

Victorian City Council Model Budget 2013/14

A Best Practice Guide

Local Government Finance Professionals
Annual Conference
1 March 2013

Bruce Dobson CA



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What is the model budget?

- Best practice guide
- Framework for preparing a budget
- Financial management guidance
- Based on real life examples
- Attempts to balance needs of all users



Who is on the taskforce?

- Bruce Dobson (Boroondara/Chair)
- Kevin Adams (McLean Delmo)
- Joella Gould (UHY Haines Norton)
- Rob Wernli (DFK Collins)
- Kevin Ayre (Manningham/FINPro)
- Lucy Roffey (Mount Alexander/FINPro)
- Marianne McArthur (Hobsons Bay/LG Pro)
- Allan Holmes (MAV)
- Martin Thompson (Model Accounts link)



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What is in the Guide?

Structured in four layers

- Introduction and summary (Mayor; CEO)
 - Overview (links to Council Plan; activities; budget influences)
 - Budget analysis (financial statements)
 - Long term strategies / information
- + Appendices (more details and statutory disclosures)



Who uses it?

Survey undertaken Dec 2011

- 37 Councils (mix of metro, rural, regional cities)
- 93% fully/partially completed all sections
- Highest
 - Appendices (100%)
 - All 'overview' and 'budget analysis' sections (95%)
 - 'long term strategy' sections (92%)
 - 'budget processes' section (97%)
- Lowest
 - Mayor's Intro (72%); CEO Summary (88%); fees & charges (82%)



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What are the changes?

- Revised income & expense charts
- Minor changes to standard statement presentation
- Section 9 Rating Information
- LG Performance Reporting Framework
- Fire Services Property Levy*
- Differential rates legislative changes and Ministerial guidelines*
- Updated description of topical issues



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Other observations

Standard statements

- Reviewed all 79 Standard Income Statements
- Wide variation
- Standard / Alternative / Both / Many
- Sub-totals
- Bottom line

Budgeted Standard Income Statement (Alternative format)¹⁻⁵

For the four years ending 30 June 2017

	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Strategic Resource Plan Projections		
			2014/15 \$'000	2015/16 \$'000	2016/17 \$'000
Income					
Rates and charges	41,195	43,457	46,273	48,725	51,263
Statutory fees and fines	2,445	2,690	2,818	2,785	2,834
User fees	7,198	7,680	7,828	8,004	8,184
Contributions - cash	661	51	471	370	350
Grants - operating (recurrent)	13,573	12,617	12,554	12,646	12,837
Grants - operating (non-recurrent)	950	1,000	1,050	1,100	1,150
Net gain on disposal of property, infrastructure, plant and equipment	823	538	479	488	497
Other income	2,823	3,263	2,734	2,782	2,830
Total income before capital grants and non-monetary contributions	69,668	71,296	74,207	76,900	79,945
Expenses					
Employee costs	31,541	34,091	35,367	36,655	37,711
Materials and services	22,937	22,106	21,848	21,999	22,810
Bad and doubtful debts	314	340	348	356	364
Depreciation and amortisation	14,034	14,500	15,187	15,744	16,274
Finance costs	380	312	247	410	340
Other expenses	5,287	5,179	5,220	5,184	5,383
Total expenses	74,493	76,528	78,216	80,348	82,882
Net (deficit) before capital grants and non-monetary contributions	(4,825)	(5,232)	(4,009)	(3,448)	(2,937)
Grants – capital (recurrent)	810	830	850	870	890
Grants – capital (non-recurrent)	2,093	5,447	8,557	824	477
Contributions - non-monetary assets	823	539	479	488	497
Surplus (deficit) for the year	(1,922)	1,045	5,398	(1,754)	(1,570)
Other comprehensive income	0	0	0	0	0
Other					
Comprehensive result	(1,922)	1,045	5,398	(1,754)	(1,570)



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What is available?

Officers

- Soft copy report
- Templates (Word / Excel)
- Summary of changes
- Available now on FinPro website

What is available?

Mayors and CEOs

- Hard copy report
- Mailed out from MAV (April)
- Extra copies available from MAV and/or Institute



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