

Policy Number	87/01/2025/CO
Policy Category	Finance
Responsibility	General Manager – People and Corporate Services
Date to Take Effect	18 September 2025
Legislative Reference	NT Local Government Act and Regulations
Policy Reference	
Next Review Due	June 2027
CEO Adoption	

1. Purpose

The policy sets out the approach and intent of Council regarding the development of Annual Budgets and Long-Term Financial Plans.

2. Application

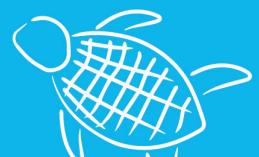
The principal objectives of this policy are to

- Ensure that the budgeting process is compliant with the Local Government Act and relevant Regulations.
- Ensure that a consistent and disciplined approach is followed for developing and reviewing annual budgets and long-term financial plans.
- Ensure that best practices are adopted for developing and reviewing budgets and financial plans.

3. Definitions

Council means the East Arnhem Regional Council (EARC)

CEO means the Chief Executive Officer of EARC.



4. Principles

4.1 Linkage with Strategic Plan

Council's Annual Budget and Long-Term Financial Plan (LTFP) will be aligned with the Strategic Plan and will support achievement of strategic objectives of Council. The Annual Budget and LTFP will cover all areas of Council's operations.

4.2 Deficit Budget

In accordance with the Local Government legislation, Council will not budget for a deficit, except for the reasons as outlined in the Regulations.

4.3 Preparation of Budget for each financial year

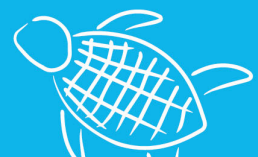
Council will prepare a budget for each financial year.

The budget and any long-term financial plan must be on an accrual basis, include a list of budget assumptions, a list of key initiatives and a list of major capital works and costings.

4.4 Contents of a Budget

The budget for a particular financial year must -

- outline
 - Council's objectives for the relevant financial year.
 - the measures Council proposes to take, during the financial year, towards achieving those objectives; and
 - the indicators Council intends to use as a means of assessing its efficiency in achieving its objectives.
- contain estimates of revenue and expenditure for the financial year (differentiating between operational and capital expenditure);
- list the Council's fees for services and the revenue to be derived from each service.
- state the amount to be allocated to the development and maintenance of each class of infrastructure for the financial year.
- state the amount Council intends to raise by way of rates, and set out the rates structure, for the financial year.
- contain an assessment of the social and economic benefits of its rating policies.
- state the allowances for members of Council for the financial year and the amount budgeted to cover payment of those allowances.
- separately provide for a budget for each local authority established by the council.
- contain any other information required by any guidelines that the Minister may make.
- be in a form required by any guidelines that the Minister may make or as prescribed by regulation.



4.5 Adoption of Council Budget

Council will adopt its budget for a particular financial on or before 30th June in the previous financial year or any other date mandated by Local Government Act, Regulations, Guidelines or General Instructions.

4.6 Amendments to Budget

Council may after adopting a budget for a particular financial year adopt an amendment to that budget.

The amendment cannot have an effect of

- Increasing amount of an allowance for the financial year for members of Council
- Changing the amount of an allowance for the financial year for members of a local authority established by Council except in accordance with any guidelines made by the Minister.

4.7 Publication/ Communication of budget

As soon as practicable after adopting its budget, or an amendment or revision to its budget for a particular financial year, Council will

- Publish the adopted budget or the revised budget or budget amendment on the Council's website.
- Notify the Agency (Department of Local Government) in writing of the adoption of the budget, revised budget or amendment; and

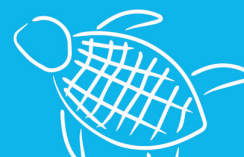
4.8 Long Term Financial Plan (LTFP)

Council will prepare and maintain a long-term financial plan.

A long-term financial plan will relate to a period of at least four financial years. A long-term financial plan will contain –

- A statement of major initiatives the council proposes to undertake during the period to which the plan relates.
- Projections of income and expenditure for each financial year of the period the plan relates to; and
- Council's proposal for the repair, maintenance, management and development of infrastructure for each financial year of the period to which the plan relates.

The Council will provide to the Agency a copy of its Long-Term Financial Plan by 30th June, or any other date required by Local Government Act or Regulations, in the first financial year to which the plan relates.



4.9 Reporting

A monthly report will be provided to the Council or Finance Committee reporting the budget against the actual financial performance and position of Council.

4.10 Budget Reviews

The Budget will be reviewed prior to December and April of each financial year.

The December review should focus on aligning unexpended grant revenues and any major changes to expenditure.

The April review should focus on extrapolating income and expenditure to year end to ensure programs are on track and with the view of building the following year budget. Any extensive changes to budget methodology will need to be communicated and formulated well in advance of the April budget review deadline.

Given the resourcing cost to the entire organisation in undertaking any budget review, strong controls and direction should be placed around all budget review programs to ensure value is derived from the activity.

5. Version Control

Version	Decision Number	Adoption Date
00	Res 165/ 2018	Sept 26, 2018
01	Res 2025/96	Sept 18, 2025

