

## WEST ARNHEM REGIONAL COUNCIL

### FOR THE MEETING 3 March 2026

<b>Agenda Reference:</b>	<b>9.9</b>
<b>Title:</b>	<b>Draft 2026/27 Local Authority Budget and Long-Term Financial Plan</b>
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#### SUMMARY

The purpose of this report is to commence the consultation process with the Local Authorities within the region in relation to the 2026/27 Budget and Long-Term Financial Plan.

#### RECOMMENDATION

THAT THE LOCAL AUTHORITY receives and notes the report titled *Draft 2026/27 Local Authority Budget and Long-Term Financial Plan*.

#### BACKGROUND

The Council is required to consult with its Local Authorities about next year's annual budget and long-term financial plan. The Council must approve a budget and long-term financial plan by 30 June 2026.

At the Ordinary Council Meeting held on 24 February 2026, the Council approved the attached draft 2026-27 budget (at Local Authority level) to begin the process of building the annual budget and long-term financial plan.

#### COMMENT

The draft 2026-27 budget (at Local Authority level) is an opportunity to discuss what community activities and services are expected to be delivered and their estimated costs. This is an opportunity for Local Authority members to ask questions and contribute to the building of next year's budget.

#### LEGISLATION AND POLICY

Local Government Act 2019

Minister's Guideline 1: Local Authorities

#### FINANCIAL IMPLICATIONS

The Council is responsible for having an approved budget and long-term financial plan and to monitor the council's performance against that approved budget.

#### STRATEGIC IMPLICATIONS

This report aligns to the following pillars and goals as outlined in the *Regional Plan and Budget*:

#### **PILLAR 5 SUSTAINABILITY AND CLIMATE ACTION**

Leading by example, we commit to developing a culture of sustainable practice. We recognise and champion the importance of safe-guarding our environment for future generations by working collectively with community, private enterprises and all tiers of government.

#### **Goal 5.1 Recycling and Waste**

Develop recycling and waste initiatives which protect and preserve community natural resources and the local environment.

#### ATTACHMENTS

1. Table 6.1 LA v.4 [9.9.1 - 2 pages]

DRAFT - Local Authority Area Budget for 2026-27						
LOCAL AUTHORITY BUDGET COMPARISON	Region		Gunbalanya		Jabiru	
	Approved Final Revised Budget 2025-26 \$	Draft Budget 2026-27 \$	Approved Final Revised Budget 2025-26 \$	Draft Budget 2026-27 \$	Approved Final Revised Budget 2025-26 \$	Draft Budget 2026-27 \$
<b>OPERATING INCOME</b>						
Rates	-	-	380,271	473,020	1,524,892	1,706,394
Charges - Sewerage	-	-	-	-	750,797	803,353
Charges - Water	-	-	-	-	1,674,000	1,791,180
Charges - Waste	-	-	390,622	417,966	303,185	324,408
Fees and Charges	197,300	197,300	86,488	14,500	458,352	385,544
Operating Grants and Subsidies	12,280,397	11,394,570	1,128,919	995,762	541,650	445,430
Interest / Investment Income	160,000	170,000	-	-	-	-
Income allocation	6,005,703	5,401,016	171,321	106,648	64,010	48,531
Other income	584,507	790,877	103,268	16,500	138,862	2,500
Income Agency and Commercial Services	220,015	220,015	1,534,266	1,487,261	1,465,473	1,455,512
<b>TOTAL OPERATING INCOME</b>	<b>19,447,921</b>	<b>18,173,777</b>	<b>3,795,155</b>	<b>3,511,657</b>	<b>6,921,221</b>	<b>6,962,852</b>
<b>OPERATING EXPENDITURE</b>						
Employee Expenses	7,157,612	7,520,031	2,254,639	2,487,396	3,639,572	4,175,421
Materials and Contracts	1,913,522	1,130,571	1,323,235	1,162,484	1,843,483	1,782,578
Elected Member Allowances	402,120	402,120	-	-	-	-
Elected Member Expenses	289,119	299,119	-	-	-	-
Council Committee Allowances	7,000	7,000	-	-	-	-
Local Authority Allowances	-	-	14,900	14,900	-	-
Council Committee & LA Expenses	-	-	4,000	4,000	10,175	10,175
Depreciation, Amortisation and Impairment	5,271,438	5,271,438	-	-	-	-
Finance expenses	4,100	4,100	1,270	1,270	1,770	1,770
Travel, Freight and Accom Expenses	503,589	503,797	142,323	139,356	69,489	69,489
Fuel, utilities and communication	491,042	491,042	355,599	348,930	591,112	588,962
Other Expenses	3,970,027	2,522,487	578,758	544,388	947,980	838,323
<b>TOTAL OPERATING EXPENDITURE</b>	<b>20,009,568</b>	<b>18,151,705</b>	<b>4,674,724</b>	<b>4,702,724</b>	<b>7,103,581</b>	<b>7,466,718</b>
<b>BUDGETED OPERATING SURPLUS / (DEFICIT)</b>	<b>(561,647)</b>	<b>22,072</b>	<b>(879,569)</b>	<b>(1,191,067)</b>	<b>(182,360)</b>	<b>(503,866)</b>
<i>Remove NON-CASH ITEMS</i>						
Less Non-Cash Income	(6,470,299)	(5,777,300)	-	-	-	-
Add Back Non-Cash Expenses	11,741,737	11,048,738	-	-	-	-
<b>TOTAL NON-CASH ITEMS</b>	<b>5,271,438</b>	<b>5,271,438</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Less ADDITIONAL OUTFLOWS</i>						
Capital Expenditure	(6,302,412)	(818,484)	-	-	-	-
Transfer to Reserves	(1,489,500)	(1,305,000)	-	-	-	-
Other Outflows	(1,400,000)	-	-	-	-	-
<b>TOTAL ADDITIONAL OUTFLOWS</b>	<b>(9,191,912)</b>	<b>(2,123,484)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Add ADDITIONAL INFLOWS</i>						
Proceeds from Sale of Assets	90,000	90,000	-	-	-	-
Capital Grants Income	-	-	-	-	-	-
Prior Year Carry Forward Tied Funding	5,031,013	-	-	-	-	-
Other Inflow of Funds	1,489,500	1,305,000	-	-	-	-
Transfers from Reserves	1,546,489	-	-	-	-	-
<b>TOTAL ADDITIONAL INFLOWS</b>	<b>8,157,002</b>	<b>1,395,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET BUDGETED OPERATING POSITION SURPLUS / (DEFICIT)</b>	<b>3,674,881</b>	<b>4,565,026</b>	<b>(879,569)</b>	<b>(1,191,067)</b>	<b>(182,360)</b>	<b>(503,866)</b>

DRAFT - Local Authority Area Budget for 2026-27								
LOCAL AUTHORITY BUDGET COMPARISON	Maningrida		Minjilang		Warruwi		Total Annual Budget	
	Approved Final Revised Budget 2025-26 \$	Draft Budget 2026-27 \$	Approved Final Revised Budget 2025-26 \$	Draft Budget 2026-27 \$	Approved Final Revised Budget 2025-26 \$	Draft Budget 2026-27 \$	Approved Final Revised Budget 2025-26 \$	Draft Budget 2026-27 \$
<b>OPERATING INCOME</b>								
Rates	637,857	792,776	60,675	77,855	98,220	125,618	2,701,915	3,175,663
Charges - Sewerage	-	-	-	-	-	-	750,797	803,353
Charges - Water	-	-	-	-	-	-	1,674,000	1,791,180
Charges - Waste	735,252	786,720	67,857	72,607	106,664	114,130	1,603,580	1,715,831
Fees and Charges	190,498	82,942	27,767	15,150	52,767	32,750	1,013,172	728,186
Operating Grants and Subsidies	1,254,613	940,469	1,051,523	975,469	1,369,962	945,954	17,627,064	15,697,654
Interest / Investment Income	-	-	-	-	-	-	160,000	170,000
Income allocation	106,221	96,061	94,159	96,159	28,886	28,886	6,470,299	5,777,300
Other income	20,000	20,000	8,500	7,000	5,500	5,500	860,637	842,377
Income Agency and Commercial Services	1,632,866	1,632,866	855,287	855,287	795,613	795,613	6,503,520	6,446,554
<b>TOTAL OPERATING INCOME</b>	<b>4,577,307</b>	<b>4,351,834</b>	<b>2,165,768</b>	<b>2,099,526</b>	<b>2,457,612</b>	<b>2,048,452</b>	<b>39,364,983</b>	<b>37,148,098</b>
<b>OPERATING EXPENDITURE</b>								
Employee Expenses	2,307,736	2,625,885	1,474,726	1,816,562	1,895,094	2,028,936	18,729,379	20,654,230
Materials and Contracts	1,563,726	1,280,033	508,708	441,233	769,772	348,704	7,922,446	6,145,602
Elected Member Allowances	-	-	-	-	-	-	402,120	402,120
Elected Member Expenses	-	-	-	-	-	-	289,119	299,119
Council Committee Allowances	-	-	-	-	-	-	7,000	7,000
Local Authority Allowances	6,000	6,000	6,205	6,205	9,200	9,200	36,305	36,305
Council Committee & LA Expenses	8,000	8,000	8,600	8,600	3,083	3,083	33,858	33,858
Depreciation, Amortisation and Impairment	-	-	-	-	-	-	5,271,438	5,271,438
Finance expenses	1,050	1,050	1,400	1,400	800	800	10,390	10,390
Travel, Freight and Accom Expenses	207,430	211,069	199,580	195,806	160,555	143,446	1,282,966	1,262,963
Fuel, utilities and communication	373,368	373,368	306,315	301,451	201,397	204,281	2,318,833	2,308,035
Other Expenses	923,565	654,752	447,085	338,107	430,242	361,935	7,297,656	5,259,992
<b>TOTAL OPERATING EXPENDITURE</b>	<b>5,390,875</b>	<b>5,160,157</b>	<b>2,952,620</b>	<b>3,109,363</b>	<b>3,470,143</b>	<b>3,100,385</b>	<b>43,601,511</b>	<b>41,691,052</b>
<b>BUDGETED OPERATING SURPLUS / (DEFICIT)</b>	<b>(813,568)</b>	<b>(808,323)</b>	<b>(786,852)</b>	<b>(1,009,837)</b>	<b>(1,012,531)</b>	<b>(1,051,933)</b>	<b>(4,236,527)</b>	<b>(4,542,954)</b>
<i>Remove NON-CASH ITEMS</i>								
Less Non-Cash Income	-	-	-	-	-	-	(6,470,299)	(5,777,300)
Add Back Non-Cash Expenses	-	-	-	-	-	-	11,741,737	11,048,738
<b>TOTAL NON-CASH ITEMS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,271,438</b>	<b>5,271,438</b>
<i>Less ADDITIONAL OUTFLOWS</i>								
Capital Expenditure	-	-	-	-	-	-	(6,302,412)	(818,484)
Transfer to Reserves	-	-	-	-	-	-	(1,489,500)	(1,305,000)
Other Outflows	-	-	-	-	-	-	(1,400,000)	-
<b>TOTAL ADDITIONAL OUTFLOWS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,191,912)</b>	<b>(2,123,484)</b>
<i>Add ADDITIONAL INFLOWS</i>								
Proceeds from Sale of Assets	-	-	-	-	-	-	90,000	90,000
Capital Grants Income	-	-	-	-	-	-	-	-
Prior Year Carry Forward Tied Funding	-	-	-	-	-	-	5,031,013	-
Other Inflow of Funds	-	-	-	-	-	-	1,489,500	1,305,000
Transfers from Reserves	-	-	-	-	-	-	1,546,489	-
<b>TOTAL ADDITIONAL INFLOWS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,157,002</b>	<b>1,395,000</b>
<b>NET BUDGETED OPERATING POSITION SURPLUS / (DEFICIT)</b>	<b>(813,568)</b>	<b>(808,323)</b>	<b>(786,852)</b>	<b>(1,009,837)</b>	<b>(1,012,531)</b>	<b>(1,051,933)</b>	<b>-</b>	<b>-</b>