

Question 1

How do you calculate and build up the budget? Who is involved in the budget process, when do you start? How do you set up the capital budget process – rolling, asset management plans, budget bids?

How?

Use previous year review and indexing

Top Down

Bottom Up

Parameters

Operating Budget gets sign off first

Various workshops

Councillors – Zero based or previous year CPI, desired outcome and land values

10-year capital program

Do expenditure first and make revenue match/cover

AMP and budget linkage needs improvement

Early engagement with Councillors

Heavily influences by Mayor

Start Time Fraser Capital – Oct finished Jan

Cairns/Lockyer Jan/Feb

Rockhampton Capital December, Operating Feb

Moving from input to output budgeting

Bundaberg as a Mayoral Budget Committee (parameters – if they want more \$\$ need a business case) and provides guideline for organisation

Councillor workshop interactive process with scenarios

Starting point is 10-year modelling, strategic parameters set pre-December

QTC project decision tool for capex complimented by priority matrix at Central Highlands

Moving towards governance oversight for project portfolio, programs and projects

Finance controls labour budget

Start with long term financial plan

Day to day operational by CEO/EMT/Staff and capital driven by Councillors

Capital Programs AMP based (LOL)

Zero based + CPI

Mayor's expectations

3-year asset management plans

Levels of service

Councillor and management engagement

Apply an index to prior years or start from scratch

Split process corporate charges (wages etc) internal charges

New initiatives processes

Start discussion with Councillors early for service levels, desires before coming up with the dollars

New staff consultation processes

Compare new initiatives to \$/% rate increase with Councillors

Link back to platforms when Councillors elected

Capital bids/ rank priorities

Build to retain workforce

Prepopulate known data like wages, assets, depreciation, internal plant hire, distribute to leaser for populating each cost centre requirements, general manager of Business unit reviews and approves, Council reviews and approval/adoption

Capital budget process is bids (asset renewals/upgrades, new asset to support future requirements and community requests)

Priority matrix, what can be delivered, what can be afforded – add to budget model for review process

Who?

Mayor/Councillors

Managers

All executive and Councillors, management accountant and rates team

Executive tram review

Meet with mayor in Jan and establish guidelines/plans

Workshop with Councillors

When?

Early – start week after 19/20 adopted

Considerations

QTC in PDF

Revaluations

Elections

Nov Start

Timetable pushes out

Planning Oct – Dec, Build Jan to May

Starts Dec, Jan, Feb

Adopt Early June to late June

Question 2

How often do you review your budget? What triggers a review?

Frequency

Quarterly ✓✓✓ ✓Lockyer

Half Yearly ✓

1 – Nov/Dec

Fraser 1

Cairns None

Rockhampton 2

Generally, 3 budget revisions

Two or three reviews

Outside by exception

From free for all to different phases in reporting/budget cycle

Capital Carryovers from previous year and Councillor approval

Monthly reporting with variance analysis which goes to executive team then Councillors

Project reporting quarterly

Quarterly management reporting

Reporting can be challenging – granularity

Carry overs and Feb

Monthly reviews against actuals

Triggers

Material fluctuation

Previous year carried forward ✓✓

Timeframes not dollar thresholds

Constrained levies and grants carried over

Capital close prior year financial 1, Opex and Capex 1 End of Financial Year forecast 3

General meeting issues could change budget
Significant differences
Capital funding and carry overs
New capital projects
Natural Disasters
Cut capital budget a last review to reduce carryover

Question 3

What consultation is undertaken – community, staff, Councillors?

Pro and Cons of community consultation on budgeting?

Consultation

Survey
Maps
Service level talks with ratepayers
Draft budget offered “What is your view?”
Community views extracted from Councillors during budget workshops
Community feedback on draft budget
Not much with community for Cairns/Fraser/Rockhampton
Rockhampton had public meeting with community for the first time, approx. 50 attendance, timing was post budget
Communicated key items early
Community reference groups about service delivery and level/cost
With Staff, Exec Team, Manager and Councillors
Not generally with community
Southern Downs do extensive consultation with community
No community consultation
20/21 mayor said will do community consultation
Interactive website “app” which shows what would happen if + - in \$ change and feedback used to formulate budget
Only give certain options to avoid water parks for example
No community consultation by proposed
Staff yes
Councillors yes

Pros/Cons

Interference with Councillor’s role in community
Councillors are the representatives of the community
Pros – Mayor engaged, PR exercise
Cons – Level of details v understanding
Need to conceptualise the “trade-off”
Pros Community satisfaction/ownership, value for money, education
Cons – raising expectations, if you don’t listen there is a backlash, time/skill/resources, winner and losers, timing with elections