



SOUTH BURNETT
REGIONAL COUNCIL

AGENDA

Budget Committee Meeting Friday, 18 March 2022

I hereby give notice that a Meeting of the Budget Committee will be held on:

Date: Friday, 18 March 2022

Time: 9.00am

**Location: Warren Truss Chamber
45 Glendon Street
Kingaroy**

**Mark Pitt PSM
Chief Executive Officer**

In accordance with the *Local Government Regulation 2012*, please be advised that all discussion held during the meeting is recorded for the purpose of verifying the minutes. This will include any discussion involving a Councillor, staff member or a member of the public.

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- 1 OPENING**
- 2 LEAVE OF ABSENCE / APOLOGIES**
- 3 RECOGNITION OF TRADITIONAL OWNERS**
- 4 DECLARATION OF INTEREST**

5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

5.1 MINUTES OF THE BUDGET COMMITTEE MEETING HELD ON 11 MARCH 2022

File Number: 18/3/2022

Author: Executive Assistant

Authoriser: Chief Executive Officer

OFFICER'S RECOMMENDATION

1. That the Minutes of the Budget Committee Meeting held on 11 March 2022 be received.

ATTACHMENTS

1. Minutes of the Budget Committee Meeting held on 11 March 2022



MINUTES

Budget Committee Meeting Friday, 11 March 2022

Order Of Business

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**MINUTES OF SOUTH BURNETT REGIONAL COUNCIL
BUDGET COMMITTEE MEETING
HELD AT THE WARREN TRUSS CHAMBER, 45 GLENDON STREET, KINGAROY
ON FRIDAY, 11 MARCH 2022 AT 9.01AM**

PRESENT:**Councillors:**

Cr Brett Otto (Mayor), Cr Danita Potter, Cr Kirstie Schumacher, Cr Kathy Duff,
Cr Scott Henschen

Council Officers:

Mark Pitt (Chief Executive Officer), Peter O'May (General Manager Community), Susan Jarvis (General Manager Finance & Corporate), Ged Brennan (Acting General Manager Infrastructure), Carolyn Knudsen (Manager Corporate Services), Kerri Anderson (Manager of Finance and Sustainability), Rebecca Humphrey (Manager of People and Culture), Tim Low (Manager Water and Wastewater), Bree Hunt (Executive Assistant)

1 OPENING

The Mayor opened the meeting with the Lords Prayer and all attendees were welcomed.

2 LEAVE OF ABSENCE / APOLOGIES**APOLOGY**

COMMITTEE RESOLUTION 2022/1

Moved: Cr Kirstie Schumacher

Seconded: Cr Scott Henschen

That the apology received from Cr Jones and Cr Frohloff be accepted and leave of absence granted.

In Favour: Crs Brett Otto, Danita Potter, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 5/0

Attendance:

At 9:02am, Manger People and Culture Rebecca Humphrey entered the meeting.

3 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

Cr Duff acknowledged the traditional custodians of the land on which the meeting took place.

4 DECLARATION OF INTEREST

5 BUSINESS**5.1 ADOPTION OF THE DRAFT CODE OF COMPETITIVE NEUTRALITY COMPLAINTS POLICY - STATUTORY006**

COMMITTEE RESOLUTION 2022/2

Moved: Cr Danita Potter

Seconded: Cr Kathy Duff

That the Committee recommends to Council:

That the South Burnett Regional Council Code of Competitive Neutrality Complaints Policy – Statutory006 be adopted as presented.

In Favour: Crs Brett Otto, Danita Potter, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 5/0**5.2 DRAFT SOUTH BURNETT REGIONAL COUNCIL OPERATIONAL PLAN 2022/23 - EXECUTIVE SERVICES**

COMMITTEE RESOLUTION 2022/3

Moved: Cr Kathy Duff

Seconded: Cr Danita Potter

That the Committee recommends to Council:

That the amended Draft South Burnett Regional Council Operational Plan 2022/23 – Executive Services be approved for inclusion in the operational plan development process for 2022/23.

In Favour: Crs Brett Otto, Danita Potter, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 5/0**Attendance:**

At 9:43am, Executive Assistant Bree Hunt left the meeting.

At 9:45am, Executive Assistant Bree Hunt returned to the meeting.

ADJOURN MORNING TEA

COMMITTEE RESOLUTION 2022/4

Moved: Cr Brett Otto

Seconded: Cr Scott Henschen

That the meeting adjourn for morning tea.

In Favour: Crs Brett Otto, Danita Potter, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 5/0

RESUME MEETING

COMMITTEE RESOLUTION 2022/5

Moved: Cr Brett Otto
Seconded: Cr Kathy Duff

That the meeting resume at 11:14am.

In Favour: Crs Brett Otto, Danita Potter, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 5/0

Attendance:

At 11:30am, Manager Finance and Sustainability Kerri Anderson left the meeting.
At 11:31am, Manager Finance and Sustainability Kerri Anderson returned to the meeting.
At 11:54 am, Cr Danita Potter left the meeting.
At 11:56 am, Cr Danita Potter returned to the meeting.

5.3 DRAFT 2022/2023 BUDGET - EXECUTIVE

COMMITTEE RESOLUTION 2022/6

Moved: Cr Scott Henschen
Seconded: Cr Danita Potter

That the Committee receive the proposed 2022-2023 draft budget as amended for the Executive Department and provide guidance for inclusion in the continued preparation of the full South Burnett Regional Council 2022-2023 annual budget.

In Favour: Crs Brett Otto, Danita Potter, Kirstie Schumacher, Kathy Duff and Scott Henschen

Against: Nil

CARRIED 5/0

6 CONFIDENTIAL SECTION

7 CLOSURE OF MEETING

The Meeting closed at 12noon.

The minutes of this meeting were confirmed at the Budget Committee Meeting held on 18 March 2022.

.....
CHAIRPERSON

6 BUSINESS**6.1 DRAFT SOUTH BURNETT REGIONAL COUNCIL OPERATIONAL PLAN 2022/23 - FINANCE & CORPORATE****File Number:** 18 March 2022**Author:** Manager Corporate Services**Authoriser:** Chief Executive Officer**PRECIS**

DRAFT South Burnett Regional Council Operational Plan 2022/23 – Finance & Corporate

SUMMARY

South Burnett Regional Council ('Council') is required to adopt an Annual Operational Plan ('Plan') pursuant to *Section 174(1)* of the *Local Government Regulation 2012*, which states how Council will progress the implementation of the Corporate Plan 2021-26 during the 2022/2023 financial year.

The development of the Plan has commenced with Council identifying the most poignant and critical elements of operational delivery within the Finance & Corporate Department for 2022/2023.

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That the Draft South Burnett Regional Council Operational Plan 2022/23 – Finance & Corporate be approved for inclusion in the operational plan development process for 2022/23.

FINANCIAL AND RESOURCE IMPLICATIONS

Budget allocation will be appropriately identified through the budget development process prior to the adoption of the 2022/23 budget.

LINK TO CORPORATE/OPERATIONAL PLAN

Corporate Plan 2021 - 2026	OR2 Achieve community recognition as an ethical Council that values and practices community consultation, accountable governance and open and transparent decision-making.
	OR5 – Continue to give priority to ongoing financial sustainability and prudent budget management
Operational Plan 2021/2022	Develop the 2022/2023 Annual Operational Plan

COMMUNICATION/CONSULTATION (INTERNAL/EXTERNAL)

Finance & Corporate budget and operational activities discussed at a planning workshop held with Council on Monday 14 March 2022.

LEGAL IMPLICATIONS (STATUTORY BASIS, LEGAL RISKS)

Local Government Act 2009 (Qld)

Local Government Regulation (Qld)

Human Rights Act 2019 (Qld)

Section 4(b) of the *Human Rights Act 2019* requires public entities to act and make decisions in away compatible with human rights. The *Human Rights Act 2019* requires public entities to

only limit human rights in certain circumstances and after careful consideration. The human rights protected under the Act are not absolute. This means that the rights must be balanced against the rights of others and public policy issues of significance.

In the decision-making process, Council is to consider the 23 human rights:

1. Recognition and equality before the law;	13. Cultural rights—generally;
2. Right to life;	14. Cultural rights—Aboriginal peoples and Torres Strait Islander peoples;
3. Protection from torture and cruel, inhuman or degrading treatment;	15. Right to liberty and security of person;
4. Freedom from forced work;	16. Humane treatment when deprived of liberty;
5. Freedom of movement;	17. Fair hearing;
6. Freedom of thought, conscience, religion and belief;	18. Rights in criminal proceedings;
7. Freedom of expression;	19. Children in the criminal process;
8. Peaceful assembly and freedom of association;	20. Right not to be tried or punished more than once;
9. Taking part in public life;	21. Retrospective criminal laws;
10. Property rights;	22. Right to education;
11. Privacy and reputation;	23. Right to health services.
12. Protection of families and children;	

POLICY/LOCAL LAW DELEGATION IMPLICATIONS

No immediate policy or local law delegation implications arise from this report.

ASSET MANAGEMENT IMPLICATIONS

No direct asset management implications arise from this report which will not be addressed through the budget development process prior to the adoption of the 2022/23 budget.

REPORT

South Burnett Regional Council ('Council') is required to adopt an Annual Operational Plan ('Plan') pursuant to *Section 174(1)* of the *Local Government Regulation 2012*, which states how Council will progress the implementation of the Corporate Plan 2021-26 during the 2022/2023 financial year.

The development of the Plan has commenced with Council identifying the most poignant and critical elements of operational delivery within the Finance & Corporate Department for 2022/2023.

ATTACHMENTS

- Draft South Burnett Regional Council Operational Plan 2022/23 – Finance & Corporate**





SOUTH BURNETT
REGIONAL COUNCIL

Finance & Corporate
Annual Operational Plan
2022/23

- Mission:** To provide excellent financial, corporate services and Information technology services/advice to enable our organisation to achieve its goals
- Officer Responsible:** General Manager Finance & Corporate
- Responsibilities:** Department Management, Corporate Services, Insurance, Governance, Customer Service, Property & Rating, Procurement & Stores, Financial Planning & Sustainability, Asset Management, Plant & Fleet Management, ICT & Business Systems.



DEPARTMENT: FINANCE & CORPORATE

Mission: To provide excellent financial, corporate services and Information technology services/advice to enable our organisation to achieve its goals

Core Activities		
Activity	Strategy/Plan Link SBRC Corporate Plan 2021-2026	Budget Source
Corporate Services - Maintain customer service delivery across the five (5) customer service centres of Blackbutt, Nanango, Kingaroy, Wondai and Murgon – through face-to-face, telephone and written correspondence.	EC5	
Finance - Encouragement and development of the local Market Place by establishing a healthy register of what the local Market Place can provide to Council by way of goods or services committing a target to local spend	GR11	
Corporate Services - Periodical review and update the 2021/2022 Annual Operational Plan	OR1	
Corporate Services - Develop the 2023/2024 Annual Operational Plan	OR1	
Corporate Services - Manage the provision of delegations, sub-delegations and Local Government Worker / Authorised Persons governance processes	OR2	
Corporate Services - Right to Information and Information Privacy applications are managed and processed in accordance with legislative requirements	OR2	
Corporate Services - Deliver the Council Policy Governance Framework to support strategic planning and compliance with relevant legislation, policies, codes of practice and standards	OR2	
Corporate Services - Capture and correctly manage Council's corporate documents using recordkeeping good practice	OR2	
Corporate Services - Manage and maintain the legal proceedings and legal advice registers maintaining the budget for engagement of legal services	OR2	

Corporate Services - Promote a high standard of corporate responsibility, transparency and accountability in decision making by making decisions, at all levels of the organisation, that are in the best interest of Council and the community aligning to Council policy and legislation	OR2	
ICT - Strategically upgrade and improve Council information technology systems and hardware	OR3	
Finance - Cash analysis showing 3-month liquidity providing cash analysis in meeting reports surrounding Council's 3-month liquidity position	OR5	
Finance - Perform a review of dividends to determine best practice for calculation of budgeted dividends	OR5	
Finance - Compliance with budget limits. Regular quarterly budget revisions. Monthly reporting of budget variations to Council in monthly financial report	OR5	
Finance - Maintain and monitor 10-year long term financial plans reporting to Council through monthly financial reports	OR5	
Finance - Debt Recovery - Continue to follow up on outstanding debt to not place an unfair burden onto rate payers who meet their obligations in full	OR5	
Finance - Full review of expenditure to identify efficiencies within the organisation	OR%	
Finance - Develop and map strategies to bring Council budget into surplus within two (2) years	OR5	
Finance - Zero-based budgeting	OR7	
Corporate Services - Implementation of the Customer Service Charter including conducting a customer satisfaction survey bi-annually	OR8	
Corporate Services - Managing Council's Insurance Matters	OR13	
ICT- Deliver effective plant management	OR13	
ICT - Utilisation and operation of Council's Workshops	OR13	
Corporate Services - Deliver sound corporate risk management and internal audit functions aligning to policy	OR15	

ICT - Data Security Review including, Cyber Security. Ensure the provision of appropriate security systems (including cyber security) protect Council's data and information	OR15	
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Projects/New Activities				
Activity	Strategy/Plan Link	Start Date	Finish Date	Budget Source
ICT - Review of Asset Management Business processing for integration into one Asset Management System in Tech One	IN2			
ICT - Develop and manage Project Plans for Business Systems Projects (Project T2 and sub-projects)	OR6			
ICT - Deliver a Customer Request Effectiveness Review Project (Project ID: T2.6)	OR8			
ICT - Undertake business process mapping and analysis implementing a business process continuous improvement programme	OR9			
Finance - Investigation into a more paperless accounts payable workflow	OR13			
Finance - Review of rates supplementary notices to utilise the ERP	OR13			
Finance - Centralised Procurement	OR13			
Finance - Paperless Rates Notices	OR13			
Finance - Non-rate charges to be included on rates notices	OR13			
ICT - Realise business improvements through the use of Council's Business Systems Software	OR13			

ICT - Realise business improvements through the use of Council's Microsoft Office 365 Systems Software	OR13			
ICT - Effectively maintain and manage Council's white fleet maximising efficiencies	OR13			
Finance - Continue review of general rating categories to achieve equity	OR14			

DRAFT

6.2 DRAFT 2022/2023 BUDGET - FINANCE & CORPORATE**File Number:** 18.03.2022**Author:** Manager Finance & Sustainability**Authoriser:** Chief Executive Officer**PRECIS**

Draft for the 2022/2023 Budget – Finance & Corporate.

SUMMARY

Under the *Local Government Regulations 2012* section 169, Council must prepare an annual budget each year. The information detailed in this report is for discussion and potential inclusion in the 2022/2023 annual budget as it relates to Finance, Corporate & ICT departments.

OFFICER'S RECOMMENDATION

That the Committee receive the proposed 2022-2023 draft budget for the Finance, Corporate & ICT Departments and provide guidance for inclusion in the continued preparation of the full South Burnett Regional Council 2022-2023 annual budget.

BACKGROUND

Finance & Corporate is comprised of Finance functions (including Rates), Procurement, Stores, Corporate, Governance and Records, Customer Service Centres, ICT and Business Systems. The attached report provides an overview of the proposed 2022-2023 budgets for these areas.

It is important to note that employee on-cost rates, revenue and discount for general rates, administration recoupments, dividends, depreciation and interest on loans are all indicative amounts at this stage. These figures will all be finalised as the 2022-2023 budget preparation progresses and variables in the calculation of these amounts are known. Depreciation will be finalised once capitalisation of current work in progress projects are performed, and draft capex values are known.

Electricity costs for business units have been moved to the properties department. Budgets for the Local Government Association of Queensland have been moved to the Executive Services business unit and any budget for Community Grants and Councillor Discretionary Funds have also been moved to the Community Section to align with where the responsibility now lies.

This budget was put together using the approved budget parameters of 3.5% for materials and services, 1.25% for wages, 3.5% increase in general rates and then the departments adjusted based on a zero-based budgeting approach to land at these draft figures.

ATTACHMENTS

1. **22/23 Draft Income Statement - Finance & Corporate** [!\[\]\(6c117786eacd86d9626685ebfb559b77_img.jpg\)](#) [!\[\]\(a2437798f31357d2bea910e1270385bf_img.jpg\)](#)

2022/2023 - Comprehensive Income Statement - Finance & Corporate

	21/22 YTD Actuals	21/22 Original Budget	22/23 Managers Proposed Budget	\$ Variance
REVENUE				
Recurrent Revenue				
Fees & Charges	343,351	226,702	266,860	40,158
Interest Received	287,148	560,000	420,000	(140,000) Reduced based on current interest rates
Other Income	135,002	131,895	132,000	105
Rates, Levies & Charges	30,477,317	29,807,891	30,867,909	1,060,018 Based on 3.5% increase - to be finalised
Rental Income	23,454	15,500	16,000	500
				Reductions in Federal Assistance Grant and movement of Arts Grant to Community
Grants, Subsidies, Contributions & Donations	2,777,198	7,035,841	6,621,213	(414,628) (\$15k)
Total Recurrent Revenue	34,043,470	37,777,829	38,323,982	546,153
EXPENSES				
Recurrent Expenses				
Depreciation	252,180	393,138	393,138	(0)
Donations	151,597	389,300	192,000	(197,300) Moved to Community Department
				2 x Business Systems employees - moved budget from consultants, and procurement officer funded from another area. Increase
Employee Benefits	3,190,981	4,878,755	5,523,613	644,858 in wages as per budget parameters.
Finance Costs	97,357	174,696	174,696	(0)
Internal Finance Charges	(2,834,076)	(4,251,114)	(4,251,114)	(0)
				Increases in IT and Techonology One yearly
Materials	3,093,465	4,120,459	4,234,410	113,951 licences.
Plant	74,992	146,568	96,000	(50,568) Reductions in fleet to be used in 22/23.
				Movement of budget for Business Systems to employee benefits, Reduction in projects to occur next year where consultants were
Services	241,113	707,900	280,000	(427,900) required.
Total Recurrent Expenses	4,267,608	6,559,703	6,642,744	83,041
OPERATING SURPLUS/(DEFICIT)	29,775,861	31,218,126	31,681,239	463,113

6.3 DRAFT 2022/2023 BUDGET - PLANT & FLEET**File Number:** 18.03.2022**Author:** Manager Finance & Sustainability**Authoriser:** Chief Executive Officer**PRECIS**

Draft 2022/2023 Budget for Plant & Fleet

SUMMARY

Under the *Local Government Regulations 2012* section 169, Council must prepare an annual budget each year. The information detailed in this report is for discussion and potential inclusion in the 2022/2023 annual budget.

OFFICER'S RECOMMENDATION

That the Committee receive the proposed 2022-2023 draft budget for the Plant & Fleet Department and provide guidance for inclusion in the continued preparation of the full South Burnett Regional Council 2022-2023 annual budget.

BACKGROUND

The attached report provides an overview of the proposed 2022-2023 operational budget for the Plant & Fleet business units. In this committee meeting we will also show the proposed capital expenditure program for Plant & Fleet for the 22/23 year however decisions on this will most likely occur in the future when capital programs for all areas will be brought to Council for discussion.

It is important to note that oncost values will be finalised in the future when draft versions of all departments have been finalised and calculations can be more accurately performed. Depreciation is also an indicative figure at this point in time and will be updated once capitalisations have occurred and the capital program for 22/23 is known. Internal plant charges will need to be recalculated at a later date to ensure that the internal plant revenue and internal plant charged out all reconcile. Admin recoupments and dividends payable by the Plant & Fleet department will be finalised at a later date once more accurate figures are known regarding the overall budget for South Burnett Regional Council.

The most significant impact on this department for the 22/23 budget is surrounding the current price of fuel. Council has taken into consideration the current high price being paid when calculating next year's budget.

ATTACHMENTS

1. **22/23 Draft Income Statement - Fleet** [↓](#) 

2022/2023 - Comprehensive Income Statement - Plant & Fleet

	21/22 YTD Actuals	21/22 Original Budget	22/23 Managers Proposed Budget	\$ Variance	
REVENUE					
Recurrent Revenue					
Fees & Charges	1,163	1,000	5,000	4,000	
Other Income	431,929	90,000	190,000	100,000	Increase due to new Fuel Tax Credit Methodology
Grants, Subsidies, Contributions & Donations	-	-	-	-	
Total Recurrent Revenue	433,092	91,000	195,000	104,000	
EXPENSES					
Recurrent Expenses					
Depreciation	1,260,038	2,167,149	2,167,149	0	
Employee Benefits	641,952	1,135,528	1,226,539	91,011	
Finance Costs	-	-	-	-	
Internal Finance Charges	746,254	1,119,381	1,119,381	(0)	
Materials	1,724,467	2,303,550	2,861,704	558,154	Increases in fuel costs
Plant	(6,430,052)	(8,450,120)	(8,450,120)	0	
Services	65,020	43,860	45,500	1,640	
Total Recurrent Expenses	(1,992,322)	(1,680,651)	(1,029,847)	650,805	
OPERATING SURPLUS/(DEFICIT)	2,425,414	1,771,651	1,224,847	(546,805)	

7 CONFIDENTIAL SECTION

8 CLOSURE OF MEETING