

Local Government Budget Process — Timeline and Considerations Factsheet

To assist local governments with the preparation of their budgets, the Department of Local Government, Sport and Cultural Industries (DLGSC) has prepared this factsheet on the budget process.

It provides a suggested timeline for development of the budget and important matters that should be taken into consideration. This includes when to ensure compliance with the *Local Government Act 1995* and associated regulations, and when a council resolution is required. Please note the timeline is a guide only.

Timeline	Considerations
<p>January/February/March – Budget Review</p> <p>Council is to consider a review of the existing budget.</p>	<ul style="list-style-type: none"> • Development of the next budget requires an up-to-date understanding of: <ul style="list-style-type: none"> ○ the estimated financial position at 30 June ○ any unfinished projects • Ensure legislative compliance
<p>January/February (approximately) - Planning</p> <p>The local government commences budget planning by reviewing the corporate plan and other relevant plans.</p>	<ul style="list-style-type: none"> • Review of corporate plan and other relevant plans • Proposed projects for the year from the long term financial plan • Review of expected revenue • Review of expenditure, including efficiency and effectiveness • Local government cost index • Consideration of alternative sources of funding • Amount to be raised from rates • Economic conditions – impact on different categories of ratepayers

Timeline	Considerations
<p>March/April (approximately) – Budget Strategy</p> <p>The council adopts the budget strategy and endorses objects and reasons for each differential rating category and each minimum payment.</p>	<ul style="list-style-type: none"> How rates will be distributed – differential rates, minimum payments – ensure legislative compliance Reality check – reasonableness, fairness and equity Development of objects and reasons – ensure legislative compliance Council sets budget strategy, including review and consideration of budget efficiency measures and amendments to corporate plan and long term financial plans Council adopts objects and reasons based on the estimate of the budget deficiency
<p>1 May – Notice Period</p> <p>In accordance with section 6.36(2)(a) of the <i>Local Government Act 1995</i>, from 1 May the local government can publish a notice of its intention to impose differential general rates.</p>	<ul style="list-style-type: none"> Contents of advertisement Requirements for local public notice Date of advertising, taking into consideration newspaper deadlines Deadlines for council agendas Ensure legislative compliance Writing to ratepayers in any category with less than thirty ratepayers – see policy for material to be supplied
<p>At least 21 days after the notice is published (not including date of publication)</p> <p>Council considers submissions and determines appropriate level of differential rates.</p> <p>Council decision to seek Ministerial approval for the imposition of differential general rates that fall within section 6.33(3).</p>	<ul style="list-style-type: none"> Council considers submissions and determines whether any changes are needed to the budget strategy – ensure legislative compliance Council resolution to make application to Minister for Local Government for particular rates

Timeline	Considerations
<p>Processing Time</p> <p>A local government needs to allow three weeks for the processing of an application from the date all of the required information is received by the Department of Local Government, Sport and Cultural Industries.</p>	<ul style="list-style-type: none"> • Application and all relevant material provided to the DLGSC • DLGSC analyses in light of legislative compliance and policy and makes recommendation to Minister (or Minister's delegate) • Minister approves/rejects proposed rates
<p>Budget Deadline</p> <p>The local government's budget is to be adopted by 31 August under section 6.2(1) of the <i>Local Government Act 1995</i>.</p> <p>The budget cannot be adopted until after the Minister makes their decision.</p> <p>If the local government has submitted the final documents for Ministerial approval later than the end of July, consideration may need to be given by the local government applying for Ministerial approval for an extension to the budget adoption.</p>	<ul style="list-style-type: none"> • Minister's approval conveyed to the local government • Where Ministerial approval is required • Council adopts budget – ensure legislative compliance

For more information, please contact:

Department of Local Government, Sport and Cultural Industries

Gordon Stephenson House, 140 William Street, Perth WA 6000

GPO Box R1250, Perth WA 6844

Telephone: (08) 6551 8700 Fax: (08) 6552 1555

Freecall: 1800 620 511 (Country only)

Email: legislation@dlgsc.wa.gov.au Website: www.dlgsc.wa.gov.au

Translating and Interpreting Service (TIS) – Telephone: 13 14 50