

BUDGET PRINCIPLES 2021/22

Budgetary governance is an important pillar of the overall framework of public governance. The following principles will be followed when preparing the 2021/22 budget and Long-Term Financial Plan.

Principle	Comment
1. Council is committed to pursue a sound and sustainable fiscal policy	<ul style="list-style-type: none"> • A sound fiscal policy is one which avoids the build-up of unsustainable debts • Council rejects cost shifting from other entities where these entities have delivery responsibility
2. Performance, evaluation and value for money are integral to the budget process and Council's financial management	<ul style="list-style-type: none"> • Council can explain what is being delivered, to what standard of quality and at what level of efficiency • Programmes and services are evaluated objectively and regularly • Evaluations are evidence-based • Budget reports are prepared on a regular basis throughout the financial year
3. The budget presents a comprehensive, accurate and reliable account of Council finances	<ul style="list-style-type: none"> • The budget document accounts comprehensively and correctly for all forecast expenditures and revenues, with no figures omitted or hidden • The budget is based on accrual principles
4. Operational budgets are closely aligned with Council's medium-term strategic priorities	<ul style="list-style-type: none"> • Council's operational plan and Council's strategic plans inform the budget • Officers are encouraged to develop a strong medium-term dimension in their budgeting process, beyond the traditional annual cycle • The budget recognizes Council priorities and the resources required to achieve them; where existing internal resources are insufficient, supplementary external resources are budgeted for
5. Capital budgets align with Council's strategic asset management plans and long-term strategic priorities	<ul style="list-style-type: none"> • Priority is given of spending on operations and renewals rather than new capital assets • New assets are only budgeted where there is a strategic need and an external funding source has been identified • All capital investment is evaluated for whole-of-life costs and only proceeds where asset ownership is within Council's long-term financial capacity
6. Council facilitates public engagement and inclusive, participative and realistic debate on budgetary choices	<ul style="list-style-type: none"> • IP&R documents will be put on public exhibition for community feedback as per legislative requirements • No specific engagement will be undertaken to avoid engagement fatigue given that the 2021 budget concludes the current IP&R cycle and planning for the next IP&R cycle is already underway
7. Budget execution is actively planned, managed and monitored	<ul style="list-style-type: none"> • Once approved, the budget is fully and accurately implemented by Council departments • Organisation roles, responsibilities and authorisations are clear and have been communicated • There is limited flexibility for re-allocation of funds within the broad purpose of original budget allocation • Re-allocation of a capital nature and above a certain operational level has to be approved by Council
8. Council actively advocates for support from other levels of government	<ul style="list-style-type: none"> • Council actively lobbies for the re-instatement of FAGS funding of a 1% of total tax revenue • For projects that align with the Delivery Program and Advocacy Plan Council submits bids where grant funding opportunities arise • Council will focus on operational funding support where possible

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