 as at 31 December 2024.

5 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 2025 for all Council's reserves.

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

### 10 **Office of Local Government Budget Review Guidelines:**

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.

15 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.

20 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 (QBRs):

- 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 QBRs
- Budget review income and expenses statement in one of the following formats:
  - Consolidated
  - 25 ○ 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
- Budget Review Key performance indicators
- 30 • 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**

35 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

5 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

10 This statement reconciles Council's restricted funds (reserves) against available cash and investments. Council has attempted to indicate an actual position as at 31 December 2024 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 (KPIs)

At this stage, the KPIs within this report are:

- 15 ○ **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.
- 20 ○ **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.

25 Contracts and Other Expenses - This report highlights any contracts Council entered into during the July to September quarter that are greater than \$50,000.

### CONSOLIDATED RESULT

30 The following table provides a summary of the overall Council budget on a consolidated basis inclusive of all Funds' budget movements for the 2024/2025 financial year projected to 30 June 2025, revised as at 31 December 2024.

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### STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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2024/2025 Budget Review Statement as at 31 December 2024	Original Estimate (Including Carryovers) 1/7/2024	Adjustments to 31 Dec 2024 including Resolutions*	Proposed 31 Dec 2024 Review Revotes	Revised Estimate 30/6/2025 at 31/12/2024
Operating Revenue	121,626,000	(3,762,300)	2,460,400	120,324,100
Operating Expenditure	127,469,300	1,365,900	2,198,800	131,034,000
<b>Operating Result – Surplus/Deficit</b>	<b>(5,843,300)</b>	<b>(5,128,200)</b>	<b>261,600</b>	<b>(10,709,900)</b>
Add: Capital Revenue	52,658,200	(20,278,400)	(1,818,000)	30,561,800
<b>Change in Net Assets</b>	<b>46,814,900</b>	<b>(25,406,600)</b>	<b>(1,556,400)</b>	<b>19,851,900</b>
Add: Non Cash Expenses	20,657,300	0	0	20,657,300
Add: Non-Operating Funds Employed	9,941,100	200,600	(687,500)	9,454,200
Subtract: Funds Deployed for Non-Operating Purposes	104,669,500	(6,342,800)	(13,747,400)	84,579,300
<b>Cash Surplus/(Deficit)</b>	<b>(27,256,200)</b>	<b>(18,863,200)</b>	<b>11,503,500</b>	<b>(34,615,900)</b>
Restricted Funds – Increase / (Decrease)	(27,331,700)	(18,863,200)	11,579,000	(34,615,900)
<b>Forecast Result for the Year – Surplus/(Deficit) – Unrestricted Cash Result</b>	<b>75,500</b>	<b>0</b>	<b>(75,500)</b>	<b>0</b>

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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 September 2024:

<b>Opening Balance – 1 July 2024</b>	<b>\$400,000</b>
Plus original budget movement and carryovers	75,500
Council Resolutions July – September Quarter	0
Recommendations within this Review – increase/(decrease)	0
Council Resolutions October – December Quarter	0
Recommendations within this Review – increase/(decrease)	(75,500)
<b>Estimated Unrestricted Cash Result Closing Balance – 30 June 2025</b>	<b>\$400,000</b>

5 The General Fund financial position overall has decreased by \$75,500 as a result of this budget review, leaving the forecast cash result for the year at an estimated balanced budget result and an estimated unrestricted cash result of \$400,000. The proposed budget changes are detailed in Attachment 1 and summarised further in this report below.

## Council Resolutions

10 There were no Council resolutions that impacted the budget result during the October to December quarter.

## 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	258,600	258,600	0
Corporate & Community Services	800,800	681,100	119,700
Infrastructure Services	(1,668,700)	(1,439,300)	(229,400)
Sustainable Environment & Economy	297,200	263,000	34,200
<b>Total Budget Movements</b>	<b>(312,100)</b>	<b>(236,600)</b>	<b>(75,500)</b>

## Budget Adjustment Comments

15 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

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provided in Attachment 1. The major additional items included are summarised below by Directorate and are included in the overall budget adjustments table above.

### **General Managers Office**

- 5 • In the General Managers program, it is proposed to increase operating expenditure due to additional legal expenses \$125,000 and expenses for the Byron Town Centre Master Plan \$24,800.
- 10 • In the People & Culture program, it is proposed to increase operating income due to a performance rebate received from Statecover transferred to the People & Culture Reserve \$108,800.

### **Corporate and Community Services**

- 15 • In the General Purpose Revenue program, it is proposed to increase operating income as a result of the TfNSW Natural Disaster advance payments being invested, with the interest earned over the last six months being transferred to the Infrastructure Recovery Contingency reserve.
- 20 • In the Corporate Services program, it is proposed to increase operating income by \$116,600 due to income received from insurance claim recoveries related to the February/March 2022 flood event.
- In the Community Development program, it is proposed to increase operating income and expenditure due to a grant being approved for Spontaneous Volunteering (\$100,000) and Public Art Voluntary Planning Contributions (\$72,700).

### **Infrastructure Services**

- 25 • In the Local Roads and Drainage program, there are a number of adjustments outlined under Note 8 on pages 54 to 57 in the Budget Variations explanations section of Attachment 1. Further disclosure is included on the second page of Attachment 2 under the budget program heading Local Roads and Drainage.
- 30 • In the Transport for New South Wales program (TfNSW), it is proposed to increase operating income due to a payment being received from TfNSW for the April 2024 Natural Disaster (AGRN 1119). It is proposed to increase operating expenditure by \$276,100 to match the actual expenditure incurred in 2025. It is proposed to transfer \$200,000 from the Infrastructure Services Carryover reserve to fund Council's
- 35 contribution as an opt in Council. The remaining \$1,278,100 can be transferred to, and clear the negative reserve that funded the 2023/24 expenditure
- 40 • In the Infrastructure Recovery program, It is proposed to adjust capital expenditure by for various EPAR's to bring the budgets to an approved level of expected expenditure for the 2024/25 financial year.

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- 5 • In the Open Space and Recreation program, there are a number of adjustments outlined under Note 11 on pages 59 and 60 in the Budget Variations explanations section of Attachment 1. Further disclosure is included on the fourth page of Attachment 2 under the budget program heading Open Space & Recreation.
- 10 • In the Waste Management program, it is proposed to decrease various capital works due to works not being undertaken this financial year. Further disclosure is included on the fourth page of Attachment 2 under the budget program heading Waste & Recycling.
- 15 • In the First Sun Holiday Park program, it is proposed to decrease various capital works due to works not being undertaken this financial year. Further disclosure is included on the fourth page of Attachment 2 under the budget program heading First Sun.
- 20 • In the Facilities Management program, it is proposed to increase operating income due to a grant received from the Department of Climate Change, Energy, the Environment and Water (DCCEEW) for Councils electric vehicle (EV) charging stations (\$18,900) and income received from the actual charging stations (\$13,000). It is proposed to increase operating expenditure due to the installation of new EV chargers (\$29,400), an increase to the budget for the Infrastructure Recovery office renovations (\$70,500), General Community buildings maintenance (\$49,700) and a decrease to the new roof at Federal pre school (\$70,000).

### **Sustainable Environment and Economy**

- 25 • In the Planning Policy & Natural Environment program, it is proposed to increase operating income and expenditure due to grants being approved for the Northern rivers Watershed Initiative - Soil Mentor (\$50,000) and the Housing Support program – Stream One (\$185,000). It is proposed to increase operating expenditure by a further \$8,000 due to the creation of a budget for the Brunswick Heads Foreshore Community Opportunity Workshop (\$23,000) and a decrease to the Bangalow Village Plan (\$15,000). The \$15,000 for the Bangalow Village Plan has been moved to the Open  
30 Space & Recreation program to assist with the Stage 1 rollout of the Street Tree plan.
- In the Economic Development program, it is proposed to increase operating expenditure due to a budget being required to fund a Council contribution to the North Coast Tourism Symposium and Tourism Awards that Council will be hosting.

### **35 WATER FUND**

After completion of the 2023/2024 Financial Statements the Water Fund as at 30 June 2024 has a capital works reserve of \$4,111,700 and held \$1,746,500 in section 64 developer contributions.

40 The estimated Water Fund reserve balances as at 30 June 2025, and forecast in this Quarter Budget Review, are derived as follows:



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## STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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### Capital Works Reserve

<b>Opening Reserve Balance at 1 July 2024</b>	<b>\$4,111,700</b>
Plus original budget reserve movement	(3,820,500)
Resolutions July - September Quarter – increase / (decrease)	0
September Quarterly Review Adjustments – increase / (decrease)	1,099,200
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	374,300
<b>Forecast Reserve Movement for 2024/2025 – Increase / (Decrease)</b>	<b>(2,347,000)</b>
<b>Estimated Reserve Balance at 30 June 2025</b>	<b>\$1,764,700</b>

### Section 64 Developer Contributions

<b>Opening Reserve Balance at 1 July 2024</b>	<b>\$1,746,500</b>
Plus original budget reserve movement	(1,253,000)
Resolutions July - September Quarter – increase / (decrease)	0
September Quarterly Review Adjustments – increase / (decrease)	1,026,400
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	297,300
<b>Forecast Reserve Movement for 2024/2025 – Increase / (Decrease)</b>	<b>70,700</b>
<b>Estimated Reserve Balance at 30 June 2025</b>	<b>\$1,817,200</b>

- 5 Movements for Water Fund can be seen in Attachment 1 with a proposed estimated increase to reserves (including S64 Contributions) overall of \$671,600 from the 31 December 2024 Quarter Budget Review.

### **SEWERAGE FUND**

- 10 After completion of the 2023/2024 Financial Statements the Sewer Fund as at 30 June 2024 has a capital works reserve of \$7,577,100 and plant reserve of \$896,200. It also held \$8,043,300 in section 64 developer contributions and a \$272,500 unexpended grant.

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### STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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#### Capital Works Reserve

<b>Opening Reserve Balance at 1 July 2024</b>	<b>\$7,577,100</b>
Plus original budget reserve movement	(2,588,900)
Resolutions July - September Quarter – increase / (decrease)	0
September Quarterly Review Adjustments – increase / (decrease)	881,200
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	1,150,000
<b>Forecast Reserve Movement for 2024/2025 – Increase / (Decrease)</b>	<b>(557,700)</b>
<b>Estimated Reserve Balance at 30 June 2025</b>	<b>\$7,019,400</b>

#### Plant Reserve

<b>Opening Reserve Balance at 1 July 2024</b>	<b>\$896,200</b>
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
<b>Forecast Reserve Movement for 2024/2025 – Increase / (Decrease)</b>	<b>0</b>
<b>Estimated Reserve Balance at 30 June 2025</b>	<b>\$896,200</b>

The below reserve is funded from income received for temporary housing on Sewer Fund land.

#### 5 Property Development Reserve – Temporary Housing

<b>Opening Reserve Balance at 1 July 2024</b>	<b>\$136,200</b>
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
<b>Forecast Reserve Movement for 2024/2025 – Increase / (Decrease)</b>	<b>136,200</b>
<b>Estimated Reserve Balance at 30 June 2025</b>	<b>\$272,400</b>

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## STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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### Section 64 Developer Contributions

<b>Opening Reserve Balance at 1 July 2024</b>	<b>\$8,043,300</b>
Plus original budget reserve movement	(7,500)
Resolutions July - September Quarter – increase / (decrease)	0
September Quarterly Review Adjustments – increase / (decrease)	(1,050,000)
Resolutions October - December Quarter – increase / (decrease)	0
December Quarterly Review Adjustments – increase / (decrease)	255,200
<b>Forecast Reserve Movement for 2024/2025 – Increase / (Decrease)</b>	<b>802,300</b>
<b>Estimated Reserve Balance at 30 June 2025</b>	<b>\$7,241,000</b>

### Unexpended Public Works Grant

<b>Opening Reserve Balance at 1 July 2024</b>	<b>\$253,149</b>
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
<b>Forecast Reserve Movement for 2024/2025 – Increase / (Decrease)</b>	<b>0</b>
<b>Estimated Reserve Balance at 30 June 2025</b>	<b>\$253,149</b>

- 5 Movements for the Sewerage Fund can be seen in Attachment 1 with a proposed estimated overall increase to reserves (including S64 Contributions) of \$1,405,200 from the 31 December 2024 Quarter Budget Review.

### **Legal Expenses**

A financial concern 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 December 2024.

## BYRON SHIRE COUNCIL

### Total Legal Income & Expenditure as at 31 December 2024

Program	2024/2025 Budget (\$)	Actual (\$)	Percentage To Revised Budget
<b>Income</b>			
Legal Expenses Recovered	0	0	0%
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Expenditure</b>			
General Legal Expenses	225,000	260,854	115.93%
<b>Total Expenditure General Fund</b>	<b>225,000</b>	<b>260,854</b>	<b>115.93%</b>

5 Note: It is proposed to increase the Legal Services budget by a further \$125,000 at this QBR, funded from the Legal Service reserve as legal expenses are trending higher than the existing budget. This should continue to be monitored to ensure there is enough funding for future expenses. This transfer from the Legal Services Reserve brings the budget into line with actual expenditure. The remaining reserve balance of \$75,000 may be required at a future quarterly budget review to cover these increased costs.

## 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.

### 10 Legal/Statutory/Policy Considerations

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

- 15 (1) *Not later than 2 months after the end of each quarter (except the June quarter), the responsible accounting officer of a council must prepare and submit to the council a budget review statement that shows, by reference to the estimate of income and*

# BYRON SHIRE COUNCIL

## STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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*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:*

5 (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.*

10 (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 December 2024 Quarter Budget Review of the 2024/2025 Budget has left the overall estimated budget result at \$0. This leaves the movement against the unrestricted cash balance attributable to the General Fund to an estimated balanced result for the year, leaving the unrestricted cash balance attributable to the General Fund at an estimated \$400,000 surplus at 30 June 2025.

20 It is the view of the Responsible Accounting Officer that the short term financial position of the Council is satisfactory for the 2024/2025 financial year, having consideration of the original estimate of income and expenditure at the 30 September 2024 Quarter Budget Review.

25 This opinion is based on the estimated General Fund Unrestricted Cash Result position and that the current indicative budget position for 2024/2025 outlined in this Budget Review is maintained or further improved through the remaining quarterly budget reviews for the 2024/2025 financial year. Council must remember it has a short term financial goal of maintaining \$1,000,000 in unrestricted cash.

30 As further comment, Council is experiencing cost pressures in providing adequate maintenance funding in the areas of local roads and open spaces. These budget areas have been through a significant review as part of this Quarterly Budget Review to address current trending expenditures. This may likely require further review in the 31 March 2025 Quarterly Budget Review but it is demonstrating the strain on Council's financial position and its lack of ability to fund any new initiatives without reducing services/expenditure in other areas.

35 It is essential that the Quarterly Budget Reviews for the March 2025 Quarter further carefully consider in terms of delivery capacity and Council's financial position as preparations for the 2025/2026 Budget Estimates have commenced but outcomes for the rest of 2024/2025 will feed into the proposed 2025/2026 budget estimates.

**Report No. 4.2      Natural Disaster Recovery - Financial Reporting**

**Directorate:** Corporate and Community Services

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

5 **File No:** I2025/152

**Summary:**

10 The purpose of this report is to provide a background and a financial update to the Finance Advisory Committee on Council's response to infrastructure recovery following recent Natural Disasters with a particular focus on AGRN 1012 – February/March 2022 flood events given the scale and damage caused by that event.


15 It is proposed to provide a report to the Finance Advisory Committee at each quarterly meeting moving forward to provide ongoing updates in a financial sense on the infrastructure recovery associated with Natural Disasters to highlight this significant expenditure activity undertaken by Council that is in addition to business-as-usual operations.

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**RECOMMENDATION:**

20 **That the Finance Advisory Committee note the Natural Disaster Recovery Financial Report.**

**Attachments:**

25 1 AGRN 1012 Financial Summary as at 2 February 2025, E2025/13653 

## Report

5 The purpose of this report is to provide a background and a financial update to the Finance Advisory Committee on Council's response to infrastructure recovery following recent Natural Disasters with a particular focus on AGRN 1012 – February/March 2022 flood events given the scale and damage caused by the two flood events.

Provided below in the Financial Considerations and Legal/Statutory/Policy Considerations sections of this report is a brief description of the potential financial risks to Council regarding Natural Disasters along with how Natural Disaster Funding works in New South Wales as background.

10 Currently Council is dealing with two current Natural Disasters and has recently finalised a third. These events are as follows:

### Transport for NSW – AGRN 1119 – April 2024 Rain Event

15 The final Immediate Reconstruction Works (IRW) claim for AGRN 1119 relating to the April 2024 Rain Event was lodged with Transport for NSW on 24 September 2024. The claim amount was \$1,554,200.72. Of this amount Council will need to contribute \$199,965.00 as an 'opt-in' Council for this event and was able to be set aside at 30 June 2024. The final claim has been assessed with a funding letter issued by Transport for NSW and payment of \$1,354,208.96 was received on 30 January 2025. Given this claim has been finalised there will be no further reporting regarding AGRN 1119.

### Transport for NSW – AGRN 1172 – December 2024 Rain Event

20 Council finally received formal notification on 29 January 2025 that the December 2024 Rain Event was declared a Natural Disaster allowing Council to access funding for restoration of road damage incurred. Works are currently underway and at the date of this report \$159,251.49 (GL 4856) has been expended on Emergency Works and \$350,053.80  
25 (GL 4861) on Immediate Repair Works for a total of \$509,305.29 in actual costs. This event is still being worked through with Transport for NSW but current estimates for damage are in the vicinity of \$3.5million subject to change.

### Public Works Advisory & Transport for NSW – AGRN 1012 - February/March 2022 Floods – EPAR+EW+IRW

30 The February March 2022 flood events caused extensive damage to Council's infrastructure. Given it is now nearly three years post event, Council has finalised all claims associated with Public Works Advisory for damage and cleanup related to Council buildings, open space assets, swimming pools, and kerbside waste collection post flood.  
35 All claims with Public Works Advisory have been finalised with the exception of the last claims concerning restoration works for open space assets. Seventy five percent of the claim has been paid but the remainder of the claim will not be paid until an audit is undertaken. The timing of the audit is unknown.

40 In terms of restoration works with Transport for NSW, the Emergency Works and Immediate Repair Works claims associated with AGRN 1012 have been claimed, assessed, finalised and paid by Transport for NSW. Council is now dealing with Essential

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## STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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Public Asset Restoration (EPAR) works. The extensive schedule of EPAR works are listed at Attachment 1.

5 The financial report provided at Attachment 1 is designed to work as a register for each EPAR, EW and IRW claims. It provides a view of each EPAR, EW and IRW claim individual status and overall totals and contains the amounts referred to in this report. It is current as at 2 February 2025 and will be updated for each Finance Advisory Committee Meeting moving forward.

10 Total approvals for EPAR+EW+IRW works for AGRN 1012 have now reached \$162,722,365.31 representing all EPAR+EW+IRW approvals now completed. Complete approval of all EPARS has taken more than two years post event.

Cumulative expenditure across Emergency Works, Immediate Repair Works and Essential Public Asset Restoration Works has reached \$52,304,104.96 in actual costs excluding commitments.

15 To date Council has received \$10,000,000.00, \$19,968,537.32 and \$15,7774,296.72 cashflow support payments, in addition to claim payments. The current amount outstanding overall on a cashflow basis is zero and Council has \$18,980,700.94 currently available in funding. Transport for NSW have designed a process called a 'Tripartite Agreement' being an agreement between Council, the NSW Reconstruction Authority and Transport for NSW to provide payments in advance of expenditure principally due to the scale of damage caused by AGRN 1012. Council's need to opt into this Agreement.

25 As this is the first report provided to the Finance Advisory Committee regarding the significant activity and expenditure associated with natural disaster responses, future reports will outline the financial matters related to AGRN 1012 and AGRN 1172. These reports will include updates at the time of preparation to keep the Committee informed on an ongoing basis about infrastructure restoration efforts. If, and hopefully not, but if there are future Natural Disaster declared events, these events will also be added to future reports to the Finance Advisory Committee.

## 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	1.3.1.8	Administer flood recovery claims for AGRN1012 and prepare relevant reports to Infrastructure Recovery Project Control Group



## Legal/Statutory/Policy Considerations

The Commonwealth and State Governments provide funding to Councils that incur infrastructure damage as a result of Natural Disasters. To access funding the Natural Disaster has to be a declared event otherwise any expenditure rests with Council to fund.

- 5 There are significant rules around the provision of Natural Disaster Funding and that is covered by the Commonwealth Disaster Recovery Funding Arrangements (DRFA).

- 10 The NSW State Government has also published their own NSW Disaster Assistance Guidelines in 2021. The NSW Government Agency responsible was the former Resilience NSW that has been disbanded and replaced by the NSW Reconstruction Authority. The NSW Reconstruction Authority provides funding for declared natural disaster that are either co-ordinated by Public Works Advisory (PWA) for all assets classes other than roads and bridges and Transport for NSW (TfNSW) for roads and bridges.

The NSW Disaster Assistance Guidelines 2021 can be accessed via the following link:

[NSW Disaster Assistance Guidelines 2021](#)

## 15 Financial Considerations

Primarily Council is reimbursed the cost of restoration of Infrastructure damaged as a result of a declared Natural Disaster. This can be by way of Natural Disaster funding via either the following:

### 1. Emergency Works (EW) Claims

- 20 These claims cover the immediate actions taken to protect lives, property, and public health and safety during and immediately after a natural disaster. This includes activities like debris removal, temporary repairs, and emergency services.

### 2. Immediate Restoration Works (IRW) Claims

- 25 These claims focus on the rapid restoration of essential services and infrastructure to ensure community functionality. This includes quick repairs to roads, bridges, utilities, and other critical infrastructure to restore basic services as soon as possible.

### 30 3. Essential Public Asset Restoration (EPAR) Claims

These claims pertain to the long-term restoration and reconstruction of public assets that are essential for community well-being. This includes comprehensive repairs and rebuilding of public buildings, infrastructure, and facilities to their pre-disaster condition

- 35 Council also has property insurance for insurable assets. Insurance also provides a mechanism to provide funding for the restoration of assets that are not covered by Natural Disaster funding.

There is significant financial risk to Council associated with Natural Disaster restoration for the following scenarios:

## BYRON SHIRE COUNCIL

### STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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1. Council has to respond immediately and start expending funds on restoration works prior to a declaration of a Natural Disaster event is made. If the declaration is not made, Council will have to fund the costs.
- 5 2. Council has to fund up front on a cashflow basis the expenditure to undertake the works, albeit advance assistance has been provided in respect of AGRN 1012, due to its scale.
3. Claims are subject to an approval process which can include moderation of costs claimed if deemed not in accord with the guidelines. Any costs incurred that are moderated become Council's to fund.
- 10 4. There can be a significant time period that passes from lodgement of a final claim until the claim is actually paid.
- 15 5. As an 'opt-in' Council, Council is able to use its day labour and equipment to complete restoration works but for each declared Natural Disaster event, Council also has to make a financial contribution. This is based on a formula associated with Council's rate income and currently is sitting at \$200,000 per declared event that Council lodges a claim.