

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

**Report No. 13.3 Budget: Mayor - Discretionary Allowance**

**Directorate:** Corporate and Community Services

**Report Author:** Esmeralda Davis, A/Manager Corporate Services

5 **File No:** I2021/288

**Summary:**

10 One method that Council uses to support community groups, organisations, and local schools is through the provision of funding by way of the 'Mayor's Discretionary Allowance'. This funding has traditionally been made available through two separate budget allocations; one for pre-determined individual prizes/awards, the other available to be applied at the Mayor's discretion with Council endorsement by resolution.

The 2020/21 Budget adopted by Council includes a total allocation of \$3,900 for the Mayor's Discretionary Allowance, with \$1,900 allocated to 12 individual prizes/awards and the balance of \$2,000 unallocated, to be applied at the Mayor's discretion.

15 This report recommends that the total annual budget allocation for the Mayor's Discretionary Allowance be pooled and unallocated, giving maximum flexibility and discretion to the incoming Mayor, following the 2021 Local Government Elections in September.

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**RECOMMENDATION:**

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- 1. That Council determines an annual budget allocation for the Mayor's Discretionary allowance each year, through the standard budget process, with distribution of this fund to be determined at the Mayor's discretion and endorsed by Council Resolution on an annual basis.**
  - 2. That the Mayor's Discretionary Fund budget allocation in 2021/22 be \$3,900.**

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### Report

The 2020/21 Budget adopted by Council includes a total allocation of \$3,900 for the Mayor's Discretionary Allowance, with \$1,900 allocated to 12 individual prizes/awards and the balance of \$2,000 to be applied at the Mayor's discretion. This is shown in the table below.

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#### Mayor's Discretionary Allowance 2020/21

Ledger	Description	Amount
2153.1	Byron Bay High School Prize Giving Ceremony	\$100.00
2153.2	Mullumbimby High School Prize Giving Ceremony	\$100.00
2153.3	Byron Rudolf Steiner Prize Giving Ceremony	\$100.00
2153.4	Mullumbimby Shearwater Prize Giving Ceremony	\$100.00
2153.5	Byron High Art Encouragement Award	\$100.00
2153.6	Mullumbimby High Art Encouragement Award	\$100.00
2153.7	Rudolf Steiner Art Encouragement Award	\$100.00
2153.8	Shearwater Steiner Art Encouragement Award	\$100.00
2153.9	Byron Arts Classic Acquisition Prize	\$500.00
2153.11	SNAP Youth Photography Competition	\$200.00
2153.12	Bruns heads Simple Pleasures Photo Comp	\$100.00
2153.13	Unallocated	\$2000.00
2153.14	Ocean Shores Art Expo	\$300.00

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This distribution of funds (excluding ledger 2153.13 *Unallocated*) was determined by Council resolution in 2011 (Res 11-728). Ledger 2153.13 *Unallocated* \$2,000, was subsequently added to the budget and adopted by Council in 2012.

5 A recent review of these allocations shows that 3 of the competition prizes have not been issued for several years:

- SNAP Youth Photography Competition: Last payment made end of 2014 financial year
- Byron Arts Classic Acquisition Prize: Last payment made end of 2016 financial year, this event has been disbanded.
- 10 - Brunswick Heads Simple Pleasures Photography Competition: Last payment made end of 2016 financial year

The Ocean Shores Art Expo remains current although, due to COVID-19, it did not go ahead in 2020 and therefore no prize money has been awarded this financial year.

15 Of the estimated 21 schools in the shire, only 4 are currently the beneficiaries of prizes/awards from this fund in accordance with Res 11-728: Byron Bay High School, Mullumbimby High School and Cape Byron Rudolph Steiner School and, Shearwater Steiner School. These school prizes are an automatic donation issued annually.

20 The distribution of the unallocated portion of the Mayor's Discretionary Allowance is determined, when a request has been made to the Mayor, by resolution of Council as per s356 of the Local Government Act and Res 09-349:

*"09-349 Resolved that Council confirm that all s356 donations, to be made from the budget allocation "Mayor – Discretionary Allowance", must be the subject of a resolution of the Council at Ordinary or Extraordinary meeting."*

25 The development of the 2021/22 draft budget along with the impending 2021 Local Government Election and new term of Council, presents a timely opportunity to review the Mayor's Discretionary Allowance to consider the relevance and equity of allocations, and to streamline the process.

### **Options**

Giving consideration to the information provided in this report, Council may choose to:

- 30 a) maintain the status quo and leave the allocations of the Mayor's Discretionary Allowance unchanged;
- b) consider and determine a revised allocation of funds via a new resolution, to expand the prize/awards to a broader group of schools and/or competitions in the shire. Allocation would then be automatic, in accordance with the adopted budget; or

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- c) consider and determine the allocation of funds via a new resolution to pool the total amount of the fund as 'unallocated' with distribution to be determined at the Mayor's discretion and by resolution of Council, in accordance with Res 09-349.

## Process

- 5 Option c) is recommended to ensure maximum flexibility for the incoming Mayor to determine the distribution of funds, to ensure that funds are being applied to current events where appropriate, and to enable the establishment of a more equitable and streamlined process.

- 10 If this option is selected, it is recommended that schools/community groups be invited to submit an application on an annual basis, including justification for the request. This could occur in August each year, following the adoption of the budget. This provides the Mayor with the opportunity to consider all requests simultaneously and make a decision about the most meritorious recipient/s for that financial year. The Mayor's decision would be reported to Council for resolution in accordance with the Act and Res 09-349.

- 15 This approach is equitable and requires increased accountability from the schools/community groups, without creating a heavy administrative burden for Council.

## Strategic Considerations

### Community Strategic Plan and Operational Plan

CSP Objective	L2	CSP Strategy	L3	DP Action	L4	OP Activity
<b>Community Objective 5: We have community led decision making which is open and inclusive</b>	5.2	Create a culture of trust with the community by being open, genuine and transparent	5.2.2	Incorporate wellbeing framework within organisation to inform decision making	5.2.2.2	Deliver annual Community Donations Program

## Recent Resolutions

- 20
- Res 09-349
  - Res 11-728

## Legal/Statutory/Policy Considerations

In relating to the making of Section 356 Donations from Mayor's Discretionary Allowance, Council at its Ordinary meeting held on 14 May 2009 resolved as follows: -

“09-349 Resolved that Council confirm that all s356 donations, to be made from the budget allocation “Mayor – Discretionary Allowance”, must be the subject of a resolution of the Council at Ordinary or Extraordinary meeting.”

5 The Section 356 Donation will be advertised and public notice of financial assistance provided in accordance with Section 356 of the Local Government Act 1993.

**356 Can a council financially assist others?**

(1) *A council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.*

10 (2) *A proposed recipient who acts for private gain is not ineligible to be granted financial assistance but must not receive any benefit under this section until at least 28 days' public notice of the council's proposal to pass the necessary resolution has been given.*

(3) *However, public notice is not required if--*

(a) *the financial assistance is part of a specific program, and*

15 (b) *the program's details have been included in the council's draft operational plan for the year in which the financial assistance is proposed to be given, and*

(c) *the program's proposed budget for that year does not exceed 5 per cent of the council's proposed income from the ordinary rates levied for that year, and*

(d) *the program applies uniformly to all persons within the council's area or to a significant group of persons within the area.*

20 (4) *Public notice is also not required if the financial assistance is part of a program of graffiti removal work.*

**Financial Considerations**

There is no proposed increase to the Mayor’s Discretionary Allowance budget allocation for 2021/22.

25 **Consultation and Engagement**

The Director Corporate and Community Services and A/Manager Corporate Services consulted with the Mayor in relation to providing alternative options for the allocation of funds under the Mayor’s Discretionary Allowance, for the draft 2021/22 Budget.